

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 21, 2023

CLEMENTS: You don't have to go somewhere.

CLEMENTS: All right, very good. The clerk was able to get the technical difficulties resolved, and so we're ready to start. Welcome to the Appropriations Committee hearing. My name is Rob Clements. I'm from Elmwood. I represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as Chair of this committee. We will start off by having members do self-introductions, starting with my far right.

ARMENDARIZ: Hi. Christy Armendariz from District 18, northwest Omaha and Bennington.

DORN: Myron Dorn, District 30.

DOVER: Robert Dover, District 19.

McDONNELL: Mike McDonnell, Legislative District 5, south Omaha.

WISHART: Anna Wishart, District 27, west Lincoln and Lancaster County.

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

LIPPINCOTT: Loren Lippincott, District 34.

ERDMAN: Steve Erdman, District 47.

CLEMENTS: Thank you. Assisting the committee today is Tamara Hunt, our committee clerk. To my left is our fiscal analyst, Mikayla Findlay. Our pages today are Malcolm from Omaha, a UNL student; Kate from Kansas, UNL student. At each entrance you will find green testifier sheets. If you're planning on testifying today, please fill out a green testifier sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record after today's hearing. To better facilitate today's proceeding, I ask that you abide by the following procedures. Please silence your cell phones and electronic devices. Move to the front chairs when you're ready to testify. The order of testimony for bills will be introducer, proponent, opponent, neutral, and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency, then we will hear testimony from anyone who wishes to speak on the agency's budget request. When you come to

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testify, spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to five minutes or less. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution when you come up to testify. If you have written testimony but do not have 12, 12 copies, please raise your hand now so the pages can make copies for you. And now we will begin today's hearing with Agency 25, Department of Health and Human Services. Welcome, Director. Good afternoon.

Speaker 6: Good afternoon. Good afternoon to everyone. Good afternoon. Chairman Clements and members of the Appropriation Committee. My name is Danette Ah Smith Day in 1888. Middle initial, our last name Smith SMI, and I am the chief executive officer for the Department of Health and Human Services, DHHS. I appreciate the opportunity to testify before you on LBE 814 budget recommendations. I am in support of Governor Palin's budget as it makes necessary investments in the department's work to help empower Nebraskans to live their best lives. Today and tomorrow, you will hear from members of my leadership team who will be who will present their departmental budget requests. They are Dr. Kevin Bagley, division director of Medicaid and long term care charity, Menifee Division Director of Public Health. And Tony Green, Division Director of Developmental Disabilities. Director Green will come before you twice as he will be presenting on behalf of the Division of Behavioral Health, the Budget as he is acting as an interim director. I will be speaking on behalf of Children and Family Services as I am the Interim Division Director. But first I will discuss the overall departmental budget priorities since taking on the role as CEO over four years ago. I have there have been significant numbers of challenges face as well as accomplishments made. We navigated the historical floods in 2019 to ensure Nebraska residents had had the vital support needed as they worked to recover. A redesign of the Youth rehabilitation and Treatment centers. Why RTC has now resulted in two facilities the Y, RTC, Lincoln and the Y RTC Hastings, receiving top marks at 100% compliance from the American Correctional Association in 2022. Y rtc Hastings also received a flawless report from the federal PREA audit in April of 2022 as well, which which measured 42 different standards and earned a report of approximately 100% compliance with no corrective action. Another major undertaking was Medicaid expansion, which has provided critical access to medical and dental services to over 80,000 Nebraskans out of a total of 390,000 Medicaid members. As we prepare for the public health in line, the department has continued to refine its plan for a seamless transition for those Nebraskans who may no longer qualify for Medicaid

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to be supported by the federal marketplace. The department experienced numerous challenges presented by by a COVID 19 public health emergency. During this time, I began to reorganize the reorganization of the Public Health Division to improve coordination and communication between the division and local health jurisdictions, as well as to improve our internal and external department operations. Throughout this experience, it was evident that there was a need to invest in technology and infrastructure. Outdated systems cannot keep up with the demand for data, which is needed to drive decision making. When data drives decision making, it enhances the department's ability to provide services to Nebraskans. I want to highlight several items included in the governor's budget recommendation related to data and technology, a primary mechanism for DHHS to help Nebraskans live their best lives. And we launched The Eyes Serve Nebraska Portal, a platform focused on integrating programs and services across the department. The platform provides the ability for Nebraskans to apply for benefits with numerous programs in a single application. This final phase will be implemented in July of 2023, while the base technology platform has launched. Development will continue into the next biennium, and the governor's recommendation includes funding for this application. The governor's recommendation also includes funding for data nexus and vital records. The data Nexus funding is a modernized enterprise data management through enhancements in data governance, architecture, quality and integration. The vital records funding is a prioritized area that intertwines with the fundamental components of a data nexus and transitions aging processes to a more secure, digitized and efficient. Vital Records System. The DHHS Public Health Director, Charity Menefee will have more details on these requests. Finally, the governor's recommendation also includes funding for the public health emergency, PHC and Y for Medicaid eligibility. This is a process where DHS will unwind the continuous enrollment requirements and return to regular Medicaid eligibility operations. The department began this process on March four, 2023 and anticipates completion by April 30th, 2024. DHS This goal is to support continuity of coverage by assisting members who remain eligible for members who are no longer eligible. DHHS will support their transition to other coverage options options including the federal marketplace. Additional details regarding the PHC online will be provided in testimony by our Medicaid Long-Term Care Director Dr. Kevin Bagley. The Department of Health and Human Services, in full support of the Governor's budget recommendation of 1.9 billion for DHHS and General funds appropriation. The governor's recommendation includes increases for the Department of 43.5 million in one year of the biennial and 81.9 million in the year two of the biennium made. The majority of these requests will fund cost of living

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adjustments for teammates increases to operations, calls that the Department has experienced during the last three years and provide rate increases that were enacted in 2022. I want to thank the Appropriations Committee for the opportunity to testify today. I would be happy to answer any of your questions.

Speaker 4: Other questions from the committee. So I wish to.

Speaker 2: Thank you, Director, for being here today. I did want to talk specifically on child welfare.

Speaker 6: Yes.

Speaker 2: So it's my understanding that family support workers within the Department of Health and Human Services would be those who are working on cases of children who are in the foster care system. For example.

Speaker 6: Case manager.

Speaker 2: Case managers will be receiving the increase that was bargains as state employees. Walk me through then, when we're looking at provider rates for the contracted services, we contract out for foster care youth for a similar position of a caseworker, but with a private entity or nonprofit. How how that works with their rates and what they can pay versus what will be pay internally at the department. How that's going to work?

Speaker 6: Well, we recognize that certainly our staff and I've had an opportunity to talk with some of the provider counselors and they acknowledge that there have been a little bit of gap in how the service, how the salaries are. I think what you can hear from the department is that we're where ever possible, we want to figure out with the provider community how we make them whole. I don't know what I can do this year. We will not be asking for rate increases, but I know that we've had conversations about that.

Speaker 2: Okay. Okay. Thank you.

Speaker 4: Another question from the committee. CEO. Smith You said that you wanted to also then move on to the other division. Yes. All right. Go ahead.

Speaker 6: Good afternoon. Chairman Clements and members of the Appropriations Committee. My name is Dan at our Smith D.A. in in ITI middle initial our last name Smith SMI. I am the chief executive

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officer of the Department of Health and Human Services, DHHS. I am currently. For the Division of Children and Family Services, CFS. I am here to testify in support of the of Governor Palin's budget recommendation. LPI 814. The budget includes many key priorities for the division, and those priorities will work toward the goal of improving the lives of Nebraskans over the next two years. The governor's recommendation includes funding to hire a team of dedicated foster care licensing staff. When a foster care home is licensed, DHHS can draw more federal dollars for child welfare aide program budget. This request will improve the department's for penetration rate, also increasing the amount of claimable federal dollars for for administrative costs in 2022. Child welfare providers received a rate increase of 17% in foster care and other child welfare services. Family support, parenting, time supervised visitation and travel TIME received an additional 3% for a total of 20% increase for those services. The governor's recommendation includes 3.7 million in funding to support increases for post permanency rates when a child exits the child welfare system. Post permanency programs include programs such as adoption, guardianship and independent living subsidies that are connected to current foster care rates. These funds help support children in their forever homes with the hope that they will not reenter the reenter the system. The Economic Assistance Administration budget in lbe 814 includes funds to explore and reposition staff as necessary to provide continuity of service delivery and support community wide program integration. Finally, the governor's recommendation includes funding for call centers that handle both economic assistance and Medicaid applications during the height of the pandemic. Call center volume skyrocketed with dwindling staff to manage the work. DHHS absorbed this costs with within existing appropriations during the current biennial, but cannot do so permanently. There is a current request for proposal RFP being scored for the new call center contract that will be awarded in 2023. This appropriation recommend requirement will continue as the Department strives to improve operational effectiveness and provide exceptional customer service to Nebraska residents applying for assistance. According to the Annie Casey Foundation, 2022 Kids count. Nebraska ranked number eight in the nation for the overall state ranking of child well-being and number one for economic well-being specifically, while the state consistently ranks in the top ten annually. CFS continues to work toward transforming Nebraska's child welfare system into one that is family centered. Last session, Last Session's Bill LRB 1173 created a strategic leadership group comprised of executive leadership and judiciary branches. These three branches efforts has been coined reimagine well-being. I believe we are off to a great

start with an intentional, proactive and forward thinking approach which aims to anticipate the needs of both children and families from the community based perspective. Two of the core components of this initiative are to develop comprehensive practice and finance models in partnership with the selected consultant, the Steven Group. In summary, the governor's budget recommendation will further enhance the state of Nebraska and improve the lives of those who are served by the department. We respectfully request that the committee approve the Governor's budget recommendations in LBA 14. Thank you for the opportunity today to testify. I will be happy to answer any questions.

Speaker 4: Of the questions from the committee. Senator Richard.

Speaker 2: Thank you, CEO Smith, and I apologize. I think I got your title incorrect the first time, so I apologize for that. I want to go back to rates again. Yeah. Yes. Now that we're on child welfare. So, yes, there is an understanding that there is potentially a gap then in terms of the pay that the state is providing for our caseworkers at DHHS and and what providers are able to pay. Do you have a sense of what that gap is?

Speaker 6: You know, at this time, I don't have a sense of what that gap is right now. I know that what we're hoping to do, Senator, which is with the bill, will be 1173. There is a whole piece. You know, I talked about a practice model and finance model. What I'm hoping that we're going to be able to do is to look at that model in terms of how do we finance the whole child welfare system so that we don't necessarily have gaps in paying, but also not only paying for salaries but also paying for services. And so we acknowledge and have had some conversations with some of the providers about where we think think things are. We would just like to have an opportunity from that will be 1173 to really take a holistic look at what is the funding model that should be used here in Nebraska to pay for services.

Speaker 2: Okay. Thank you.

Speaker 6: Yes.

Speaker 4: Sarah Dawn.

Speaker 1: Oh, thank you, Senator Clements. Thank you for being here. CEO Smith, Part of why shouldn't we be asked this a little bit before when you were talking, but how is your staffing? You mentioned staffing in here and the need we had for more staffing and the

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challenges during COVID. Can you talk a little bit about where that's at or is that leveled out or what you're seeing for the future?

Speaker 6: Yes, absolutely. So let me start first with the case. So I know that last year when we came to you, our case loads were skyrocketing. It looks like we're starting to see a level off. What I would also tell you, though, with those case loads is that we are finding that our caseload may be staying, may be leveling off, but the intensity of the needs of the children are higher. And so you will hear us talk a lot more about the importance of behavioral health. So that has to do with the case loads. In terms of staffing, we're doing fairly well. We have a quite a few staff who are in training. When I look across the state at our case and our case loads right now I have approximately 358 staff. We are just about at caseload standards and for us that's pretty good. I would tell you that we're between 70 and 77% of caseload across the state. Let me break it down to the Eastern Service area. I have 158 staff in the Eastern Service area. I have just about 60, 66 vacancies. So I'm about at 66% of caseload standards. I don't think we've ever been there. Our caseload standards, particularly in the eastern region, have been between 30% and 40%. So we're doing quite well. We have quite a few staff who are in training right now. They're starting to come out of training. This is across the state. And they're able to take small case loads, which is very good.

Speaker 1: One more follow up question, and this relates a little bit to your answer. Just a senator we're sorry, 1173 With that bill, you plan on developing the plan?

Speaker 6: Absolutely.

Speaker 1: Any just a timeline, if you could mention maybe or are you looking at by next year when we have session that that could be.

Speaker 6: I think by next year session we will have for you what the finance model would look like. And then I think we would come back to you a year later talking about what does that financing look like for for the future going forward? Okay. So I don't I don't want to promise that next session will be coming back with with money. I don't believe we will, but we think we will have the plan. The plan is due to the Health and Human Services Committee by December. We will present it to them and then we will talk about what the next steps need to be.

Speaker 3: Thank you.

Speaker 6: We have some. So that's where we are right now.

Speaker 4: And the questions, so reminders.

Speaker 3: Thank you.

Speaker 2: Thank you for being here. Can you give me the biggest pain point of CFS that we would that we would directly affect in appropriations if you could get that funding? What what what is your biggest pain point that you want to get addressed?

Speaker 6: Well, I think right now we're doing pretty good. I know that's a rarity to say as the CEO, but right now we're doing good. I took over as interim director of CFS. I'm still in the middle of assessing my department and seeing exactly what the needs are. And I can tell you right now, one of the things that we're focusing on is operations from a child welfare perspective. When I look at Medicaid and snap our cases and our ability to process our cases in a timely manner, we're doing that. We're doing that well with the staff that we have. As always, we always could use more staff, but it's not that I don't have the money. I simply don't cannot find the bodies. So I would tell you that right now I'm doing okay. You will hear me. And you did hear me in my test testimony talk about in our budget, the governor has given us permission to put in the budget for the licensing of staff to help us get our homes license. If we have licensing staff, that helps us with our four year penetration. Right now, our board penetration is about 20%. I'd like to see us raise that, but the only way I can do that or make it claimable is to have licensed foster homes where I can claim that for penetration.

Speaker 4: And the questions is we were looking at your budget. The committee did have a few items I'd like to discuss. Intel, Family Services. What is your current vacancy rate and how's the case load ratio? I know that we had a concern with Saint Francis and that was a problem. I just would like you to address that.

Speaker 6: Okay. Let me start with Saint Francis. And well, let me start with the vacancy rate for right now. And I know that you're particularly talking about the Eastern Service area, right?

Speaker 4: Yes.

Speaker 6: We are at a vacancy rate, as I indicated, about 66 vacancies. I have 158 staff. That puts me at about 66%, maybe thereabouts. We are working very diligently to get our caseloads in to case low compliance. I have to say that the director over that area is

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doing a fabulous job. So we have a lot of staff who are in training right now, both in the eastern area as well. In the rest of the state. We're doing very good with our vacancies for right now. As always, is finding the right people to do the the work the right way. If I had any challenge, that's what I'm that's what I'm facing.

Speaker 4: All right. Thank you. Next was could you discuss I served versus Access Nebraska.

Speaker 6: Absolutely. So I Serve is a brand new portal that we just opened. We just launched our eye service, going to allow the residents of Nebraska to make application one time for a multitude of programs that they may qualify. Right now, in January, we launched what we call the Explorer Attachment Sales Explorer application, where one can go in and see exactly what they qualify for. Once they figure out what they can qualify for right now until July 10th of this year, they will have to use Access Nebraska to do their application. But after July of this year, they will be able to use the I Serve Nebraska portal. And we'll be launching that with some of our community providers and then expanding it throughout the state. The other thing with I serve Nebraska is there's a second phase or actually a third phase called IBM. IBM is going to allow us to process applications right in the system right now we have to pull them from Access Nebraska to process the Medicaid and SNAP applications. IBM is going to collect data for us, but the most important thing is that it's going to allow my workers in real time to process applications as they come in. It's going to address the back story or back stage of how we process applications. We are very excited about it. We think that is going to shave off a lot of time and us being able to serve Nebraskans in a timely manner.

Speaker 4: Thank you. And I think related to that, we saw a request from OCI of \$24 million and wondering what was the base and is that going to be ongoing?

Speaker 6: You know, the OCO director and I have had conversations about the amount of revenue that we pay them. They provide a lot of support to the department on a lot of the platforms that we use for data. And so that cost comes from there.

Speaker 4: All right. And would you speak to the sync health issue? So we have 21 and a half million dollars in the biennium. Yes. Going to cost of that?

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Speaker 6: Yes. So I'm going to speak to a little bit of it. But the person you really want to get in the details can be Dr. Bagley. Okay. Because he can really get into the detail. We have made a deficit request because there were some figures that we got from CMS that really changed how we would pay our sync health for their services. There's a couple of things. The letter that we got from Sync Health that told us we were no longer at the 9010 that we were going to be paying at the 83%. That was one thing. And then the second thing is that in order to get that Nitin Sync Health had to be doing development of a product for us. They are now in the maintenance up effort, which takes it down to 75%. So you will notice that we are trying to make sure that we're whole this year. That's the deficit request and that we're able to pay them next year. And I can guarantee you that Dr. Bagley can go way into the weeds with you on Sync Health. I'm just giving you the 50,000. But. All right.

Speaker 4: Any other questions? Saying, Thank you, CEO.

Speaker 6: SMITH Thank you for having me.

Speaker 4: And we'll welcome Dr. Bagley. Afternoon.

Speaker 7: Good afternoon, Chairman Clements. Members of the Appropriations Committee. My name is Dr. Kevin Bagley, Kev I and Bazley. I'm the director for the Division of Medicaid and long term care within the Department of Health and Human Services. I'm here to testify in support of the governor's budget recommendation. I want to begin by thanking Chairman Clements and the members of the committee and the staff for working together with us. Medicaid is a significant portion of the state's budget and has significant impacts on the approximately 390,000 Nebraskans that we serve. Our division is committed to serving Nebraska's most vulnerable residents and has worked with the governor on a responsible budget to continue that work. The governor has proposed a responsible budget for an LTC and the governor's budget recommendation for state fiscal year 2024 and 2025 includes the following The department's anticipated costs for resuming full redeterminations for Medicaid beneficiaries. Funding for the mandatory coverage of a new Alzheimer's drug. An increase of cash fund authority for investments through the American Rescue Plan Act Section 9817. Home and Community Based Services. Spend Plan Initiatives. Funding for ongoing operations of the Health Information Exchange and Prescription Drug Monitoring Program. Funding for the Beneficiary Application Portal ICER and funding to align appropriations with increases in contracted service costs, as well as funding for increased costs associated with Medicare Part D clawback

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payments to the federal government. I'd like to share a little bit more information regarding some of these proposed increases to Medicaid's appropriation in our budget request. The Governor's budget recommendation includes approximately \$56.8 million in cash spending authority for FY 24 to cover costs associated with resuming full eligibility redeterminations for Medicaid members. It's important to note that during the federal public health emergency, in exchange for not involuntarily terminating any members coverage, the department has recognized a significant positive net impact to the general fund because of the temporary 6.2% increase in federal financial participation during the public health emergency. The Consolidated Appropriations Act recently decoupled the federal requirement to not involuntarily dis enroll Medicaid beneficiaries from the federal Declaration of a Public Health emergency. In addition, the Consolidated Appropriations Act created guidelines for states to resume full eligibility redeterminations and created a step down schedule for enhanced FFP. The current 6.2% enhanced match will end on March 31st and beginning April 1st through June 30th. States are eligible for a 5% increased match, which then lowers to 2.5% for the following quarter, July through September, and then reduces to 1.5% for the quarter of October through December of this year, at which point the enhanced FMAP is discontinued. I would note that this this expands the 56.8 million is expected to be a one time request and should not create ongoing appropriation obligations beyond state fiscal year 2024. Previously, the legislature designated cash authority from the managed care organization Excess Profit Fund to pay for the costs associated with the unwind, and that fund source is still available for these costs. The governor's recommendation also includes a multi-course deficit appropriation request of \$11 million in general funds in state fiscal year 23 and base appropriation request of 7.5 million and general funds and 14 million in federal funds for fiscal year 24 and 25 to fund the ongoing operational costs associated with the vendor for the HIV and PDMP, both of which are required by statute. Funding, which was obtained previously at 90 and even 100% federal financial participation to build the systems has ended, and the agency does not have adequate funding to support the appropriation of the HIV and PDMP without additional appropriation. The recommendation also includes the creation of Program 620 for HIV within the HHS budget to separate the funding for the HIV from the General administration budget for transparency purposes. To date, DHHS has been receiving \$1 million in general fund annually in Program oh three administration. To fund these systems. The department would note one change from the governor's budget recommendation related to funding for the HIV and PDMP systems. The department has worked with

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the vendors and council to identify a cost allocation between HIV and PDMP for costs that are considered shared between the two systems. The total cost in the budget request has not changed, just the allocation between those two systems. The revised budget request for the new program 624 HIV is now just over 6 million in general fund, with 9.9 million in federal funds in each fiscal year. The difference between these amounts and the total request is the amount attributed to the PDMP system that would remain in the program. Oh 33 Administrative Budget. The governor's recommendation includes funding for the Acer portal in the amount of 9.3 million in cash funds for state fiscal year 24 and 3.3 million in state fiscal year 25. This funding will allow the agency to complete the ICER portal, which improves experience for Nebraskans who apply for help with food, heat, electricity, health care, child care, and other essential needs within a single application. The streamlined application feature of the portal is expected to go live in July 23 to select community partners and will go live to all beneficiaries in the following months. The Department will continue to make enhancements to the portal and development will continue throughout the 2023 through 2025 biennium. In summary, DHHS supports the Governor's budget recommendation and will be a 14 which provides the necessary resources to continue our focus on covering the health care needs of our most vulnerable Nebraskans, with an eye toward improving the customer experience as well as health outcomes. We appreciate the Appropriations Committees time, and thank you for the opportunity to testify today. I'm happy to answer any questions that you all have.

Speaker 4: From the questions from the committee.

Speaker 3: Just to make your.

Speaker 4: Being told there is a new federal requirement that requires the continuous eligibility of children up to 12 months in Canada is to absorb those costs.

Speaker 7: So that's an excellent question, Senator. To kind of give some of the background there as part of the Consolidated Appropriations Act that was passed really at the very tail end of last year in December. There is a requirement for states starting January one, 2024, to provide continued 12 months continuous eligibility for children ongoing. And so there is a potentially significant cost to that at this point. I'm not sure I have a great answer in terms of what we will or won't be able to absorb in our budget. I think we're happy to to work with the Budget Office here, the committee and and

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the governor's budget office to work through that as this requirement really just came up in the last couple of months. All right.

Speaker 4: Thank you. In the Sync health issue. Would you like to clarify that a little bit more?

Speaker 7: Sure. So I'll give some background here as well. Historically, the the health information exchange, as well as the prescription drug monitoring program that's operated through sync house software that that they provide has been funded largely at either 90 or even 100% federal funds. So the roughly million dollars a year in general fund appropriation really went a long way. I can share that. Prior to the changes in federal funding infrastructure, we had spent as a state in total funds over \$100 million on those. Those tools that are available to the health care system here in the state. When the Support Act and the high tech grant went away at the end of 2020 and 2021, respectively, that changed that federal financial match from 90 or even 100% and essentially put it on states to come up with an allocation methodology for how much of it could be attributed to Medicaid and of the amount that is attributable to Medicaid. There is a match of up to 75% federal funds. So the the state match obligation shifted dramatically. What we without trying to go through what would be an otherwise, I think, frustrating word problem of percentages, of percentages of percentages. Essentially, we pay about \$0.40 on the dollar for that tool in state funds, and 60% is federally matched based on the allocation methodologies approved by CMS. And part of the reason we're coming now, as opposed to say, a year ago, is really it wasn't until really March of last year that we even had an approved and approved allocation methodology through CMS. And so since then we've been working to try and put everything in place, including contracts and and getting all of the appropriate pieces in place to make these payments. But we're at a situation now where we would need the deficit request to cover the remaining cost of the contract and then the ongoing funding to meet our statutory obligations in support of the ACA. All right.

Speaker 3: So I.

Speaker 2: Thank you, Doctor, for being here.

Speaker 8: Today. One of the.

Speaker 2: Discussions that we had when we were looking at this budget and you may not be the one to answer this, but since we're talking about signature, I thought I'd pitch it to you. We noticed that we

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have a public health care cancer registry. It's currently funded by health care, cash funds and a public health Parkinsons registry. And we're looking at, you know, the sustainability of that fund and then whether these get moved over to general funds. Just looking sort of bigger picture, is there an opportunity to utilize sync health as a platform for some of these other registries and not to have sort of these separate one offs that cost additional dollars?

Speaker 7: So I'm not sure that I'd be the best person to opine. On that specific issue, I can say I think it's important as we think about how we leverage technology, that that we're careful to take a modular approach where we don't put ourselves in a position where where we aren't able to move between platforms and we get stuck. That puts us in a difficult position, I think, as a state and as an agency. That being said, I don't want to offer an opinion on whether or not I think health would be the right place to do that or not. I think others may be able to offer better feedback on that.

Speaker 4: Thank you for the questions, Senator. Thank you, Senator.

Speaker 3: Thanks for being here today. And you spoke about the new program. 624 and you said the revised budget is 6 million general fund, 9.9 million. The original budget was 48. And any long talk about that would remain in program 33. Can you explain why you did that, why that happened?

Speaker 7: Yeah. So the background for breaking out the new budget program 624 is really we want to make sure that there now that we're not talking about, say, \$1,000,000 a year in general fund appropriation to fund the health information exchange, now that we're talking about seven and a half or potentially more in the future, we want to make sure that it is clearly defined from from the perspective of the legislature as well as the public, in terms of what moneys appropriated for that. And when it gets rolled into that. Oh 33 budget. Right. That that is relatively fungible in terms of how we spend that on administration of the department. And so we want to make sure it's clear how much is appropriated for that that budget in terms of the allocation between the two, because we have CINC Health currently operating the HIV as well as the prescription drug monitoring program, the PDMP that PDMP is is required by federal law that we operate that. And so because we have that federal requirement that that is in place, we think it's appropriate for us to include that as part of our oh 33 budget. We don't have a similar federal requirement to operate and pay for the HIV, though we do in this case have state statute associated with it. And so we believe that the best

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way to kind of foster additional transparency on that front is by breaking it out between the programs that you.

Speaker 4: So, Dawn.

Speaker 1: Thank you, Senator Clements, and thank you for being here. Director Bagley. When we had the meeting over, I'd call it over in your big room over there. The question was asked about expanded Medicaid and what those numbers looked like and what you thought maybe going forward they would be. Could you talk a little bit about that?

Speaker 7: Yeah. So through the public health emergency, obviously, as we've not been able to decent roll anyone, we've seen our numbers climb quite a bit. And so we currently sit around 390,000 total members. Medicaid expansion, we have seen obviously climb throughout the pandemic because it's been a new program. Right. We've we've seen growth in that the original estimates for that were were in the 95,000 range. I believe we haven't seen that level of enrollment in spite of the fact that we haven't had any churn in the program either. So in that discussion, you know, the question is raised of do we think we're ever going to hit that 95,000 number for enrollment? I certainly don't have a crystal ball to predict really what the future will be. If I had to guess, given the fact that we haven't seen any churn in the program, it seems likely that the roughly 80 to 85000 that were currently enrolled through Medicaid expansion is probably as much as we're going to see. Now, of course, things can change, the economy can change in the future, and that may shift, but it seems unlikely that we're going to have more than that as we go through this unwind.

Speaker 1: And that is that the number you're currently at then in that 80,000 range?

Speaker 7: Yes.

Speaker 3: Yes. Thank. I will for the.

Speaker 8: So did it go down?

Speaker 4: Okay. The this sync health issue we went from from 12 million up to seven point 17.9 to the program 33 dropped by that amount. I think that's what we're asking.

Speaker 7: So did we did we see o 33 drop by the same amount as we went into 624? Is that your question? Not having all of the numbers and tallying them up in front of me, I'm not certain. I believe that in all of the math that, you know, that went into all of this, you

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would see that reduction. But I'm not confident not having the spreadsheet in front of me. Happy to work with. Happy to work with the staff on that. Right.

Speaker 4: Thank you. Thank you, Dr. Bagley. I have no other representatives of the agency today, right?

Speaker 7: I don't believe so. All right.

Speaker 4: Well, with that, we will then invite testimony regarding the Department of Health and Human Services Agency budget. They were today dealing with operations, Medicaid, long term care, children, Family services. Good afternoon.

Speaker 8: Good afternoon. Chairman Clements, members of the committee. My name is Amy Banki and Y. B.H. and Keith, and I'm the CEO at Health Center Association of Nebraska. I'm here today on behalf of Nebraska's seven federally qualified health centers, who collectively serve over 116,000 patients statewide. We're pleased to share our comments on the agency budget for Medicaid long term care, and would respectfully request that the committee consider including funding in the budget for providing 12 months continuous eligibility for children enrolled in Medicaid. Thank you for teeing that up, Chairman. 12 month continuous eligibility is a proven method to ensure continuity of coverage in care because no one lost coverage for Medicaid during the COVID 19 public health emergency. We were able to witness the impact continuous coverage has on our patients. Nationally, the uninsured rate for children dropped, reversing a multiyear trend of the number of uninsured children actually going up. In Nebraska, our health centers serve over 36,000 children annually. We saw the uninsured rate for children dropped from nearly 27% pre-pandemic to 20% in 2021, the lowest it's ever been. Beginning July 1st or January 1st, 2024, all states will be required to provide 12 months continuous eligibility for children. This request merely bridges the gap until then. For the record, I would acknowledge that I'll be 326 introduced by Senator Raybould. Also addresses 12 month continuous eligibility and is currently pending in the Health and Human Services Committee. However, considering that the state will have to begin continuous coverage in January, we felt it appropriate to raise the issue during the agency budget hearing as well. Adapting 12 month continuous eligibility now will help more low income Nebraska children keep their Medicaid coverage in order to stay healthy throughout the year. Children turning on and off the Nebraska Medicaid program is a common occurrence. More often than not, this churn is due to administrative burdens. Losing insurance coverage due to red tape happens far too

often for children living in poverty. In 2019 Pre-covid-19, 12,455 children were just enrolled from the Medicaid program due to periodic income checks. However, according to data submitted by the department to CMS, 72% of those children just enrolled by the state were disenrolled because requested paperwork wasn't filled out properly. Not necessarily because they did not qualify. Paperwork should not be a cause for children to lose their insurance coverage. As you just heard, Nebraska recently began the process of re-determining Medicaid eligibility for all enrollees. The state has estimated that as many as 390,000 individuals would go through the process with anywhere from 40 to 80,000 losing coverage based on an analysis by the Federal Department of Health and Human Services Office of Health Policy. Children are expected to be disproportionately impacted by the redetermination process, with as many as 5.3 million children losing coverage nationally. That same analysis estimated that children ages 0 to 17 will make up over half of the eligible but disenrolled individuals. Those individuals who are losing coverage due to churn in the fiscal note four will be 326 Senator Ables Bill. It includes estimated costs for both the required implementation of continuous eligibility as of January and the three months that would be impacted by the bill. We believe that a fiscal note estimate is high based on the experience of the three other states that have already adopted continuous eligibility. On average, their child enrollment numbers grew by to 2.2% more than other states that did not adopt continuous eligibility. Based on this 2.2% increase in enrollment, one would expect only a roughly \$5 million increase in state spending, as opposed to the 22.6 million estimated for the nine months of FY 24 and the 30.7 million estimated for FY 25. In the fiscal note, as the state fully implements the Medicaid redetermination process and we move closer to the date when 12 months continuous eligibility will be required. We have the opportunity to proactively approach implementation of continuous eligibility and ease the burden on Nebraska's families. Continuity of Medicaid coverage is essential to continuity of health care. Children with gaps in coverage are more likely to skip well-child visits. They're unable to afford medications or access to specialty and behavioral health services. And children with gaps in coverage are nearly 25% more likely to have preventable hospitalizations. So I would urge your support of adopting continuous eligibility now and including the appropriate funding in your budget recommendation. I'd like to thank you for your time. I'd be happy to answer any questions you may have.

Speaker 4: The questions from the committee. Senator Dorgan.

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Speaker 1: Senator Clemens. I just on the front page, you had 48,000 losing coverage because of the redetermination process. What? And I should I maybe ask Director Bagley this, but what is what is probably one of the some of the main things why they would lose coverage.

Speaker 8: I think some of it obviously will be income. Changes that have happened over the last several years and people may qualify for marketplace coverage. A lot of it will be due to paperwork changes. Our health centers all have outreach and enrollment staff and they're starting to work with people now and some of the questions that have already come up. You have people who for two years have never had to go through a redetermination. So I think there's just a certain level of confusion that's understandable there.

Speaker 1: In a way, it's it's gonna be a kind of a normal process of attrition and through the right having to determine the process.

Speaker 8: Right. It's just happening all at once. All right.

Speaker 4: Thank you for the questions segment. Thank you for your testimony. Further, others wishing to testify on the Health and Human Services budget today. Good afternoon.

Speaker 8: Thank you for having me. Senator Clemens and committee members. I am Dr. Liz Papineau. Eliza Pap. I in AEW. I'm a general dentist in New York and the current president of the Nebraska Dental Association. I am here testifying on the on the Medicaid budget hearing to make the committee aware of lbe 358 a bill that was reference to the Health and Human Services Committee asking for a 25% increase in dental Medicaid fee reimbursement. From a budget standpoint, a 25% increase equates to \$6 billion in the first year and \$7 million in year two. The intent is to provide better and more appropriate dental fees, encouraging more dentists to sign up to see Medicaid patients. The ultimate goal is to assure more Nebraskans who rely on Medicaid will be able to access dental care. I think, like numerous other small businesses, our dental offices are dealing with staff shortages, along with increasing payroll material and lab costs. With the current reimbursement rates for Medicaid being approximately 40% of our average office fees. It has become incredibly difficult to provide quality dental care for those on state assistance. It's never been dentists intent to make a large profit off of Medicaid patients. However, one cannot expect and is to lose money and continue to take Medicaid, for example. Medicaid reimburses \$38 for an adult teeth cleaning, while the average Nebraska hygienist hourly wage is \$45. As you can see, that payment for Medicaid doesn't even cover the

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hygienist wage, let alone the additional cost of materials and other expenses. Simply put, no other small business would sell their goods for \$25 when it costs them \$35 to make the product. There are many other organizations that are in support of this increase, and for good reason. Poor oral health affects so much more than just the mouth. It has been linked to many chronic conditions and worse overall health. Children and adults with dental decay and pain means more school and work hours and are generally shown to have lower self-esteem and quality of life. When a medicaid patient can't find a dentist, their visit to the emergency room costs far more than it would in the dental office without their dental problem being specifically addressed. If we could afford to see more of these patients to prevent more of these larger issues, the ripple effect from this small financial increase could be huge. Healthier parents raise healthier children. Kids will miss less. School adults are better able to find and keep jobs saving hospitals, schools and employers much more long term. Ideally, the money saved from these reduced emergency room and hospital visits, as well as treatment of chronic conditions linked to oral disease, could be allocated to this requested increase. We already have a shortage of Medicaid providers declining further with those of us who have been long term providers limiting our new patients. It hurts me to turn away a medicaid patient, but my hands are tied. I can't afford to lose money and expect to keep my business open and functioning. No dentist can. Ultimately, we want to help people, but we need more Denys willing and able to take Medicaid to accomplish this. To get more providers, we have to have a higher reimbursement. I am urging you to include room in your budget for this rate increase for Medicaid. So we as Dennis can focus on our main priority improving and maintaining the dental health of Nebraskans. Thank you. I welcome any questions.

Speaker 4: Or the questions from the committee saying Then thank you for your testimony. Next testifying. Good afternoon.

Speaker 8: Good afternoon. Chairman Clements and members of the Appropriations Committee. My name is Marsha muting. It's our cia m u e t i Angie. And I'm a pharmacist and the chief executive officer of the Nebraska Pharmacists Association, as well as a registered lobbyist. The Nebraska Pharmacists Association represents all pharmacy professionals across the state. I appear before you today to address our request for funding to provide an increase in dispensing fees for pharmacies under I'll be Too old for I'll be Too oh four was heard before the Health and Human Services Committee on March 1st. The calculation for reimbursement for prescription drugs is complicated. It is based. It is based on the sum of the cost of the drug, plus the costs to provide the drug. Those two things together, the dispensing

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fee or the cost to provide the drug dispensing fee is an amount paid to the pharmacy for each prescription to cover the cost of providing the label. The vial pays for overhead, etc.. In recent years, the estimated cost of the drug has decreased to reflect an average of what pharmacies across the country pay for the drug. It is important to note that whenever anyone is paid on an average, you overpay some and you underpay others. Before 2015. Dispensing fees ranged from 3.20 \$0.05 to \$5. In January 2008, a report was issued to Nebraska Medicaid on the on the pharmacy provider's cost of dispensing and reimbursement based on Medicaid paid pharmacy claims. This report revealed that in 2006, the average cost of dispensing a prescription in Nebraska was \$10.18. The cost of dispensing a prescription was calculated by dividing the prescription department overhead and labor costs by the number of prescriptions dispensed. Dispensing fees were not adjusted based on this survey. In 2008 into 2011, Nebraska Medicare Medicaid modified the dispensing fee rate for fee for service to \$4.65 for all pharmacies. There was no survey done of the overhead costs in Nebraska pharmacies. What managed care was implemented in 2015. A dispensing fee of \$4.65 was required to be paid only to independent pharmacies, providing services to fee for service patients. However, as you know, approximately 99% of Medicaid patients are in managed care. The managed care organizations have been allowed to negotiate a lower prescription dispensing fee reimbursed by their pharmacy benefit managers. Pharmacy owners tell me that the contracts that are take it or leave it with no opportunity to negotiate a higher rate, according to the fiscal note for LV 204. The managed care organizations paid an average dispensing fee of \$3.18, which is well below the cost to dispense. Based on a survey conducted in Iowa. The fiscal note accurately depicts the underpayment to Nebraska pharmacies on Medicaid prescriptions. In 2022, the state of Nebraska received a settlement of over \$29 million from one of the three pharmacy benefit managers participating in Medicaid managed care for overcharging the state for prescription medications. I provided you with a copy of that settlement in other states such as Arkansas, Illinois, New Hampshire, Mississippi, Texas, Ohio, New Mexico and Washington. Similar lawsuits were filed and these funds were actually distributed to the pharmacies to reconcile the underpayment of pharmacy claims. If the question is whether the state can afford to adequately pay pharmacies for dispensing medications prescriptions to Medicaid patients, the answer is yes. If the overpayments to the pharmacy benefit managers and managed care organizations are discovered and distributed to the pharmacies, instead, the intent of will be to a force to require a dispensing fee of 1038 on prescriptions to pharmacies for Medicaid patients to cover the average cost of dispensing as determined by the

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cost of dispensing fees. Survey completed in Iowa in 2021. A cost of dispensing survey has not been completed in Nebraska since 2008. Using 2006 data, pharmacies have not received an increase in reimbursement in 22 years, but they have received cuts to reimbursement on both the cost of the drug and the dispensing fees. These underpayments are having a ripple effect, forcing pharmacies to close decrease hours, which they're open for business and decreased staffing, which is impacting patient care and access.

Speaker 4: To time if future?

Speaker 8: Yes.

Speaker 4: Close.

Speaker 8: That's right. The fiscal notes you have, you have the information. You can obtain the information on the fiscal note. The initial estimate is \$11 million annually to the state of Nebraska. The fiscal note says \$31 million, but 65% of that will be covered under the federal match. So come from the federal government.

Speaker 4: Other questions from the committee seeing the thank you for this information, for your testimony.

Speaker 8: Thank you.

CLEMENTS: There are additional testifiers regarding Health and Human Services budget. Staying done. That will conclude today's for. But obviously with when we have agency budgets, you can testify proponent or neutral. We don't separate it. Saying no one wishing to testify. That will conclude the Health and Human Services Agency hearing today. And we will-- where is my list? We'll open the hearing for LB112, Senator McDonnell. And he looks like he may have a bill in another committee. Are you aware of his availability? Well, let's move on. Senator Dorn, would you be ready?

DORN: As soon as my staff are watching this and as soon as they come down. They thought we were after Senator McDonnell. But they'll be on their way here. Here she is. We're ready.

CLEMENTS: All right. We're going to pass over LB112. We'll go to LB415. Senator Dorn.

DORN: Thank you.

CLEMENTS: Thank you. In just a minute, let me get my notebook out.

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DORN: Yes.

CLEMENTS: All right. You're welcome to open on LB415.

DORN: Yes. That's the one I have in front of me, too, so we're in good shape, hopefully. Good afternoon, Chairman Clements, and members of the committee. My name is Myron Dorn, M-y-r-o-n D-o-r-n. I represent Legislative District 30, which is all of Gage County and a portion of southeastern Lancaster County. I'm here to introduce LB415. I would like to give you a timeline of a program that would receive the funding in LB415. In 2001, Senator Denny Byars, who also represented my District 30, introduced LB191, referred to as Fifty Cents for Life, to establish an ongoing funding source for Nebraska Emergency Medical Systems Operations Fund. The 50 cents is a fee on each motor vehicle registration and generates about \$1.2 million in cash funds. The program is very successful, so a few years ago I tried to increase this to \$1 and was not able to get this bill passed. Last session, the previous Governor and the state senators saw the desperate need of rural emergency responders to have help with funding for ambulances by approving \$20 million in ARPA funds. We also approved an additional \$5 million to help with equipment purchases for those ambulances. The funds have gone out and have been vital to the success and continued operations of the rural emergency responders. However, equipment is only as good as the people who volunteer their time to serve as emergency responders. Today, LB415 asks for \$1 million for Emergency Medical Services Practice Act and the Statewide Trauma Systems Act. The current funds are used as aid for reimbursement of initial and reinstatement testing for EMTs. It is also used to pay for continued education and much more, as you can see by the handout. The bill also asks for \$150 [SIC] to support the e-NARSIS system, which is Electronic Nebraska Ambulance Rescue Service Information System and the Nebraska state trauma registry. These reporting requirements go to the state and in turn to the national level. These reporting systems are used to improve patient care through standardization, aggregation and utilization of point of care emergency services. We improve services by learning from past emergency response. The better care and treatment at the beginning of a medical emergency hopefully result in better outcome for patients. Nebraska is fortunate that we have volunteers are willing to take hours and hours of training and then testing to become an emergency first responder. It is becoming more difficult though to find volunteers, partly because of the training requirement and associated costs. If the state can ease the financial burden even a bit, we may continue to have EMTs on our rural roads and even along interstates and highway when those emergencies arise. The Office of Emergency Health Systems is doing their best to provide the

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necessary financial assistance and ongoing training while keeping up to date with reporting requirements. The Fifty Cents for Life, a 20-year-old funding source, is losing ground and unable to keep providing adequate funding of the demand of today's programs. I ask the Appropriation Committee to favorably consider having a total of \$1.15 million to this program and help it to continue to be a valuable resource to our emergency responders. As many of you know, I've been on a rescue squad for 30, 40 years. And this is something that I think most all of them want to thank this body for doing what they did last year with the ARPA funds. Those have been disbursed and there's a listing out of all of the squads that received funds for help with their ambulances and equipment. But this is now more of what I call an ongoing problem. And one of the things that really has become a challenge is the e-NARSIS was formed in 2012. They all had to be done electronically. That system though is ten years old and they're starting to have to look at upgrading this. The state of Nebraska is upgrading this system. So that's where some of this cost comes in also. And how do they upgrade that and what will the next level be? Because we are all required to do it now electronically. So take any questions otherwise.

CLEMENTS: Senator Erdman.

ERDMAN: Thank you, Senator Clements. Thank you, Senator Dorn. And Senator Dorn, have you seen the fiscal vote?

DORN: I did look at it this morning. Yes.

ERDMAN: OK. The question I have is on the-- on the fiscal note, the front page, it's the middle paragraph, which is the bill states legislative intent to increase the General Fund approximately \$150,000 starting in '24 and continuing annually-- annually and for this to establish a reporting system and a trauma registry.

DORN: That is--

ERDMAN: Why does it cost \$150,000 to keep a registry?

DORN: No, part of that cost is just what I talked about, replacing that e-NARSIS system. Every ambulance, every squad in the state has to have one. And I don't know what the costs are to replace those, but every squad has to be able to report it electronically. Then also the state part of that system, and that's over a ten-year old system and this \$150,000 that's going to that and then ongoing is to help pay for that implementation of a new system.

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ERDMAN: This says it's going to the department Program 33. [INAUDIBLE]

DORN: Yes, it goes to that department and we visit with their director in that department and it's going to them so that they can start to pay for the upgrading of the electronic reporting system.

ERDMAN: And that upgrading of that system costs \$150,000.

DORN: No. Upgrading that-- I don't know if somebody is here later or not, but the upgrading of that system is about an 8 to \$10 million cost total statewide.

ERDMAN: OK.

DORN: For all the-- that includes all the squads, every one of the squads updating also. That's just not the state of Nebraska. That's every one of the squads purchasing that equipment to upgrade that. It's, it's coming someday. It's just a matter of when. It's-- the old system is on kind of its-- as many technology systems we have today, they're kind of on their last leg but they're limping along until it comes to the point it won't limp along no more.

ERDMAN: I would assume they'll work with OCIO. Right? Thank you.

DORN: Thank you. Yes.

CLEMENTS: Other questions? The \$150,000 is for the state to do their work or is it going out to departments?

DORN: That is for the annual-- well, that's for the administration of that statewide patient care reporting.

CLEMENTS: OK.

DORN: But as we visited with the director of that part of it, though, they are looking at all-- of how to implement a brand new system because it's there. But this is helping with that currently now, but then where do they go to implement the new system, which some day it's going to have to be implemented?

CLEMENTS: Then the \$1 million would be grants to squads to help pay for their testing and education?

DORN: Yes. [INAUDIBLE] testing. Every, every, well, new EMTs have to pass a federal registry test and all-- they also have to take classes which right now, if you take them at Southeast Community College, they

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are required about a six-month time grade to get those done two to three nights a week. And that cost is right now borne by the squads or by the state, depends on who picks it up. Many squads do. But that would be to help us get more new rescue volunteers.

CLEMENTS: All right.

DORN: Yeah.

CLEMENTS: Thank you. Any other questions? Seeing none, we'll welcome proponents on LB415. Please step forward. Good afternoon.

MIKE BAILEY: Good afternoon, Senator Clements and the Appropriations Committee. Thank you for the opportunity. I am Mike Bailey, M-i-k-e B-a-i-l-e-y. I serve as a volunteer for about 20 years in Ansley, Nebraska. I do sit on the EMS board, the state board for EMS. I also sit on the State Trauma Advisory Board. However, my testimony here is not on behalf of them. It's on behalf of myself as a father, a businessman, a farmer, and as a volunteer out there. I'm here in support of the LB451, and I appreciate Senator Dover's bringing this or Senator Dorn bringing this forward. I spent 20 years in EMS, where I got to serve as a firefighter, EMT. And in the last ten years, I've got to work at a Level IV trauma center in Ord, Nebraska. I've also worked at a Level II trauma center in, in Good Sam in Kearney. I also have been in that ten years, been able to be an instructor for EMS across the state. This year I had the opportunity to travel nationally and go speak across the nation at some of the different areas. I've always heard instructors come in here and talk about the passion and the volunteerism in Nebraska, and it didn't ever really sink in to me because I'm a volunteer and that's just what we did. But stepping outside this state and going to other states, they don't-- they don't have that passion and they don't have that help. That's a great cost to their state. And I think it is a huge savings to, to our state of what these volunteers provide. So we've really got to look at providing, providing back for them. So I asked a couple of questions here as I look around. Do we give them all the resources they need to provide high-level care? Do we bring training directly to them to help them do that? The other question is, do we care for their mental health and what is the stress of our job out there being a volunteer? Do we pay them? Sadly, the answer to those questions is all no. We don't-- we don't do those things yet they give so much time and so much desire and help to this state that we need to-- we need to recognize that. What they do do is they walk away from their families, they walk away from their jobs, they walk away from their kids' sports activities to go help when that call comes out. And that's a small

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percentage of the people that, that are across the state that actually take the time to do that. Now, a lot of people look at that and say, oh, well, here comes the hero to save the day. And it seems like it's something that's heroic. But is it really? What do you suppose is the toll? Because I think this meeting started an hour and a half ago, and in that time there has been probably 45 EMS calls happen across the state of Nebraska. I think there's 264,000, a little over, a year that happen. So they go out there and they're going to be holding the hands with a classmate that may be dying. They might be doing CPR on one of our-- one of the kids that we grew up with, might be on their mother that helped raise us as a kid. The burden that comes back on us is tremendous. So we look at the programs that are out there. You guys had Fifty Cent for Life. That originally, I believe, started out as A Dollar for Life and it got cut back to Fifty Cents for Life and they've done a great job of managing that program. But that's over 20 years old with no increase, not a dime. Everybody knows things have changed, costs have come up. We have raised the level of EMS out there for what the rural squads can do and the volunteer services and even the professional services can do. But we haven't raised what we're doing to give to them. So this, this money is desperate in, in being able to help them out there, because what kind of deals does it do? It helps with programs like the CSM, which manages their stress out there and things like that. So we owe it. We owe it to the people that answer the call and take care of us. And as a father, as a taxpayer, I want to see that happen because I think we all-- we all deserve for that, that group of people to have what they need with these programs to, to be able to take care of themselves. Thank you for your time. Do you have any questions for me?

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

MIKE BAILEY: Thank you.

CLEMENTS: Are there other proponents for LB415?

TIM NORRIS: Tim Norris, Bennet Fire Chief, T-i-m N-o-r-r-i-s. Welcome again. I think this bill is worth considering because the folks that we work with are understaffed. And I would say from my experience, from what I talked to some of the people that used to work, they're underpaid. So our specialist in our area went to start at a fire department because he couldn't afford to work for this part of the government any longer. So now he's a starting firefighter. We lost somebody good in our area that helped us do a good job with our EMS. The other thing is, I know that they're understaffed and having a

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difficulty is we had our audit in November of '21 for our EMS service and we didn't get communication back as to our audit and the corrections that need to be-- happen until February of '22. We made the corrections. I just now got the completion of the corrections of the audit just now in February of '23. So if there's things that need to be done and fixed and helped and they don't have the manpower to help make sure we're doing a great job serving the public, that should be a concern to all of you and that we can't do as good a job because we don't have the support from the state. The other thing that I know this money's going to go toward is our reporting process. The one that we have is old. I know they're in the process of looking at new ones that are going to cost significantly more. When we go out and volunteer, sometimes it can take up to an hour or so to fill out what we have to do to report to get everything squared for the billing and for the state to be reported. That's on top of the time we're with the patients and transporting and whatever else. So my goal and my hope is this new system will be much more user friendly. We also, as a department, have to build in forms into the system. It's very cumbersome. So again, you have volunteers. What can we do to help them be more efficient? We have volunteers that say, you know, if this doesn't get any better, this is taking too much of my time just doing paperwork. Why do I want to keep doing this? The pay isn't all that great. So if we can do things to make our volunteers have a better experience serving the people that they want to serve, then that is the benefit to what this is all about. Anybody have any questions for me?

CLEMENTS: Questions from the committee? Seeing none, thank you for your testimony.

TIM NORRIS: Thank you.

CLEMENTS: Additional proponents for LB415. Good afternoon.

MARLENE BOMAR: Good afternoon, Chairman Clements and members of the Appropriation Committee. My name is Marlene Bomar, M-a-r-l-e-n-e B-o-m-a-r, and I am testifying in support of LB415 on behalf of the Nebraska Emergency Medical Service Association, as we refer to as NEMSA. I am a volunteer EMS provider for Battle Creek, Nebraska, and I've been volunteering for local squads for 27 years. My husband is also a volunteer and he has been serving as a volunteer for 46 years. Over that time, we have seen the number of volunteers drop drastically; and in that same time, the kinds of calls we are asked to respond to have become much more complex. For both of these reasons, squads across Nebraska have been more and more reliant on the Office

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of Emergency Health Systems. Our NEMSA members rely on the office for training opportunities in order to keep up with the number of hours training we are mandated to receive. Our members also rely on the Office of Administration Support and Critical Incident Stress Management Support, which is more important now and more now than ever. As you have heard, the second component of the legislation would add an additional \$150,000 to the statewide patient care reporting system and trauma registry, e-NARSIS. In general after a call, it can take up to an hour or more provider time to fill out a patient care report, depending on how significant the patient needed to be transported. Additional funding to help update this system is critical to saving EMS provider time and getting the correct patient information entered in a timely manner. On behalf of the EMS members of NEMSA from across the state, we are asking for your support of our work and your investment in these critical services. Thank you and I would be happy to answer any questions.

CLEMENTS: Are there questions? Seeing none, thank you for your service--

MARLENE BOMAR: Thank you.

CLEMENTS: --and for your testimony. Additional proponents.

JERRY STILMOCK: Mr. Chair, members of the committee, my name is Jerry Stilmock, J-e-r-r-y S-t-i-l-m-o-c-k, testifying on behalf of my clients, Nebraska State Volunteer Firefighters Association and the Nebraska Fire Chiefs Association in support of LB415. Thanks to Senator Dorn for bringing, Senator Bostelman for cosigning. The message is, is twofold. There's two components, as you saw. One is for additional funding. This would go towards staffing. Let me give you a couple of hits real quickly. Several years ago, there were seven regional specialists that assisted in EMS throughout the state. Most of those EMS regions go directly and help with, with volunteers. Those regional specialists are now down to four. They haven't been replaced. Two of those seven regionalists went over to assist with other components that are no longer in-- those two are no longer involved as regional specialists. They have pushed over to other areas. The question the \$150,000 request on the reporting system, that reporting system, even though it has the word registry in it, it is critical because it gathers data from A to Z as, as others testified, the length of time it takes to complete. But that data then at the local level goes to the state, and then the state relays that off to the national level for purposes of recordkeeping for data and most importantly, now for learning, finding out what, what first responders

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are doing in the field so better to educate them. It's a tool that's used. What's happening, though, as I understand it, visiting with the department staff is that that data that's collected and pushed out by the locals is not then being used. There's not enough staff to come back and tell the locals how that is being used, what they could do to better improve. The, the request is for that \$150,000. My understanding that-- the contract that's in place now with ImageTrend is the, the vendor that supplies that reporting system that has been on a multiyear contract. That contract expires in June of 2023, and it's anticipated because it's been a multi-year contract of \$160,000 each year that an additional funding up to \$300,000 total would be needed in anticipation of a new system. It is time consuming. It is difficult. If you don't use it daily the way the paid services do in Omaha, Lincoln, it's difficult to use. We want to-- the goal is to make it more user friendly. I brought a letter from Ann Fiala. If a page could assist, please. I will not read it in the sake of time and your busy schedule today and always in Appropriations. But I would like you to take a moment. And Ann Fiala is a member of the Board of EMS. That Board of EMS is appointed by the Governor, approved by all of you, and is an advisory council to Health and Human Services, the office that provides all this wonderful work. She has several key points in for-- in her letter to you, and she recounts that Fifty Cents for Life was, was initiated at the request of the volunteers, first responders, this is all EMS. This doesn't have anything to do, particularly with the category of fire. But it was a request at a dollar, it was unsuccessful at a dollar in the 2000 legislative year. It came back at Fifty Cents for Life, but that has been stagnated for 20 years now. It's a cash fund. And because of the difficulty in elevating that cash fund to present day to make it a dollar per motor vehicle registration annually, that's where the Fifty Cents for Life comes from, 50 cents registration of motor vehicle accumulates, that brings in about \$1.2 million I understand annually. That \$1.2 million is not cutting it. These people at the staff level are doing less and less because they don't have the numbers, they don't have the volume, they don't have the ability to help those that are volunteering in the field. As you'll see from Ann Fiala's note, she says this, this would supply a lifeline to the program. Second paragraph to the end: This would supply a lifeline to the program that is desperately needed by the volunteers. Senators, we appreciate you incorporating this into your budget as you prepare to submit that to your colleagues. Thank you very much.

CLEMENTS: Are there questions from the committee? I had, had a question. Has there been a bill lately to increase the 50 cents?

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JERRY STILMOCK: The, the conversations were in 2017. And those conversations were met with resistance. Frankly, sir, I don't recall, Senator Clements, if that bill was introduced or if it was, it was just squashed because of the resistance. And you know what I know? I'm sorry. I shouldn't say, you know what I know. Let me restate that and say when, when the administration and the Legislature has looked at increase of fees, it's looked at as a-- I've heard the words, as an increase in taxes. And that has been so difficult to overcome that instead of-- instead of going to a dollar, the thought was go to General Fund, go right to General Fund. And that was the cut that Senator Dorn recognized, said let's cut right to the General Fund. Yes, sir.

CLEMENTS: All right. I've been seeing in other situations, such as the radio request, just a problem with underfunding in the volunteer fire departments. I would think if somebody came up with a way to increase their local funding we would have less of these type issues. Have you worked on figuring out how to fund the local departments rescue and fire?

JERRY STILMOCK: Our words are recorded. No one can see the bruises on my head from banging my head against the wall and the association banging its head against the wall. Yes. Yes. Yes. The fire districts, fire service were placed within that group of categories where they had to ask for funding from the county levels. They were placed in that in 1998. And so the, the, the restrictions have been limited to what the county's authorized. There was a little bit of room that was awarded by the Legislature a few years ago to allow a little bit more levy freedom, if you will, because there were some counties, if you can believe this, Senator, and I know you will because I'm telling you, there were counties that were not giving any levy authority to fire districts, zero, because the county was up against 45 cents. The county didn't have any room. And they said, you know what? I bet the people out in Black Acre County, they will give-- they will vote for an increase of the levy. Because you know what? Everybody knows you need fire service. Everybody knows you need rescue service. The counties were putting zero levy authority for those requests and the fire districts and the fire departments were having to go out and, and advertise and market the-- to go out and vote to increase that, that levy authority for the fire districts. So, yes, my head is bloody, sir.

CLEMENTS: All right. Well--

JERRY STILMOCK: You raise a great point though.

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CLEMENTS: --thank you.

JERRY STILMOCK: Yes, sir.

CLEMENTS: Any other questions? Seeing none, thank you for your testimony.

JERRY STILMOCK: Thank you, members.

CLEMENTS: Are there additional proponents for LB415? Seeing none, is anyone here in opposition? And seeing none, anyone here in the neutral capacity? Seeing none, Senator Dorn, you may close.

DORN: Thank you. Thank you for taking the time to listen to this bill. I'll just talk a little bit on your last comment there. What about local funds or sources, resources or whatever? I think the fire departments and local EMT squads are one of the best fund-raising, soup dinners, pancake feeds, whatever, probably in the state because they do a lot of them and stuff. Many, many of the rural areas, if not most all of them, are volunteers. This morning when we were in session, we average-- my volunteer rescue squad I'm on with ambulance, we average 80 calls a year. But this morning we had two of them during session because I get them on my phone. So that shows you what it's like. I don't know if there were enough people there. There must have been enough people there today because they, they did take both of the calls and they didn't keep coming across. We are-- our squad like many of these squads, we are severely-- we talk about employment and we talk about staffing, are really being challenged by getting enough volunteers. I call it the older people, Senator McDonnell and myself, Senator Clements, it was a proud group of people that volunteered a lot and knew how important it was to have that community and that aspect of volunteers being there. If they weren't there, nobody was there. We somewhere along the-- through the years, that has slowly diminished. We are really being challenged. Many of the squads are really being challenged without getting enough volunteers. So thank you very much for this. Appreciate your time listening to this. And, oh, one other thing. We did bring a bill last-- two years ago. We brought a bill to try to [INAUDIBLE] that 50 cents to a dollar, but it was theoretically a tax raise, so it didn't go anywhere. So that's what happened. So thank you.

CLEMENTS: Thank you. And we have position comments. For LB415, we have position comments for the record: five proponents, no opponents, no one in the neutral. And that concludes LB415. And now we will go back to LB112.

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McDONNELL: Chairperson Clements, members of the Appropriations Committee, I apologize for not being here earlier. And thank you, Senator Dorn, for jumping ahead. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. I'm here to present LB112 and AM919, which amends the bill to appropriate funds from the Temporary Assistance for Needy Families, TANF funds, for the fiscal year '23-24 and fiscal year '24-25 to the Department of Health and Human Services, Agency 25, for the Program 354 Child Welfare Aid specifically for activities of child advocacy centers. The amendment for-- AM919 alters the original bill by changing the source of the appropriations to come from Temporary Assistance for Needy Families funds. TANF is a federal program that provides financial assistance to states with the goal of supporting low-income families with children. The funds aim to help families achieve self-sufficiency by providing assistance in areas such as childcare, job preparation, and work support. Child advocacy centers meet TANF eligibility requirements as they directly align with the program's objective of promoting child and family well-being. By providing services that address the effects of the abuse and neglect on children, these centers contribute to the stability and safety of vulnerable families, helping them to overcome challenges and achieve self-sufficiency. In Nebraska, a substantial amount of TANF funds remain unspent each year, indicating that there are available resources to support initiatives such as a child advocacy center without compromising other essential programs. Allocating a portion of these unspent funds to child advocacy centers would be a responsible and effective use of resources further benefiting Nebraska's children and families. Investing in child advocacy centers is vital to ensure that children receive the comprehensive care and support they need during some of the most challenging moments of their lives. The services provided by these centers may not only help children and families recover from trauma, but also contribute to preventing further instances of abuse and neglect. By amending LB112 with AM919, we are reinforcing our commitment to the health and well-being of our state's children and their families. Continuation of such appropriations in future years will enable these centers to maintain and expand their vital services further promoting the welfare of Nebraska's children. I urge you to support AM919 and LB112 and the appropriate use of TANF funds to enhance the impact of child advocacy centers across Nebraska. This amendment not only ensures responsible allocation of resources, but also demonstrates our dedication to supporting the vulnerable families and improving the lives of children in our state. So if you look at the fiscal note that was written on January 9, AM919 was brought to us just-- we received it yesterday so

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when you're looking at that. Also in your pack out-- package or handout, it breaks down on one of the handouts the Child Advocacy Center funded. With TANF, the TANF balance in Nebraska has grown significantly over the last eight years from \$55.9 million in 2014 to \$130 million on September 30 of 2022, an increase of 236 percent. Auditor Mike Foley expressed concerns in 2014 over the unused balance of the federal funds. We currently are bringing in 56.6 per year. The TANF funds have to meet four purposes, one of four purposes: One, assisting needy families so that children can be cared for in their own homes; two, reducing the dependency of needy parents by promoting job preparation, work, and marriage; three, preventing out-of-wedlock pregnancies; and four, encouraging the formation of and maintenance of two-parent families. There's also the-- where they're located throughout the state, another handout. Right now we're talking about affiliated with the seven CACs are ten satellite locations. The satellites provide children, family members, local investigative services, easier access to forensic interviews, advocacy services, and family support closer. You have Bridge of Hope in North Platte, CAPstone in Gering, First Light Child Advocacy Center in Grand Island, BraveBe Child Advocacy Center in Lincoln; Family Advocacy Center in Kearney, Faith Regional CAC Norfolk, Project Harmony in Omaha. You also have a couple of letters, and one is from Chief Todd Schmaderer talking about the numbers and how much this has helped in the area of the city of Omaha. In 2015, Nebraska CACs served 4,995 children. There has been a steady increase in the numbers of children served since that time. In 2021, Nebraska CACs served 7,800 children. Here to answer any of your questions and I'll be here to close.

CLEMENTS: Senator Wishart.

WISHART: Well, thank you, Senator McDonnell, for bringing this bill. Just to be clear, for everybody who's listening in and for the committee, TANF funds are federal cash funds. They're not general funds.

McDONNELL: Correct.

WISHART: OK. And it's my understanding that another state, Arkansas, has utilized their TANF funds for this very purpose.

McDONNELL: Correct. And that is also in the handout I gave you. If you look at the-- it talks about Arkansas, how they've used their TANF funds.

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WISHART: So then we have a road map for how the department could utilize these TANF funds to support this important purpose.

McDONNELL: The ground has been plowed, yes.

WISHART: OK. Thank you.

CLEMENTS: Other questions? Senator Erdman.

ERDMAN: Thank you, Senator Clements. Thank you, Senator McDonnell. So I just see the amendment you handed out. I think you referred to it as 909. I think it's 919.

McDONNELL: AM919.

ERDMAN: Yeah. OK. Just, just for the record, I wanted to be that clear. So the additional-- the addition of the information or language starts on line 16 right after January 2023, is that correct? Is that where that additional language is? I think that's where it starts. Here's my question.

McDONNELL: Are you referencing the amendment?

ERDMAN: Yeah, I am.

McDONNELL: OK. Let me get to the amendment.

ERDMAN: AM919. So my question is, is why did you have to add the language going forward after, after that 2023?

McDONNELL: So I'm at AM919 and what line were you--

ERDMAN: Line 16.

McDONNELL: Line 16.

ERDMAN: Right after January 1, 2023.

McDONNELL: It is the intent of the Legislature that federal funds from the Temporary Assistance for Needy Families program be used for the purposes of this section and such appropriations continue in the future?

ERDMAN: Yep.

McDONNELL: Yeah, I want to continue.

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ERDMAN: So why did you add all that language?

McDONNELL: I want to continue it into the future. Also, if you look at trying to get the talk about as you go down with the Department of Health and Human Services, the state plan amendment, we wanted that in there. We wanted the CAC language in there from if you go down farther on line 26.

ERDMAN: OK.

McDONNELL: Then also we wanted to make sure the federal-- if you look at the federal Personal Responsibility and Work Opportunities Reconciliation Act was cited in there. So we started adding to it.

ERDMAN: OK. So your intent is to let this-- this is going to continue after.

McDONNELL: As long as we're getting the TANF funds from the federal government, yes.

ERDMAN: OK. Thank you.

McDONNELL: I would also like to say someday, hopefully the need wouldn't be, but I don't think that's the direction we're going. But it's based on need and federal funds.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you. Can you tell us what the balance of the TANF?

McDONNELL: \$130 million.

ARMENDARIZ: And--

McDONNELL: And over the last ten--

ARMENDARIZ: Are they not spent every year?

McDONNELL: Over the last five years, there's been \$10 million that has not been sent-- has not been spent on the average over the last five years. That's-- we're requesting 7.5. But currently you're at \$130-plus million.

ARMENDARIZ: So how much of it is--

McDONNELL: \$56.6 million we get per year from TANF.

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ARMENDARIZ: Per year.

McDONNELL: But the total that's in the account right now is \$130-plus million. But over the last five years, there's been \$10 million less than they've received of the 56.6 that they have not spent.

ARMENDARIZ: Do you know if they have plans for that?

McDONNELL: Hopefully, this bill is going to give them plans.

ARMENDARIZ: A small portion of it anyway.

McDONNELL: Yes. Yeah.

ARMENDARIZ: OK.

McDONNELL: And I don't want to say that the work they've done and the other TANF that has been spent, the dollars haven't been helpful. But hopefully this gives them direction with another 7.5 of that extra TANF money that we have per year under the last five years of the average of the ten.

CLEMENTS: Other questions? Seeing none.

McDONNELL: I'll be here to close.

CLEMENTS: All right. And we welcome the first proponent, please. Good afternoon.

IVY SVOBODA: Good afternoon. Senator Clements and the members of the Appropriations Committee, my name is Ivy Svoboda, I-v-y S-v-o-b-o-d-a. I'm the executive director of the Nebraska Alliance of Child Advocacy Centers, here testifying in support of LB112, which provides the much needed funding for statutory obligated services that child advocacy centers provide. The Nebraska Alliance of Child Advocacy Centers is a nationally accredited statewide membership organization for the seven child advocacy centers, or CACs. The CACs serve children, families, and the protection system in all 93 counties in Nebraska. We're dedicated to enhancing the response to child abuse. Thanks to Senator McDonnell for introducing this important bill and thanks to this committee for your longstanding support of child advocacy centers. For almost 20 years, the Nebraska Legislature has recognized that the CAC model provides best practice, high-quality investigations and services to children and families who have experienced abuse. State statute requires all children be evaluated and receive services by a CAC when there is a report of serious child abuse or neglect such as sexual

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abuse, serious physical abuse or neglect, kidnapping, or sex trafficking of a child. Nearly 50 percent of the child victims served at CACs in 2021 reported experience-- experiencing sexual assault or sex trafficking. Studies show that the CAC model is fiscally smart. It reduces cost for law enforcement agencies and prosecutions and minimizes the long-term negative impact to children. Children who have experienced abuse that get proper care and treatment go on to live full and productive lives. When the impact of abuse is unaddressed, studies show a correlation between experiencing child abuse and ending up with negative health and mental health outcomes, rates of substance use, rates of criminal justice involvement and incarceration. CACs are experiencing an increase in the number and severity of cases referred by DHHS, State Patrol, and law enforcement. In fact, the number of children served by CACs has increased nearly 60 percent from 2015 to over 7,800 children in 2021. We want to make sure kids, families, and first responders to child abuse and neglect can access needed statutory required CAC services 24 hours a day, 7 days a week. Thus the satellite offices, thus the seven centers covering 93 counties. However, the cost to provide these state-mandated services are going up and CACs have fewer resources to meet this growing demand. Our centers are currently at maximum capacity. Demand is increasing and untapped resources of funding are few. CACs ask our staff to do more with less. Staff burnout and turnover is increasing challenge because of the difficult nature and high volume of the work; low, noncompetitive pay; and no benefits, especially in rural areas. Costs increase for children and families who travel to medical exams in acute sexual assault cases. Delays occur when investigators and DHHS have to wait for open time slots for forensic interviewers impacting their ability to get needed evidence for criminal prosecutions and their ability to fully understand the safety risks and needs of children and families. Support for LB112 will help CACs across the state who are ingrained in our state's child protection response system, help the CACs meet the needs of their communities and serve the children who are currently coming into the centers, as well as those who are currently not being served. On the back of my handout that I passed out, you'll see personal comments on children and families from the day of their service at CACs in Nebraska. We are the solution to making difficult and stressful situation comfortable for children and families so they know what to expect and can then begin to heal. I urge to advance LB112 for this important increase in their well beings.

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CLEMENTS: Are there questions from the committee? In the fiscal notice-- fiscal note it says that current funding is \$3,012,000 and this is asking for \$7.5 million increase to that.

IVY SVOBODA: Um-hum.

CLEMENTS: And why, why do you have more than a double increase?

IVY SVOBODA: We've really been underfunded for years and the CACs haven't had any of the provider rate increases because we're not child welfare providers. So within this department how we receive the funds, we haven't been receiving any increases. And so the need for now, the increase in that 60 percent has grown.

CLEMENTS: Senator Wishart.

WISHART: Just along those lines, it's my understanding you're utilizing a funding model that other states have used successfully. Can you talk a little bit about that?

IVY SVOBODA: Sure. Both Maryland and Utah use the number-- they calculated the number of hours that it would be for a child to go through the system and go through a child advocacy center. So we outline those costs per case and looked at that, those hours. And after determining that and the salaries based on CACs in the Midwest region, we calculated that for the mandated services of the forensic interview, the advocacy, the medical and the multidisciplinary team coordination.

WISHART: Thanks.

CLEMENTS: Other questions? Senator Erdman.

ERDMAN: Thank you, Senator Clements. Thank you for coming. In your handout, you have a map of the state and there's a significant portion of the state have no offices. If you receive additional funding, will there be offices located in those areas?

IVY SVOBODA: Well, our intent is to make sure that we serve the children and families in all the counties. So all counties are assigned to a child advocacy center. There is-- so like especially in the northern service area, you see that. But we have close connections with investigators and those workers in Valentine, say, and they are connected with the Norfolk Center. Our intent is not to increase and put in additional, but to make sure that we do figure out how we can

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best serve all children and families, and especially like those wait times and all of that to make sure that's addressed.

ERDMAN: So if I'm in Senator Brewer's district, which is most of the red, and I need service, where would I go?

IVY SVOBODA: You could go to Chadron and Alliance and there's satellite offices there where you can receive services or to the Norfolk Center, any of the-- if you are closer to a different child advocacy center, each child advocacy center, we work together. So fortunately I'm the state chapter so we kind of work on these things together. So one CAC might call another CAC and say, hey, we have a family here. Let's coordinate this together. And then they would make sure that the families hooked up.

ERDMAN: But if you're in that orange area, you could be 250 miles from the nearest office.

IVY SVOBODA: Up to like four hours, um-hum.

ERDMAN: So it was your intent to open offices so people won't have to travel so far?

IVY SVOBODA: Most likely not. One of the things that we're looking into, we do telehealth services especially so that to try to see those in the remote area so that that way they can access those services for, like, law enforcement and Health and Human Services to make sure that they're able to observe the forensic interview.

ERDMAN: OK.

CLEMENTS: Senator Vargas.

VARGAS: Thank you. For a second, I thought Senator Erdman was bringing an amendment to fund a new location out in western Nebraska. Is that right?

ERDMAN: It's called Preserve the Third.

VARGAS: Thank you very much for being here. I wondered if you could speak and I know you got this on the record, but, that there's been an increase of 58 percent of children that have been served between 2015 to 2021. That is 58 percent increase in individuals served, but with the same funding allocation that we provided since 2015--

IVY SVOBODA: Yeah.

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VARGAS: --and it has been consistently growing. I don't want to ask you a policy question as to why it's increasing, but what happens if we don't fund this? What happens with the, what we're expecting to be close to 8,000-plus here in the next several years? How do you continue to provide the services under your model? How do you continue to afford it?

IVY SVOBODA: Right. We've done more with less as we have to bring us to now. So now we are at more of a crisis spot to keep, to retain employees, to keep them there, to be able to serve. So we wouldn't be able to serve the children and families. So if you-- it would take longer to be able to get in. A lot of these things, especially like if you're looking at medicals, those need to be conducted within a certain time frame. We're focused on the healing and just-- so not only prosecutions, but the healing for children and families. So as I testified, it'd be to the, like, incarceration rate, people are looking at substance abuse or they're not able to work this out in their family unit so.

VARGAS: Thank you. I just wanted to make sure. Well, we have an obligation that we need to meet; we need to fund it; but also simultaneously, maybe somebody can answer this that's coming up, why we're seeing such an increase and why it's doubled. And clearly it's on an upward trend where maybe it's because we're adding more responsibilities in law and we're doing a better job of investigating and meeting the needs and services. But it is-- it's a concern. But I appreciate you supporting this bill and better funding.

IVY SVOBODA: I did want to mention, I didn't want to, like, reopen what you were talking about, Senator Erdman. But we did have a child advocacy center in 2007 that was opened in Valentine, and we kept that open until, through 2011. And at that time we closed the doors because there was only 12 kids being served annually and we didn't feel like that was fiscally prudent. I do recall that.

CLEMENTS: All right. I have one question, the agencies indicating they would need to add two full-time staff to this in the fiscal note. And are you aware of whether TANF funds can be used for that purpose?

IVY SVOBODA: I am not aware of that and I'm not aware. I guess that's their determination that they would need two additional staff for this.

CLEMENTS: Well, we can let Senator McDonnell check into that. Other questions? Seeing none, thank you for your testimony.

IVY SVOBODA: Thank you.

CLEMENTS: Are there additional proponents for LB112?

JOHN WESTMAN: Good afternoon, members of the Appropriations Committee. My name is John Westman, J-o-h-n W-e-s-t-m-a-n. I am currently serving as the Merrick County Sheriff in Central City, Nebraska, testifying today in support of LB112. On behalf of the Merrick County Sheriff's Office, First Light Child Advocacy Center, Nebraska Sheriffs Association, and to the individuals who join me in advocating for the best interests of children and have the desire to make a difference in the lives of children who have been victimized by sexual abuse, physical abuse, witness to violent crime, and recovered from a kidnapping or the sex trafficking of a child. The benefit of a forensically trained professional in a kid-friendly, safe, and relaxed atmosphere is invaluable. Limiting the number of times a child is interviewed reduces the chances for revictimization. Having access to a facility that can conduct interviews with a certified trained forensic interviewer provides quality of support and advocacy, access to trained medical personnel to complete forensic medical exams, hair and follicle testing to determine if the child has been exposed to drugs. and provides case coordination to ensure that each child receives appropriate services and prepares children and their families for court proceedings. First Light Advocacy Center provides training for law enforcement, Health and Human Services, victim advocacy services, and to the schools in our communities. Due to the decrease in federal funding from the Victims of Crime Act, otherwise known as VOCA, a steady and significant burden has been placed on child advocacy centers throughout the state of Nebraska. The current funding level is not sustainable for child advocacy centers, particularly in rural Nebraska. These agencies are experiencing staffing shortages, which causes the trained interviewers to act as full-time marketing directors, fundraising specialists, and conduct administrative duties all while attempting to provide forensic interviews for these children. These duties have caused unanticipated challenges and is impacting the capacity to serve victims of crime throughout Nebraska. Ladies and gentlemen, I am speaking to you from my heart. As a sheriff, trained forensic interviewer, biological parent, adoptive parent, foster parent, and advocate, I have witnessed firsthand the detrimental effects of sexual violence and trauma that children endure for the rest of their lives. The terror these children have experienced will forever haunt me. Just imagine the effect it will have on them for the rest of their lives. We need to continue the mission to keep our kids safe by providing the necessary resources through our child advocacy centers. Although we may not be able to

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control the number of victims, I am confident when lawmakers and law enforcers collectively work together with these other trained professionals employed by the Child Advocacy Centers, we will increase the number of victors. Thank you, Senator McDonnell, for sponsoring LB112 and to the Appropriations Committee for affording me the opportunity to speak with you today. I strongly urge you to increase funding for child survivors of child abuse and neglect in the state budget package. I am happy to answer any questions you may have.

CLEMENTS: Are there questions? Senator Lippincott.

LIPPINCOTT: First off, thanks for being here. We really appreciate it.

JOHN WESTMAN: Thank you.

LIPPINCOTT: And for those of you on the committee here, Sheriff Westman is from my hometown and he does an outstanding job in service to our community and we really appreciate it.

JOHN WESTMAN: Thank you.

LIPPINCOTT: Question for you: The Child advocacy center, what's, what's the rule that they or the role that they have in law enforcement in any kind of a criminal investigation?

JOHN WESTMAN: When we-- when we receive the report, the intake, if you will, for the Department Health Human Services, and there's enough evidence to show that possible sexual abuse, physical assault or any of those other indicators that I mentioned before, it's the most hurtful. As a part of that investigation, a child advocacy center serves because they're trained and, you know, I'll date myself a little bit going back. But we used to not have that when I first started law enforcement. And so that, that victim, that child, would be interviewed by several people, the responding officer, the investigator, the county attorney's office, the defense attorney's office, just a list of different interviews that that child would have to receive, victimizing them each time. I couldn't put a price tag on our child advocacy center. It's absolutely amazing for what they do and they're very limited in their staff, but they provide. They show up day and night to provide. The testimony itself, I can't speak for all the county attorneys out there, but the ones that I've worked with, I would say that's the number one key element to that case, to that criminal case. And also Nebraska Revised Statutes 28-728, just to reiterate what Ivy had previously said, mandates the video recording of a child at advocacy center for ages 3 to 18 years of age are

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alleged or are alleged to be victims of sexual assault, serious physical abuse, or have witnessed a violent crime, including domestic [RECORDER MALFUNCTION] or have found a be in a drug endangered enviment-- environment or have been recovered from a kidnaping. So the wide range of what they offer is great. The services are invaluable.

LIPPINCOTT: I want one follow-up question on that. These crimes that you just mentioned, what percent of your time is taken to be involved in these things and also budget?

JOHN WESTMAN: Speaking from a smaller rural agency, we-- the investigator that, that investigates those cases go-- not only they meet with Health and Human Services on several occasions, the child advocacy center, they also take part in that interview. And what I mean by that, they're on, on scene with that interview with the Health and Human Services worker and the law enforcement investigator to work closely with that, that forensic interviewer to get those questions and things answered. So the time it takes is it's large, a large amount of time. And that just continues. It doesn't stop at that child advocacy center either. It goes on way before trial, so many different things that are a key element to that. It's, yeah.

LIPPINCOTT: All right. Thank you.

CLEMENTS: Thank you for your testimony.

JOHN WESTMAN: Thank you, guys.

CLEMENTS: Next proponent for LB112. Welcome.

KAYLA HABERSTICK: Good afternoon. Good afternoon, members of the Appropriations Committee. My name is Kayla Haberstick, K-a-y-l-a H-a-b-e-r-s-t-i-c-k. I currently serve as the deputy county attorney in Custer County and Blaine County, and I previously served as the elected Valley County Attorney. I am testifying today in support of LB112. The child advocacy center used in each of those three counties I mentioned is the Family Advocacy Network out of Kearney. I will call them FAN to be short. FAN is integral to our success as prosecuting attorneys in cases of child neglect, child abuse, child sexual assault, and occasionally even the adult sexual assault case. This center provides forensic interviewing services that strengthen our cases, and the interviewers go through extensive training to be able to effectively interview child victims in very traumatic situations. They have equipment and expertise to view old bruising and other injuries on these children. Additionally, FAN works with pediatricians

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and nurses to perform necessary medical examinations in these very delicate situations. FAN also coordinates what are called our LB1184 monthly meetings. These are multidisciplinary meetings held to identify and provide services to families at risk, child victims, and we do discuss the families that are already receiving services in our area. FAN is invaluable in these meetings. They gather all of the information and the intakes from the child abuse and neglect hotline. They just streamline that into an agenda for all of us, sends that out to everyone via email. And then they help me as the county attorney ensure that we're meeting all of our confidentiality and statutory protocols. Finally, in the course of the meeting, the FAN provider provides insight and expertise into the strategies we need to implement to serve our families, and then they act upon those items discussed and frequently remind me to act upon those items, too, when they get lost on my desk. Our County Board of Supervisors in Custer County even acknowledged the need of these vital services by providing space in a county-owned building for FAN to have a satellite office in Broken Bow. Custer County sees more and more child abuse and neglect cases each year and having an office in our community has been so incredibly valuable and ensures the least amount of time is wasted in providing services to children and families in need. And it takes a burden off of our law enforcement officers and DHHS workers who must be present at those interviews. I cannot emphasize enough how incredibly vital child advocacy centers are to us as county attorneys, especially in the rural areas. Our FAN interviewers have testified in child sexual assault cases, most recently one resulting in a jury conviction for first-degree sexual assault of a child. The child was treated so well by the FAN staff and their partner doctors that it made all the difference in the case when the child had to testify to her experience as a victim. The FAN interviewer also testified and the pediatrician that treated her testified as well, and their testimony was invaluable. We expect to see these larger-- these services in larger cities in Nebraska, these advocacy services. Many more populated areas have advocates either right there in their county attorney's offices or they partner with an outside agency as a victim advocate. Frankly, we don't have the staff, resources, or budget to have an in-house advocate in my office. FAN provides this important service, and they do so with a lot of grace and knowledge. As for the investigative side of FAN's involvement, their necessary services take a large burden off of our already strained law enforcement officers. It's unfortunate when a Nebraskan finds themselves in a place to need a child advocacy center. But our Nebraska child advocacy centers rise to the call every single time, and that is a service that our state needs and deserves. Therefore, continuing to fund and bolster our

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child advocacy centers only strengthens Nebraska as a whole. We can provide better, more informed services to families who are in need and children who have experienced trauma. If interception of these families occurs early enough, the positive turnaround has a better probability. For strong Nebraskans, we need strong child advocacy centers. Thank you to Senator McDonnell for sponsoring LB112. I strongly encourage this committee to include funding for our child advocacy centers in the state budget package. And I am happy to answer any questions you have.

CLEMENTS: Are there questions? Senator Wishart.

WISHART: First of all, super impressed to see a young woman as a former county attorney and now deputy county attorney.

KAYLA HABERSTICK: Thank you.

WISHART: I hope a lot of young girls get to meet you and, and see this as a career opportunity. Can you speak a little bit to what Senator Vargas asked earlier? From your experience as a deputy county attorney now, why are we seeing an increase? What are some of the factors that are leading to an increase in, in child abuse?

KAYLA HABERSTICK: I think one of the main factors is just a level of awareness. With social media, Internet news coverage of incidences, and even very large scale incidences like the Epstein trial or things like that, people are now more aware that these items do occur not just in large cities like Chicago or New York City. It's happening down the street in your small 3,000 population towns such as Broken Bow or even Brewster in Blaine County. I think that's a large part of it. I think that there's better training services provided and a lot of those are provided by these child advocacy centers. We as county attorneys go to several trainings about red flags, what to look for. Schoolteachers, school administrators, counselors, therapists, licensed mental health practice practitioners all go through extensive and rigorous training on what to notice. But one of the main things that Nebraska has and I really appreciate as a county attorney is a mandatory reporter system. If anybody in this state witnesses what they think is child abuse and neglect, they are required by law to report that to the child abuse and neglect hotline. And I think those three things have really made an impact on how more aware we are of what's happening in our communities and how our caseload grows.

WISHART: Thank you.

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CLEMENTS: Other questions? I have one question. Is there any fee charged to the county for the services they receive?

KAYLA HABERSTICK: We do have a contract with them. I think the last one I signed was like \$1,000 maybe. So in the grand scheme of my county attorney budget, to me it's invaluable and it's a drop in the bucket. But-- and maybe somebody else can speak to this if I'm incorrect, but I think a lot of their funding is through other sources other than the counties that they provide services to.

CLEMENTS: That \$1,000 was for a year [INAUDIBLE]?

KAYLA HABERSTICK: Yes, I believe that contract was annual.

CLEMENTS: Thank you. Thank you for your testimony. Additional proponents for LB112. Good afternoon.

GENE KLEIN: Good afternoon. Greetings, Chairman Clements and committee members. My name is Gene Klein, G-e-n-e K-l-e-i-n. I'm the executive director of Project Harmony, which is a child advocacy center in Omaha, Nebraska. We're one of the seven centers across the state of Nebraska. And I'm here to ask for your support of LB112. In 1992, this Nebraska Legislature passed a bill called LB1184. We still refer to that bill today as LB1184, which is the bill that created the multidisciplinary response to child abuse and child maltreatment. Our systems back in the day and I happen to be old enough to have worked in the system in 1992 as a CPS worker, our systems were very fragmented and siloed and the agencies didn't talk to each other. Children would typically disclose to a school teacher. They still are the number one reporters of child maltreatment today. Schools are critical in the lives of children. That school would do its own investigation. They would look at-- they would talk to the child, bring them into their office. The counselor would visit with them to learn more about maybe that sexual abuse that's being disclosed. They would then call 911. A street cop would come to the school building. They'd pull the child back down to the nurse's office and interview them again. And then after that interview, they would take them down to the police station. In Omaha, it's a pretty scary place. It's really scary for children to go to a police station. Detectives downtown would interview that child again, another interview of the child. After that interview, they would go to Children's Hospital or a medical clinic or any clinic that would be willing to see that child. And it wasn't uncommon for a child to talk to at least ten different professionals, and then the state would get involved and there could be another handful of employees or professionals that that child is

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being interviewed by. We used to think it was best practice. The more the child told the same story to all these different professionals, they must be telling us the truth. What we realized is that we were really causing more trauma to those children, not, not getting good evidence in that process. And as a result, we were causing more damage. It wasn't until that LB1184 bill was passed in '92 that said we need to do more. Our, our communities found this model of a child advocacy center, which was the original one, was created in Huntsville, Alabama. At the time when Project Harmony was created, there were about 30 centers around the United States. We served about 60 children that first year in 1996, and then that's this bill, LB1184, started to get more, more momentum and more focus. It wasn't just sexual abuse cases that we were investigating at the time and we needed children to be seen-- being served across the state. So legislators got involved and said, we want centers across our state. Seven centers were developed over a ten window-- ten-year window. There was no funding that was provided to these centers. It was really just on a grassroots. We need to do better for these children. Today, our centers are viewed as the best practice model for child advocacy and response. Now, with nearly a thousand centers across the United States serving a half a million children every year. In the last 25 years, this Legislature has built on that initial bill, LB1184, strategically raised the bar and added more to what was-- what should happen when a child is served at a child advocacy center, increasing the expectations to not just the child welfare system, but specifically to child advocacy centers. As a result, on a daily basis, more than 30 children walk through the doors of a child advocacy center in our state, across the state. These are children who are disclosing felony level sexual assault, physical abuse, witness to a violent crime like domestic violence or homicide. They're being sex trafficked and experiencing life-threatening neglect and found in a drug endangered home. In our community, the average age is nine, nine years old. As, as experiencing, excuse me, as a-- as a result of your policy, however, things are different. All those systems, those child, those children would go to different agencies. Now, all those agencies are located in one community in one organization, and they come together around that child. What may be on one of their darkest days, caregivers who are learning that their child is disclosing sexual abuse now need critical support and key resources so that they can take that next step toward healing. Most of all, children are listened to and heard while receiving those critical services. LB1112 [SIC LB112] is essential to support the needs of these children and to provide the resources to continue this response. Today, the state allocation covers about 22 percent of the cost for this effort. Simply

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put, the growing need requires a growing response. Through the course of the legislative process, we've been able to work with Senator McConnell [SIC] and discovered this possibility of the TANF funding. We researched other states and have learned that TANF funds are appropriately being used in the support of child advocacy centers. However, for this to be successful, we would ask that you specify this as the pathway, as you prioritize this bill. We all agree these are mandated services and now the essential component to the collective response to the outcry of child maltreatment. This is not just something that's nice to do. It's the expectation. It's what our children are counting on us to do.

CLEMENTS: That's your time. Are there questions from the committee? I had a question.

GENE KLEIN: Yes.

CLEMENTS: Also do your counties provide any funding to you?

GENE KLEIN: We get-- we do get some funding through the Douglas County, but it's some federal funds that are pushed through specifically for sex trafficking for, for the Omaha area, but, but not a direct allocation from Douglas County or Sarpy County, the areas that we serve.

CLEMENTS: And I'm not sure about reading the amendment. There's a current funding of about \$3 million of General Funds. Is the intent that that \$3 million also goes over to TANF funding?

GENE KLEIN: I don't know that answer. I would look to the senator.

McDONNELL: I'll answer that.

CLEMENTS: OK. I will follow up with Senator McDonnell.

GENE KLEIN: Yeah.

CLEMENTS: Thank you for your testimony. Other proponents for LB112? Seeing none, is there anyone here in opposition? Seeing none, anyone here in the neutral capacity? Seeing none, Senator McDonnell, you may close.

McDONNELL: Thank you, Chairman Clements, members of the committee. We know that there is definitely a need east-west, north-south in our state with the TANF funds, historic, at least going back to the last five years, having funds that were not being spent, knowing that we

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now in the Cash Reserve, the TANF has \$130 million. Looking at \$10 million per year that's not being spent asking for the, the 7.5 ongoing, having conversations and working with the Governor's office, the goal is to make sure that we're spending all the TANF money, of course, correctly. That's why it was discussed about the state of Arkansas that's already utilizing TANF funds in the way that we're discussing and hopefully meeting the, the need in all parts of our state. So that is what we're working on and using the funding. Senator Clements was asking about the \$3 million out of General Fund, having this 100 percent funded going into the future. With TANF, if we think that's appropriate. But we also want to make sure that that is going to be ongoing and we do cover all the expenses. And that's why we were looking at the \$3 million and the 7.5 and also still talking about can we use all TANF money to take care of this going forward?

CLEMENTS: And my other question was about the two full-time employees increase. You're working on that being part of the funding?

McDONNELL: Asking that question, not knowing if, if we can, knowing that there is some rules in one of those handouts that I handed out earlier, they did talk about, you know, the rainy day fund. They talked about how TANF money coming into the state would not be reappropriated to another state. Also, the idea of not earning interest off TANF monies. So there's some of those things that have been discussed. But we will look further into it and see if, if, for example, going back to the state of Arkansas, how they have further spent their TANF money.

CLEMENTS: All right. Are there questions from the committee? We'd like to find out if Arkansas uses the TANF for administrative fees.

McDONNELL: That's what I-- that's what I said, yes, I'll find out.

CLEMENTS: All right. OK. Thank you.

McDONNELL: Thank you.

CLEMENTS: We have position comments on LB112: 133 proponents, 2 opponents, 1 in the neutral capacity. And that concludes LB112. Now we will open the hearing for LB470. Senator McDonnell.

McDONNELL: Thank you, Chairman Clements, members of the Appropriations Committee. My name is Mike McDonnell.

CLEMENTS: Let's let the room clear. Just a minute, please.

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McDONNELL: Thank you for being.

CLEMENTS: Yes. If you're going to testify, please move forward. All right. You're welcome to open, Senator McDonnell.

McDONNELL: Thank you, Chairperson Clements, members of the Appropriations Committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. I offer you in consideration today of LB470, which seeks to increase rates paid to child welfare providers who perform work on behalf of the Department of Health and Human Services and the Office of Probation Administration. As offered in the bill, the rate increases would amount to a 10 percent increase in one year for the biennium and a 7 percent increase in year two. Those numbers, however, are offered at a starting point for discussion in the light of the practical circumstances surrounding the state of child welfare services in Nebraska. It is my intent to work towards an acceptable number for the committee, even if it is less than the amount proposed. To begin, I'm passing around a spreadsheet that has been put together by a few child welfare providers that outline some of the historic rates paid by-- for various child welfare services dating back to 2013-14 fiscal year. As you look at the chart, the columns signi-- signify the applicable fiscal year and the rows identify the services and the rate and the dollars paid for the services, with the list of DHHS services on the top portion and some probation services at the bottom. As you look across the column in each, each row, you'll note that the limited exception, the dollar rates stayed relatively the same for the majority of the last decade. When you add the overall stagnation of rates over the past ten years to the present practical circumstances faced by child welfare providers, we get to a place where LB470 is necessary. As we have heard from various stakeholders in other areas of government and business, inflation and the increased costs of wages in a competitive hiring market have placed incredible pressures on providers to maintain a workforce that can meet the needs of the children and the families they serve. If you add the state's commitment to increasing wages for its teammates, then private providers who are relied upon by the state find themselves faced with the difficult task of simply hiring enough people to do the job. Thank you for your consideration of LB470. While I know that there is another ask, this is another ask for rate increases in the larger picture, please remember that these providers are ones who assist some of the most vulnerable children in our state, ensuring that they are able to provide the appropriate levels of care and attention to the critical-- that are critical to our success and the future of our children. Here to answer any of your questions.

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CLEMENTS: Questions? Senator Wishart.

WISHART: Thank you, Senator McDonnell. So I believe you were here in talking with CEO Smith about the department's plan for, for looking at sort of a holistic approach to rates. So with that in mind, have you looked at all at the ability to use TANF funds for our rainy day access sort of cash fund, TANF fund, pot of money to support an increase in rates to get through that, that period where the department is working with stakeholders to, to look at that comprehensive plan?

McDONNELL: Yes. So not only in my opening, as I mentioned, the percents of 10 and 7, also the idea of funding. And based on my last bill I just presented, looking at the TANF and the potential for, for that use. Yes, we are.

WISHART: OK. Thank you.

CLEMENTS: Other questions? Thank you.

McDONNELL: Thank you.

CLEMENTS: Assume you'll be here to close.

McDONNELL: I'll definitely come here to close. Thank you.

CLEMENTS: First proponent. Welcome.

PEGG SIEMEK-ASCHE: Thank you. Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Pegg Siemek-Asche, P-e-g-g S-i-e-m-e-k-A-s-c-h-e. I am the CEO of NOVA Treatment Community, headquartered in Omaha, Nebraska. I also have the privilege of serving as the president of Children and Family Coalition of Nebraska or CAFCON. CAFCON is a member association of 12 nonprofits that provide child welfare services on behalf of the state of Nebraska. Our members serve children and families across all 93 counties in the state, and you can find a list of all of our providers on the copy of my written remarks I have distributed to you today. I want to start by thanking Senator McDonnell for introducing LB470 and for the committee's consideration for a rate increase for child welfare providers. The work our members do on behalf of the state for children and families is both stressful and critically important. Regardless of the day-to-day challenges our providers and clients face as a result of the nature of our work, the last few years in our business have been particularly difficult. Given the difficulties of the pandemic and the practical reality surrounding running a business

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in 2023, it may go without saying that the costs of doing business have increased and meeting the expectations of DHHS and the families we serve on its behalf are hard. As Senator McDonnell explained during his opening, our providers have seen years of little or no increase in rates. The last ten years of overall stagnation have led to serious concerns about stability in the industry. Each month that passes leaves members struggling to fill vacancies and maintaining workforce, while also addressing the general business needs of any operation. To put rising costs in context, our providers report that they are seeing things such as 2023 healthcare costs increasing by 13 percent compared to 2022; unemployment and workers' compensation-- compensation rates up 5 to 7 percent; general liability insurance increases due to the nature of our work up 11 percent; and mileage rate increases of 6.8 percent. Add that to the high turnover rate we see with our employees and the fact that the state has given raises to its own child welfare employees the last two years, we are unquestionably behind. Aside from the general business expenses we face, it is important to consider the context of our work in light of the state's decision to terminate its contract with Saint Francis last year in the wake of the mismanagement of its business. While we are all extremely thankful for the Legislature's commitment to increases last session, the reality of that increase was a near zero effect on our providers. When the contract with Saint Francis was terminated and management of the Eastern Service Area transitioned back to DHHS, so did the rates paid. This meant that our providers in the ESA took a base rate cut when transitioning to DHHS rates, even though the Legislature appropriated more money. The increase from the Legislature in 2022 then was mostly a wash. I, I want to be respectful of your time today, and I know there are a number of providers in the room from all parts of the state to speak to you. Suffice it to say that we are all here because we care. The families and children we serve need support and we simply cannot do it effectively and sufficiently under the present circumstances. Providers need a commitment from the state that demonstrates the system and its future are stable and LB470 is a great demonstration of that. Thank you all for your attention to this important issue and I'll be happy to answer any questions.

CLEMENTS: Are there questions? Senator Armendariz.

ARMENDARIZ: Thank you. Thanks for being here. I just have one question. If we were to increase the rates, is there any way that we could agree to how much of that percentage of increase would go directly to those frontline workers in compensation to try to alleviate the lack of hiring?

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PEGG SIEMEK-ASCHE: I don't think that would be an issue. What we try to-- because the state has raised their, we're losing workers to the state because they are paying better. So the services that we provide are critical, but we're losing workers on a daily basis. I have two people that went last month to work at the state because their rate increases were much higher than I can afford to pay them. And it's not that I don't want to pay them that. I can't make it work in my budget. So any time we can get a raise, that, our frontline folks see that raise.

ARMENDARIZ: OK. Yeah. I would just want to be clear that the overhead is not going to be getting increases--

PEGG SIEMEK-ASCHE: Absolutely, absolutely.

ARMENDARIZ: --just the rates paid to those frontline workers.

PEGG SIEMEK-ASCHE: Understood.

ARMENDARIZ: I appreciate it.

PEGG SIEMEK-ASCHE: Yes.

CLEMENTS: Other questions? Senator Vargas.

VARGAS: Thank you for being here.

PEGG SIEMEK-ASCHE: Yes.

VARGAS: So DHHS is paying more right now and you're losing workers to DHHS?

PEGG SIEMEK-ASCHE: Absolutely. For the-- for the same, like, educational requirements, etcetera, they're moving on to the state, which is great that the state is paying state workers more. Don't-- I think that's wonderful.

VARGAS: That's great. That's great. Yes.

PEGG SIEMEK-ASCHE: But there's an unexpected consequence to that that people didn't realize. Then we're going to lose the people who provide that direct care.

VARGAS: From termination from the Saint Francis contract, were there any conversations with DHHS to utilize more of that money that was brought in to increase rates for providers like yourself?

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PEGG SIEMEK-ASCHE: I didn't have any conversations with the state about it.

VARGAS: OK.

PEGG SIEMEK-ASCHE: I can't answer for other providers, though.

VARGAS: Of course. It's just that strike so odd that we're going to be losing workers. There's competition between DHHS and you now as a result of this change. That's not sustainable for the work that you've provided, both pre-Saint Francis and post-Saint Francis. Thank you.

PEGG SIEMEK-ASCHE: Yes.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

PEGG SIEMEK-ASCHE: Thank you.

CLEMENTS: Next proponent.

_____ : We're all so eager [INAUDIBLE].

CLEMENTS: Good afternoon.

MIKE BETZOLD: Good afternoon, Chairman Clements and members of the Appropriations Committee. First, I want to thank Senator McDonnell for introducing LB470. I'm Mike Betzold, spelled M-i-k-e B-e-t-z-o-l-d, and I am the CEO of Better Living Foster Care and Family Services. We have offices in Lincoln, Grand Island, Columbus, Kansas, and Omaha. And prior to the pandemic, we employed over 127 employees. Today, we have 71 employees. As a member of the Nebraska Alliance of Family and Child Service Providers, I am here to talk about the department's use of ARPA dollars. Our alliance members also want me to share some costs associated with providing services to over 1,000 families in over 60 counties across the state. I shared a document with you that specifies language this committee and the Legislature put in the ARPA bill last year. It clearly states that \$6 million in years 2023-- '22-23 and '23-24 should be used for provider rate increases. We believe it was the intent of this committee and the Legislature that the rates we are talking about today should have been increased substantially. But the department got creative with their definition of provider rates. Rather than allocate \$6 million to increase rates for services like family support and parent time supervised visitation, DHHS chose to only use \$850,000 each year for such purpose. The remainder of the funds are being utilized for a pilot project and other undisclosed purposes. We want to encourage this committee to hold the department

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accountable for how these funds are being spent and ensure that they meet your intent. Next, I want to talk to you about the cost of providing services. In September of 2021, the department asked the members of the provider community to calculate the cost of providing family support and parenting time/supervised visits. Both of these services are reimbursed at the same rate. The provider community submitted detailed information to DHHS and we requested a rate just under \$65 an hour because our break-even cost was \$61.50. We had also requested at that time a \$35 per hour rate for drive time. This is the time that our employees are behind the wheel transporting state wards to and from services. Obviously, due to inflation, these numbers are slightly higher today. If you calculate what our rate would be if we had received a 3 percent increase each of the last 12 years, the number is nearly \$67 per hour. Similarly, the 10 percent requested in LB470 would result in a rate being \$65.85. The point of all of it-- all of this is that the current reimbursement rate is not enough. We are actually being reimbursed less than we were in 2010. The rate does not cover the costs of providing these services. Here's why. When we calculate the cost of health insurance, paid time off, training, retirement, and other benefits that we provide our-- that, that as providers we offer our employees, the actual hourly rate that we are paying our staff is anywhere from \$28 to \$36 an hour, depending on if they are bachelor level or master level. The department is paying us \$22.92 every time one of those employees gets behind the wheel to transport a state ward or a client. If you do the numbers, it's not hard math. We're losing money every time one of our staff gets behind the wheel. We've asked the department repeatedly for rate adjustments and to take a look at our rates that are being provided for all of the services that we offer. And I want to point out to you that in the recent contract negotiations, over 20 times the department's response to questions that providers asked about rates was simply the department does not determine rates; the legislatures-- but the legislative body does. So that's why we're here asking for help from you, because clearly CEO Smith sitting here telling you there might be a plan, that's not happening unless you guys act and give us the rates that we're asking for. With that, I'm happy to answer any questions. And again, I want to thank Senator McDonnell for introducing this bill and that's it.

CLEMENTS: Are there-- Senator Vargas.

VARGAS: Thank you, Chairman. Thank you for being here. So the question I have is about the correspondence between you and DHHS, what their rationale is. The way that I read the language, and many of us were here for this, our intent was to fund the provider rates with this,

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with these dollars. And, you know, we designated the program. We said it was for increases in provider rates; and reading the language the same way, this feels like Groundhog Day. But them utilizing it solely for or a carve-out for new services because that's what I'm hearing, what was the rationale for not doing it for all the program services that exist in child welfare?

MIKE BETZOLD: Great question. I would ask them that. What I can tell you, one of the things that they did do that I think is a positive, but they were using this money rather than asking for additional funds out of their normal budget, they are incentivizing relative kinship homes to get licensed. And if they do, within a five-month period, they get a \$2,500 bonus. That's a good thing, because those families then can pull down IV-E funding. But they're using those dollars for that. And in their definition, that's a provider. And so they sufficed the provider rate allocation by using those funds that way.

VARGAS: Is that a new program that you just mentioned?

MIKE BETZOLD: Yeah. It's a pilot.

VARGAS: The problem that I have with this is we typically are hearing from bills that are pilot programs and there is a request from DHHS to us for the purposes of using funding for a new pilot program or a committee member or any member of the Legislature is coming with a bill requesting funds for a new pilot program. So they utilized these one-time federal ARPA funds for this new program, because we didn't specifically-- I'm not sure how much more we could have delineated that they go to all these providers.

MIKE BETZOLD: It was pretty clear to the provider community how these funds were supposed to be used. But again, the department chose to interpret it in their fashion.

VARGAS: OK.

MIKE BETZOLD: And I think there's a, you know, when we testified last week, I think there's enough money to allocate to cover the, the 10 percent we're asking for. And part of those funds that are not being used, the \$6 million this year and next year, could be rolled into that. And as a provider, I'll be honest with you, I've been doing this since 2006. It's very, very frustrating when we ask over and over, can you just give us a cost of living increase? Can you just cover the expense? There's a training that they added to our contract, I think it was two years ago, that all of our foster care staff now had to

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take this training and it ended up being about 30 hours' worth of training. Well, for me as a provider, that was a \$12,000 hit that I had to now pay out of my pocket with the current rates that we were paying. And what was interesting with the department, they said, hey, providers, we have a free program that we're going to be able to roll out to your staff. It doesn't cost us. We got it for free. They were very happy that they got it for free. And I said to them, I said, you don't understand. It may be free to you, but it's not free to me as a provider, because now I have to require all of my staff to take that. And that's 30 hours of training that I didn't have to have them go through, that I wasn't paying them out of the previous contract and now I have to do it. And they're like, oh, we didn't really think about that. But then again, there's no initiative on their part to compensate us for those additional costs. And this has been going on. I mean, I'm-- somebody said earlier that they have a bloody head. I have a bloody head because it's like I'm banging my head against the wall with this over and over and to the point where I'm just really kind of tired of it.

VARGAS: I apologize. Would you be able to give us a copy of your testimony? I'd just like to follow up on some of those figures.

MIKE BETZOLD: Sure.

VARGAS: Thank you very much.

_____ : I can make copies.

VARGAS: We can make copies here--

MIKE BETZOLD: OK.

VARGAS: --if you have it.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

MIKE BETZOLD: Thank you.

CLEMENTS: Next proponent.

SHEILA DECKER: I got to check this out. I got a loud voice. Good afternoon. Thank you for allowing me to testify. My name is Sheila Decker, S-h-e-i-l-a D-e-c-k-e-r, and I'm the in-home family service manager for Epworth Village. And I'm here in support of LB470 to increase the rates for child welfare services 10 percent in fiscal year 2023 and 2024 and 7 percent in fiscal year '24-25. Child welfare

services are vital to Nebraska's child welfare system. These community-based services involve working directly with the whole family in their home to enhance parenting skills and to rectify the problematic issues that has led to the system involvement. The key to working with-- effectively with families involves first actively developing trust. Once you can earn that trust, we are able to more effectively provide services designed to prevent or remedy abuse and neglect, improve basic daily living and coping skills, parenting knowledge, and skills to better manage the home. The ultimate goal to keep families together and thereby prevent trauma on child-- children associated with removal from their family. However, when children have been placed in the care, the goal is to work towards reunification through our services. This work is absolutely not easy. On a daily basis, staff are facing many obstacles and challenges, including dealing with situations that can be extremely dangerous. This includes working with families whose situations involve domestic violence, mental health, substance abuse, alcohol abuse, unsanitary homes, hostile parents, and sometimes violent children. Even with all the obstacles, staff continue to provide services, and many times eventually experience the reward of witnessing parents build their sense of self-worth and become empowered to use the tools and skills gained from these services. I per-- excuse me. I personally witnessed many successful outcomes in my 33 years of service. I would like to share the positive impact that child welfare services and providers can have on families through the story of one family I worked with involving a mother and her four children. Mama was unemployed, using methamphetamine, and dealing with domestic violence by a husband who also exerted dominance and control over the household. Her children were excessively absent from school. She came-- became depressed, felt defeated, and believed she and her children had no way out. After her young child told a teacher about the domestic violence in the home, the children were removed and became wards of the state. Epworth Village provided family support, drug testing services, and parenting services with mom and her children. Initially, mom showed up high for the visits and didn't focus on her children. Once I was able to develop that trust relationship with Mom, she was able to see the light and actively partook in the services. I helped Mom become empowered to find safety for herself and her children. She went to treatment regularly, attended Narcotics Anonymous meetings, and eventually began leading her own. Mom's focus changed to the well-being of her children and bettering herself. She was reunited with her children after two and a half years. To this day, four years later, she remains sober, has a professional job, and is slowly able to provide for her children. Seeing a parent in the darkest moment,

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their darkest moment, witnessing them gain hope and become empowered to turn their life and family situation around is rewarding, knowing that you played a part in enriching their lives. Families succeeding is why we do the work we do. Thank you for your time and allowing me to share a glance at what we do and why we do it.

CLEMENTS: Thank you. Are there questions? Seeing none, thank you for your good work.

SHEILA DECKER: Thank you.

CLEMENTS: Next, next proponent.

LANA TEMPLE-PLOTZ: Good afternoon.

CLEMENTS: Welcome.

LANA TEMPLE-PLOTZ: Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Lana Temple-Plotz, L-a-n-a T-e-m-p-l-e-P-l-o-t-z. I have the great pleasure of being the CEO of NCHS or Nebraska Children's Home Society. I am testifying in support of LB470. NCHS is a statewide accredited child and family serving nonprofit with three core programs: family support, foster care, and adoption. We value our partnership with leadership within the Legislature and DHHS and have been a longtime service partner for the state. This year, we will celebrate 130 years in service to Nebraska children and families. We provide services to children and families within and outside the child welfare system under contract with DHHS, the Division of Children and Family Services and Public Health. There's three key points to the message I want to share with the committee today. First, contracts for services provided are not fully funded. Services provided under contract with Children and Family Services are privately subsidized, between 30 and 77 percent, resulting in more than \$1.4 million in private subsidy in fiscal year 2022. And that's just for my organization alone. A list of those services can be found on the next page. Costs for service provision are not allowable for reimbursement within those contracts. For example, interpreter services are not included within state contracts, leaving additional hardship in already underfunded contracts. Travel expenses for families to connect with children who are placed in traditional foster homes are not-- deters relatives and kinship caregivers from reconnecting with their children separated from their family. The data and reporting requirements vary across services, often in excess of 10 percent of indirect administrative costs. The Nebraska Child Welfare system funds the bare minimum for services for

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families. Every child and family deserves best practices with evidence of effectiveness delivered by high-quality staff. Nebraska has aspirations to reform child welfare into a-- into a service that promotes child well-being. However, it falls short of that aspiration with underfunded contracts for a basic service array. For example, Kinship Navigation, a service for relative and kinship caregivers of children at risk of foster care, was requested by DHHS Children and Family Services to use a specific model that requires a minimum of four full-time staff. We currently offer that model, provide that model, yet the contract amount only funds two staff. Nebraska has many talented and dedicated professionals committed to seeing justice and integrity brought to Nebraska's child welfare programming, including those at the Department of Health and Human Services. But we cannot do that without proper funding. The other thing I just want to mention, too, in response to CEO Smith's earlier testimony about the model for services and the model for funding, there are no providers on that group, that 1174 group or 1173 group. So if we're going to look at a state model for child welfare reform, child welfare well-being or moving to a well-being system, and we're going to look at how best to fund it, you need to have providers on that group to talk about how it's currently being funded. So I just make a little plug there. Thank you, Senator McDonnell, for introducing this bill and the opportunity to testify today. And I'd be happy to answer any questions that you have.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

LANA TEMPLE-PLOTZ: Thank you. Thank you very much. Have a great day.

CLEMENTS: Next proponent for LB470. Good afternoon.

JEFF SCHMIDT: Good afternoon, Chairman Clements and members of the Appropriations Committee. I want to thank Senator Senator McDonnell for introducing LB470. My name is Jeff Schmidt, spelled J-e-f-f S-c-h-m-i-d-t. I'm CEO of Jenda Family Services, a child welfare services provider based in Lincoln. We have 70 employees serving over 400 families and about 40 counties across the eastern half of Nebraska. I want to talk to you specifically today about workforce, as a number of folks have, focusing on the services of family support, supervised visitation, IFP and IFR. IFP is a preventative services, preventative service designed to keep a family intact with children in the parental home. Family support is an educational and supportive service, also often used as a preventative service to keep children in the family home if possible. All of these services have the goal of

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either keeping the children in the home or returning them home as safely and as quickly as possible. Providers, unfortunately, in Nebraska are unable to adequately staff these services. We are seeing a marked reduction in qualified applicants, higher turnover rates, and reduced ability to serve Nebraska's children and families. With the current rate paid to Nebraska providers for family support, including supervised visitation, providers can afford to pay a starting wage of up to about \$18 to \$19 an hour to a family support worker. For IFP and IFR, which require therapists, the starting wage we can afford is about \$23 to \$25 per hour. That doesn't include the cost of employer taxes or any benefits. That's the hourly rate in and of itself. Since January of 2021, the average tenure for a family support worker for Jenda has been just under seven months. That's as long as we can keep a family support worker on our staff. Our turnover rate in 2021 for that position was 115 percent for the year. For 2022, it was 123 percent for the year. Essentially, we're turning over double the staff every year. The providers who are members of the Nebraska Alliance of Family and Child Service Providers have experienced similar challenges in hiring and retaining staff. At Jenda, we pay our family support workers up to \$19 an hour if they're fully qualified and prefer to hire those folks with a relevant bachelor's degree. Other employers in the Lincoln area routinely advertise positions with no postsecondary requirement for education at \$22, \$24, \$25 an hour, including benefits without cost to the employee. As I said, the IFP and IFR services require therapists. We simply can't hire licensed or provisionally licensed therapists at the \$23 to \$25 an hour rate. We're relying on interns. We, we struggle to get those, but we're fortunate to be in the Lincoln area where we have some colleges nearby. We can get students, interns to provide services under our contract and they will work at that \$23 to \$25 an hour rate. It's a time-limited opportunity for them because they're still in school. When the internship is done, they don't necessarily stay with us. But that's the way we're able to serve at least some families with those services. Compounding the hiring challenges for us is the nature of the work, and you've heard a lot about this from other folks today, the nature of work we ask of our staff. We can't assign our staff to a regular shift with predictable hours. We work around the, the availability of the families that we work with. The kids are in school during the day. Often parents are working days, sometimes evenings. They have treatment requirements they have to follow through on. We work around those schedules and that provides a fairly narrow window for when we can work with our families. In addition, as you've heard, the parents we work with often have unsettled lives full of crises and setbacks. The homes are-- that we're dealing with are working with substance

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abuse, mental health needs, unsanitary conditions, domestic violence, some criminal activity and some-- sometimes, as one person put it, hostile parents. If a parent doesn't show up for a visit, our staff don't get those hours to work. We can't pay them for it because we don't get paid for it. And so they're out that time. We have difficulty then making up time and they have a difficult time keeping a full-time then. Compared to January of 2020 before the pandemic hit Nebraska, providers in our organization employed 25 to 40 percent fewer employees; received 30 to 50 percent fewer applications for open positions; and maintained an informal waitlist of 20 to 45 families because without the staff to serve the families in the system.

CLEMENTS: OK.

JEFF SCHMIDT: My time is up. What that means is families are waiting for required federally mandated services.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

JEFF SCHMIDT: Thank you.

CLEMENTS: Next proponent. Welcome.

KENDRA SMITH: Good afternoon, Chairperson Clements and members of the Appropriation Committee. My name is Kendra Smith, spelled, spelled K-e-n-d-r-a S-m-i-t-h, and I'm here today on behalf of Heartland Family Service to speak in favor of LB470. We would like to thank Senator, Senator McDonnell for bringing this bill forward as it's such an important topic. At HFS, I currently serve as the training coordinator, but until recently I worked as the supervisor for our Restoring HOPE program, which provides child welfare services where I was working with children and families involved in the child welfare system in the state of Nebraska. Leaving this position was easily the hardest decision I've made in my career. I represent the countless workers who, after a long internal battle, left child welfare for a position with higher pay, better work/life balance, more reasonable expectations, and far less stress. When child welfare lost me, they lost a wealth of education, training, life experience, and institutional knowledge that cannot be replaced. I loved my job, but I felt like the system was fighting us every step of the way and just couldn't do it anymore. Throughout my years in that program, I was able to see it all from the point of view of a direct service staff on the front lines and eventually as a supervisor wanting to support the staff and clients. I worked in multiple service areas in different

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roles in the child welfare system, but some things always remain the same. Low rates and ever increasing demands on the workforce drove negative outcomes far more than the challenges being faced by the children and families we served. It's easy to see it in the recent example of the Eastern Service Area. When we were receiving the somewhat higher rates PromiseShip offered, our program thrived. We were able to offer innovative services, there was consistent case collaboration among family and case teams, and we had the lowest turnover rate in our agency. Clients were being served by staff with all over five years' experience and some with far more than that. However, we are now expected to do the same work with less money and less support from the department. The staff in our program often have as much or more education, training, and experience as DHHS staff; have the most frequent contact with clients; know them better than any other case professionals on their team; and have the most direct impact on their success. And yet they are in a position that generally pays less, and their requests and recommendations are consistently ignored. Honestly, the idea of collaboration or even consistent communication with our lead agency is a long lost memory, and we are the ones providing consistency and follow-through for these children and families. In the end, our jobs have become about counting pennies and stretching funds. Those of us who are not willing to cut corners or pay less than a living wage are constantly at risk of our programs closing. We diversify streams of income, which means less and less of our work takes place within the child welfare system. And when, for example, probation offers more money for the same service with less bureaucratic red tape, it's hard not to move staff, resources, and time to a more forgiving and financially viable funding stream. I really thought I would work in this field forever. It's hard work, but good work. I truly love the challenge of working with the children and families, and we have great results. But in recent years, it's become about billable hours and rate structures and less about the families, their needs and concerns, and doing the work with the very best people we can find. Now we are asking a system to adopt new technology and make do with less while somehow meeting more needs, lowering caseloads, and having better outcomes, all of this with less money in a much more expensive world. Simply put, without a rate increase, you are dooming this system and in turn you are sealing the fate of thousands of families in your community and mine. I urge you to hear my words today and think about them; really decide if keeping rates at this level is the best you can do for children and families in Nebraska. Thank you for your time today. I'm happy to answer any questions.

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CLEMENTS: Are there questions? Seeing none, thank you for your testimony. Next proponent. Good afternoon.

RYAN STANTON: Good afternoon, Chairman Clements and members of the Appropriations Committee. I also want to thank Senator McDonnell for introducing LB470. My name is Ryan Stanton, spelled R-y-a-n S-t-a-n-t-o-n, and, and I'm the CEO of Compass, a family service child welfare provider in Kearney. We employ 38 employees, serve 250 families a year in over 21 counties in central and western Nebraska. I have testified in front of this committee before on provider rates and I appreciate being here again. And while my agency experiences all of the workforce travel, serving families in rural parts of the state, challenges that you've already heard about, I'm going to take a slight right turn with my testimony and talk about child welfare provider rates from a different perspective. My wife and I are proudly pro-life. We believe that life begins at conception and that every child deserves a chance. We know that those who hold a pro-life as a value often get criticized for caring more about children before they're born than when we do after they're born. Therefore, we don't talk a lot about being pro-life. We just try to consciously live it every day. In addition to our own five children, we have personally served as foster parents for 20 children over the last 16 years, kids who have experienced drug abuse, physical abuse, neglect and worse. We welcomed them into our home, surrounded them with love, and embraced their individuality. They not only mattered in the womb, but they mattered as newborns, four years-- four-year-olds, seven-year-olds, 13-year-olds, and 18-year-olds. Being a foster parent to these kids have been some of the most rewarding experience of our lives. Being pro-life has also informed my career choice. It's one of the reasons I do what I do. I believe that at my core, every child deserves a chance, both unborn and born. And I try my best to provide opportunities to as many children as I can every day. Many of us have benefited from having two parents in our lives. Senator Clements, you've often spoke highly of your father on the floor of the Legislature. He is clearly someone you have great admiration for and rightly so. Unfortunately, not all of the children have that same experience. Some of us are parents and we enjoy great relationships with our kids. Again, that's not the case for all families across our state. It's truly heartbreaking to see that on a daily basis. It's equally heartbreaking to see a budget that doesn't include funding for child welfare provider rates. And it essentially says to these families, and especially these children, you aren't important. So to me, being pro-life means every child deserves a chance, and that means every child deserves a chance. So I'm asking you on behalf of the

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children who are in the wombs of mothers who may have not had the know-how or ability to make good prenatal decisions and are on-- and are going to give birth to babies who are going to struggle in 25 different ways from their first breath to please include Senator McDonnell's request for an increase to your budget. Thanks.

CLEMENTS: Are there questions? Thank you for your testimony.

RYAN STANTON: Thank you.

CLEMENTS: Next proponent. Good afternoon.

JOVAN JOHNSON: Good afternoon. My name is Jovan Johnson, J-o-v-a-n J-o-h-n-s-o-n, and I'm the director of child welfare services for Child Saving Institute. CSI has served the state of Nebraska for the last 130 years. As a representative of an agency that subcontracts with the state of Nebraska to care for vulnerable children, I'm sorry, children and families, I support LB470. In my role, I oversee the triage center, a place where children go when they've been removed from their families or have disrupted foster care placement or kinship placement. In 2022, we completed 959 intakes, which is the fourth highest number of intakes since service started in 2008. As child welfare providers, we are seeing an increased demand for services while facing the same challenges as every organization and business. The labor market is tight and inflation is hitting every line of our budget. These external pressures caused by inflation are not unique to us as providers, but they are impacting the families we serve and the foster parents we recruit and support. Our child welfare system is tasked with serving families and children at the most, I'm sorry, at the most traumatic times of their lives. If the services and support provided fail to meet their needs, the harm and impact reaches far beyond the time we are serving them. A commonly referred service for families is family support. Family support services provides coaching, teaching, and role modeling to ensure families are able to safely care for their children. Per the DHHS Service description, providers are accountable for helping families to prevent or remedy abuse and neglect, improve basic daily living and coping skills, and better manage their homes, resources and incomes. This is a noble and much needed aim, but it's also a very heavy lift when working with families to change longstanding patterns of behavior. The reimbursement rate, just shy of \$60 an hour, is insufficient to support programmatic needs. At CSI, a full-time family support specialist is expected to spend 65 percent of their time providing billable services. This requirement allows for time to complete state-mandated documentation, travel to visit-- travel to home visits, and engage in other required

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activities, including training and development. For every family support specialist we employ, we expect to lose just over \$11,000 per year. In short, the more families we serve, the more money we lose. It is unacceptable for agencies to be expected to lose, I'm sorry, to bridge the gap each year. For this critical service, an increase of 18 percent would bring us to just break even. Agencies are not seeking to get rich on these services. We are simply seeking a fair reimbursement rate. We appreciate the state of Nebraska is being mindful of budgetary constraints. However, we would argue that failing to appropriately respond to the needs of children and families is not saving the state money. Instead, the state is-- the state should view the services we provide as an investment in the future. If the investment is aligned with the true cost, the compounding effects over a period of years would be more positive outcomes for families and children. Conversely, the longer we delay the reality-- the reality of these costs, the longer we will continue to see the impact of this underinvestment. This translates to more children at risk, more families removed, I'm sorry, more children removed from their homes, and more youth not establishing permanency, and more adverse outcomes that the state must pay for this in different ways through a variety of systems and supports. Thank you for your time and consideration and I'll take any questions.

CLEMENTS: Are there questions? Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for your testimony. You said you have about \$11,000 a year per--

JOVAN JOHNSON: Per family support specialist that we do.

ARMENDARIZ: Family support specialists. Where do you guys find the funds to to bridge that gap?

JOVAN JOHNSON: So I, as an agency, we learn to move things around and be creative with our budget and we-- what's the word I'm looking for?

ARMENDARIZ: Do you have private fund-raising?

JOVAN JOHNSON: Yeah, we fund-- that's the word-- we fund-raise things and so that way we can cover that deficit for those-- for those costs.

ARMENDARIZ: OK. Thank you.

JOVAN JOHNSON: Um-hum.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

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JOVAN JOHNSON: Thank you.

CLEMENTS: Next proponent. Good afternoon.

LESLIE TRAVIS: Good afternoon. Good afternoon, Chairman Clements and members of the Appropriations Committee. I also want to thank Senator McDonnell for introducing LB470. I am Leslie Travis, spelled L-e-s-l-i-e T-r-a-v-i-s, and I am a licensed foster parent from York, Nebraska. My husband, Brandon, and I have been fostering for four months. I want you to know that we love being foster parents and we love these children. I also want you to know that the high-- the higher cost due to inflation has had numerous impacts on fostering that are beyond our control. The desire to help the defenseless has always been at my core, but especially after working for an agency and seeing day in and day out the number of children who need a home in which to thrive, my desire to help others has grown. The daily contact with state wards and knowing the need for foster families is in high demand. I approached my husband about becoming foster parents. He never once questioned it or told me no. We have three biological children of our own and they have-- they were willing to open up our home to share with other children. To get licensed, we signed up for the nine-week class and we prepared our home by purchasing beds, bedroom furniture, along with bedding. During the training, we learned when a placement would take place there was a chance that we would only have a few hours' notice and it could come at any time. We wanted to be prepared and have everything ready to go if that were to happen. As you can imagine, being in a home with strangers, especially on the first night, can be very traumatic for a child and we are trying to make them feel comfortable and welcome. As foster parents, we have had emergency placements where children have been brought into our home as late as 11 p.m. with nothing more than the clothes that they were wearing. This often means taking the children to the store to purchase enough essentials to get through the week. We have also had to purchase car seats for some of the children who have been placed with us. School supplies also were purchased since many of these children are not attending their home school. Many of these expenses are out of pocket for foster families, including us. Some of the foster children placed in our home have major medical needs that are not covered by their insurance carrier. One child currently placed with us has food restrictions due to a health condition. I want to close by sharing that we are driven by the internal desire to help children have a normal life. All children-- all children in Nebraska deserve to grow up in a home that is safe, a home where their needs are met, and a home that is filled with love. Just because a child is in foster care does not mean that they should be denied many of the same privileges

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as their peers in school. In our house, this means allowing our children to be who they want to be, whether that's playing high school baseball or football, playing the French horn for band, attending summer camp, or taking dance lessons. No matter what situation foster children come from, they deserve respect and a home in which they can thrive as normal as possible. We teach them that no matter where you come from, we are all equal. Please do what you can to increase the rates for foster families who are taking care of the state's children. Thank you for your time. I'm happy to answer questions.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony. Additional proponents. Welcome.

LEIGH ESAU: It's evening time so good evening. I didn't plan to testify, but my name is Leigh, L-e-i-g-h, Esau, E-s-a-u. I am the founder and executive director of the Foster Care Closet. We are a statewide organization with locations in Beatrice, Kearney, North Platte, and here in Lincoln, as well as a haven service inside the Child Advocacy Center that is available 24/7 as kids are entering into foster care. I am here because all of the people that came before me are not only professionals and colleagues, they are my friends. And it is devastating to sit here and listen to them basically have to beg to do the job that they want to do. We have turned our CEOs and our directors into fund-raisers. That is not what they signed up to do, nor is it what they should have to be doing. We want to take kids and we want to put them into an environment that allows a family to heal and come back together as a solid unit. They cannot do that if they do not have the funding or the capacity to hire the proper staff to bring those families back together. What happens is we end up with those kids reentering the system. We've got to put a stop to it, which means that we need to start funding where we want to start making the difference. So I came up here today because I want to fight for my friends. I want to fight for my colleagues. I want to fight for our families to be able to get back together. Most of all, I want to advocate for our kids who deserve every professional service available to them with a professional way of that being given.

CLEMENTS: Thank you. Are there questions? Seeing none, thank you for your testimony.

LEIGH ESAU: Thank you.

CLEMENTS: Are there other proponents for LB470? Seeing none, is there anyone here in opposition? Good afternoon.

ANDREW KECK: Good afternoon. Good afternoon, Chairman Clements and members of the Appropriations 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, CFS, within the Department of Health and Human Services, DHHS. I'm here to testify in opposition to LB470, which are appropriate funds at DHHS for child welfare rate increases. LB470 would require a 10 percent increase on July 1, 2023, and a 7 percent increase, compounded increase on July 1, 2024, for all child welfare service providers currently engaged in contracts with DHHS. The department acknowledges the important role that providers play in supporting youth and families. Simply put, we could not do the work that 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-supported foster care, drug testing, transitional living services, independent living services, intensive family preservation, and intensive family reunification. On top of the 17 percent rate increase, family support, parenting time/supervised visitation, and travel time and distance received an additional increase of 3 percent. LB470 identifies specific services that would receive the rate increases, while also using broad language that includes all contracts for CFS services that are intended to meet the needs of children and families in Nebraska. As written, this bill would encompass all services under Program 354 without consideration of specific service needs. DHHS has on average 300 agreements for providing child welfare services to youth and families. Some agreements have established rates and other agreements are cost reimbursements depending on the service provided. DHHS uses contra-- cost reimbursements over standard rates when a new service is being piloted. A standard service rate is generally established after the service is implemented for a period of time and costs can be validated through a specific service rate. DHHS has implemented new child welfare services in the last 18 months to address service needs for youth and families. Rates for these new services were developed and agreed upon in collaboration with providers according to their budgets for the specific service. LB470 would provide an increased rate above the actual cost of those services. DHHS leadership, including CEO Smith, facilitate bimonthly provider meetings with leaders from the child welfare provider associations to coordinate child welfare services across Nebraska. These meetings intend to improve service delivery and strengthen collaboration between DHHS and provider agencies. Contracts are a standing item, including updated timeframes to ensure providers have adequate time to review and execute contracts prior to their start

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date. DHHS is currently developing a new practice and finance model for child welfare in Nebraska in accordance with LB1173 from 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 dubbed "Reimagine Well-Being." One of the core components of this initiative is to develop a comprehensive finance model in partnership with this consultant. LB470 could negatively impact DHHS's ability to implement recommendations related to its-- this finance model. DHHS is meeting with child welfare providers and analyzing service delivery regarding services and rates for the upcoming biennium. This includes the possibility of temporary using existing funding for child welfare rate increases and a rate study based on the LB1173 finance model report. Given these considerations, we respectfully request that the committee not advance this legislation. Thank you for the opportunity to testify today. I'd be happy to answer any questions.

CLEMENTS: Are there questions? Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for your testimony. You said the language is very broad. And did you meet with Senator McDonnell to address your concerns so that possibly he could refine the language or, or create an amendment?

ANDREW KECK: As far as I know, the department has not met with the senator about this specific bill.

ARMENDARIZ: OK.

CLEMENTS: Senator Dorn.

DORN: Thank you. Thank you, Senator Clements. Thank you for being here. You commented that they got a 17 percent rate increase here effective July 1, 2022. And yet the spreadsheet that we got passed out here very early in one of the testifiers, and I don't think you probably have it or whatever, but it just shows a 10 percent rate increase that they got, not 17 percent. So I was wondering why the numbers are different.

ANDREW KECK: Yeah, I'm not aware of where that spreadsheet is or how that is. We actually, our public Website actually has our rates and so I can get that to the committee. Actually, you can see over the last several years how it has increased so you can see that actual percentage. So I can get that.

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DORN: Well, that would be great if you can get us that same thing over the seven-year period because right now they're-- and they had four years in here where they didn't even have a rate increase previous.

ANDREW KECK: That's from what time frame was it started?

DORN: Well, this starts in 20-- in 2013 and it goes to 2022, June of 2022 or the last year.

ANDREW KECK: Yeah.

DORN: But it lists every year in here. And the last year they just got a 10 percent increase, not a 17 percent increase, according to this chart.

ANDREW KECK: OK. Yeah. We'll, we'll come back to you from 20-- 2013 on and show you that.

DORN: OK, if you could show us that, that'd be great because there appears to be a discrepancy of what went on. The other thing then, I was going to ask Dannette Smith or CEO Smith tomorrow, but they also had a handout here in Nebraska, one of the family and child services providers, about the \$6 million of ARPA funds that we appropriated each of two years last year and this year or whatever, and that now you have, or at least your department has not given that as a rate increase, but you've decided to do a couple of pilot programs and stuff.

ANDREW KECK: Correct. Part of the \$6 million is used for the adoption and guardianship rates that the department allocated or talked about when the other rates were increased and that we were not funded. So we wanted to make sure the budget is whole. And then we are piloting a couple of things. One, like they said, is to give providers incentives so they are getting a rate increase as well as foster homes again to get them license so those homes are safe.

DORN: So you intend to give out those \$6 million each of those years for provider rates yet then.

ANDREW KECK: We're working on the, those four months. That's what we're working with--

DORN: No, no, that's not what I asked. I asked, do you intend to or not?

ANDREW KECK: We'll work to implement the legislation as written.

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DORN: As provider rates.

ANDREW KECK: Sir.

DORN: OK.

CLEMENTS: Senator Vargas.

VARGAS: I'm going to pick up where Senator Dorn left off. OK. Six million dollars was allocated from federal ARPA funds last year for the purposes of increasing child welfare provider rates. Why didn't the department follow through on the intent that we as a committee and the Legislature, in allocating all those funds to the existing child welfare provider rates?

ANDREW KECK: As a-- when we were working on what the review of those rates would be, we wanted to use funding appropriately as a one-time cost to increase provider rates. We did use it for the '21-22 and then we're looking at different ways to incentivize providers. So again, the adoption and the guardianship, those ones do get the rates. So we view those as providers will, too, as well as the agencies do get those as well, too, like you said, as well as the provider side, there is an incentive on them to license some more foster homes because that is a need that we see across the state.

VARGAS: What I'm hearing is you didn't follow through on the intent of what the Legislature intended. We had hearings. We, we heard from providers and that's the reason why we appropriated additional funds to child welfare providers to increase their rates with these funds. And DHHS, what you're telling me, has utilized this for pilot projects, which was not what we put in this language. There's two things you're telling me right now, or at least our committee, which is, one, we have to be so minute on making sure the funds are not used for things that were not intended in law, in law, which is an incredibly-- we don't do that normally. I have no idea why you used the funds for something we did not dictate for. It's very, very frustrating for me because we have heard many times from our child welfare providers for years. That's why we intended to put those funds towards this. And I'm, I'm personally at a little bit of a loss because if we follow through on this, on Senator McDonnell's intent of this legislation, you might just-- DHHS might just use these funds for something else if we don't specifically say that it can't be used for pilot programs or other projects. That's what I'm really, really worried about. And I don't know how you can assuage the concern or if DHHS can tell us the exact language that is needed for us to put into,

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into this-- into our budget to ensure that funding goes to increasing provider rates overall with the funding we give them. What language do you need for us to follow through on this intent so there's not a loophole that's created?

ANDREW KECK: The way the language is written in there now, it does describe services that definitely puts the funding right there. The other thing we are working with providers on what services look like, which ones they want to pilot, not just pilot, but just implement long term. Because again, that's where we have now that open communication with the providers and all-- many of those members on the-- testified earlier than me today are in talks with me and other members of DHHS on what new services or existing ones the rates would be appropriate to be used for.

CLEMENTS: Other questions? Senator Armendariz.

ARMENDARIZ: Thank you. And thank you for letting me speak again after this conversation. And, and you can answer as DHHS. This is not a personal attack on you.

ANDREW KECK: Um-hum.

ARMENDARIZ: What-- do you-- do you find that DHHS is doing a great job currently providing the services that these children need and there isn't any additional attention needing to be paid?

ANDREW KECK: Are you meaning the current, like, models that DHHS is kind of using? I would say that's where--

ARMENDARIZ: How we're using-- how we're using these other services--

ANDREW KECK: Right.

ARMENDARIZ: --outside of the state services, everything's--

ANDREW KECK: And that's where LB1173 and that's where the department is very excited for, is to work with the members of the HHS Committee and even you guys as well, too, on that finance and practice model. We're just starting out. We just had our initial kickoff meetings here in February. And so we've involved members from the provider network, people with lived experience, people-- consultants from across the country and we're even looking at, you know, models in other states and we're just starting to get that research done. And so we're excited to see what that could be because we do agree, like there are some things that probably work well here and some stuff that doesn't

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work for us here. So again, taking that new model, that new financing network and really seeing what it is, and that's even working with providers and saying, OK, some stuff was done with PromiseShip before. Maybe we, we can reuse it-- resurrect some of that as well as look to new things. So again we're open and that's where LB1173 is really exciting for us to really design and have something new that can really help children ultimately.

CLEMENTS: Senator Dorn.

DORN: Thank you. Thank you for coming. One more question. Can you give us an accounting of those ARPA dollars and where they-- if they've been spent, where they've been spent, and then where they're itemized to go to?

ANDREW KECK: Yes.

CLEMENTS: That would be helpful. And when the ARPA dollars are done, what's the department's plan for providers after that?

ANDREW KECK: Well, that's I think when those funds are done, that's-- by that time the model will be created because again, these dollars have to be, again, spent in the next couple of years. And so then by that time [INAUDIBLE] that model and then we'll have something from the HHS Committee as well, too, and we'll have some idea on what that funding would look like going forward. But at this time, it's early to talk about what the-- what the plan could be.

CLEMENTS: So that's the LB1173 you're talking about?

ANDREW KECK: Correct.

CLEMENTS: That plan?

ANDREW KECK: Yeah.

CLEMENTS: All right. There was one testifier that said only \$850,000 was given out rather than the \$6 million. Is that-- how do you respond to that figure?

ANDREW KECK: That was our estimate on the 3 percent. So when we gave the figures to former Legislative Fiscal Office Liz Hruska last year, that was the 3 percent what that cost would have been. And so we, again, we projected how much parenting time, family support, travel time distance would be if we gave 3 percent. And that's where that \$850,000 came in.

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CLEMENTS: OK. All right. Thank you for your testimony.

ANDREW KECK: Thank you.

CLEMENTS: Anyone else here in opposition? Seeing none, is anyone wishing to testify in the neutral capacity? Seeing none, Senator McDonnell, you may close.

McDONNELL: Thank you, Chairperson Clements, members of the committee. I think Mr. Keck's testimony is an example of how tone deaf the Department of Health and Human Services is. I think at some point they think they've got veto power. It's very clear what we did as an Appropriations Committee with the ARPA money and they decided to ignore it. It's disappointing. The problem is still there. The people that testified, I appreciate them coming here, appreciate their time, appreciate their service to the people of our state. We still have a problem in front of us, and I think we have to-- we have a huge trust issue with the Department of Health and Human Services based on past experience. I'm here to answer any of your questions.

CLEMENTS: Senator Wishart.

WISHART: Thank you, Senator McDonnell. A couple of-- couple of points and a question. You know, when we were going through ARPA and provider rate discussions as an Appropriations Committee and then on the floor, the goal was for 30 percent increase when you would combine a base rate increase for providers and then ARPA dollars. It's my understanding then is that only 17 percent is being provided to the providers. I want to drill a little bit more and then have a question for you. When we were talking about provider rate increases as a committee and then on the Legislature-- legislative floor, the goal was for that, those dollars to go to direct frontline workers, so caseworkers, so that when we, to Senator Armendariz's point, that these dollars would go to increase the salaries so that providers could hire the people needed to provide these services. Are you willing to work with us as a committee to be very specific in our language to ensure that if we do increase rates that it is going to go to those caseworkers and that frontline staff?

McDONNELL: Definitely. And we will definitely learn from our mistakes about trusting an agency that's not trustworthy. Yes, I will work with you on it. And we will definitely have language and that might be a lengthy, lengthy amendment, but that's what we're going to have to do because of past practice and experience with this agency.

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WISHART: OK. Thank you.

CLEMENTS: Other questions? Seeing none, thank you--

McDONNELL: Thank you.

CLEMENTS: --Senator McDonnell. We have position comments for the record. We have five proponents, no opponents, none in the neutral. That concludes LB470. We'll now open the hearing for LB509. Senator Conrad.

CONRAD: Thank you. Good afternoon, Chair. Good afternoon, colleagues, members of the committee. It's a little bit warmer in here since the last time I visited you, so it's nice to be in the warm embrace of the Appropriations Committee. My name is Danielle Conrad. Whoop.

CLEMENTS: The room is clearing out.

CONRAD: OK.

CLEMENTS: Let's just wait a minute here.

CONRAD: You got it.

CLEMENTS: OK, you can proceed.

CONRAD: All right. Second time. Second verse same as the first. 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 proudly representing the "Fightin" 46th Legislative District of north Lincoln. And I'm proud to introduce LB509, which will be my, I believe, my last appearance before the esteemed Appropriations Committee this session. LB509 requires the Department of Health and Human Services to fund the changes that they make in child welfare contracts. So let me tell you about the impetus for this legislation. When I was out on the campaign trail, I had an opportunity to visit with providers in my district and across the state who were really struggling with the important work that they do with vulnerable families, whether that's in kinship care or foster care or abuse and neglect or adoption services. And one of the issues that they were facing, in addition to, you know, coming out of COVID and the fatigue and stress that that causes, dealing with the pinch at the pump or the inflationary pressures or the workforce challenges that are facing our providers and our employers across the state, in addition to the emotionally taxing work that, that they conduct on our behalf for our most vulnerable families. One issue that was really making their work more challenging was that they were kind of stuck

between a rock and a hard place. When the Department of Health and Human Services would make changes to the contract that they had agreed to operate within, they really didn't have significant bargaining power to push back against that. So they felt compelled to accept the changes. But in many instances those changes came without the resources needed to effectuate those changes. So not only were they in a disparate bargaining position, but it then really undercut their ability to provide the services that they needed. So this may not be technically a perfect solution to addressing some of those issues, but it is a starting place to raise awareness and attention about what happens kind of in subsequent contract negotiations for some of our child welfare providers and with Department of Health and Human Services and how that impacts their ability to do the critical work we need them to do across the state. I'm sure Senator Armendariz hopefully will bring some of her considerable contract negotiation knowledge and expertise to bear on this debate. But I know each of you have child welfare service providers in your district and they, they do heart work. They do absolute heart work to serve the most vulnerable families in a variety of different capacities. And we really need to make sure that they are held harmless and have the ability to do their job even when contract provisions change so that the dollars really follow those, those changes in contract provision. So I am excited that you'll have an opportunity to hear some more details from frontline child welfare service providers. And I'm happy to answer any questions.

CLEMENTS: Senator Wishart.

WISHART: Thank you, Senator Conrad, for being here today. And it's very timely because we just heard from a bill from Senator McDonnell about child welfare provider rates--

CONRAD: Yes.

WISHART: --that was very compelling. Did-- I know over years that the child welfare providers have requested child welfare rate review to be commissioned and done similar to what happened with developmental disabilities, which led then to the Appropriations Committee and department increasing rates. Would-- this is-- this is an interesting concept. Are you open at all to us taking a first step of funding a rate study?

CONRAD: Yeah. Thank you so much, Senator Wishart. I think that there are a host of existing models that do seek to solve very similar problems. And I think that, you know, we'll definitely stay in concert

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and consultation with the child welfare providers. But I think any movement is forward progress and any information that this body needs to ensure that we're appropriately resourcing these, these critical providers I think is a step in the right direction. So I appreciate that idea and solution. I'm very open-minded to that and will be willing to work with all stakeholders if that's the path the committee would like to forge.

WISHART: OK. Thank you.

CONRAD: Yes.

CLEMENTS: Other questions? Seeing none.

CONRAD: Thank you so much.

CLEMENTS: Are there proponents? Welcome back.

RYAN STANTON: Good afternoon again, Chairman Clements and members of the Appropriations Committee. My name is Ryan Stanton, spelled R-y-a-n S-t-a-n-t-o-n. I'm the CEO of Compass. We're a child welfare service provider in Kearney, Nebraska. I'm also the president of the Nebraska Alliance of Family and Child Service Providers. We're an association of child welfare providers who individually contract with DHHS to provide services to thousands of families in over 70 Nebraska counties, primarily outside of Douglas in Sarpy County. Annually, our employees serve over 5,000 families and drive over 3.5 million miles. Today, I'm testifying in strong support of LB509 and want to thank Senator Conrad for introducing it. I want to quickly walk you through the contracting process and explain why this bill is necessary. Our contracts with CFS, DHHS are annual and they run from July 1 through June 30 for most of the family services that we provide. These are no bid contracts. Providers don't submit bids and compete against each other to see who will provide services. Instead, the department issues contracts with predefined rates for the various services and providers can either sign or not sign. So the rates aren't negotiated or the terms really aren't negotiated much. It's sign or don't sign the predetermined contract. Historically, there haven't been any in negotiation. When the process works, we receive contracts in the spring to review and sign by June 30. Invariably, each year there are changes to the language of the contract that result in either decreased revenue or increased costs for providers. I've provided a handout that identifies some of these changes over the last few years and the amount the providers in our organization estimated that cost us. We vary in size, therefore, the financial impact is different for

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each of us. Another testifier will speak more specifically to a couple of these changes, but I want to overlay this document with the second handout that outlines our rate increases for specific services over the last 12 years. You can see that between 2010 and 2020 our reimbursement rate for family support and parenting time/supervised visitation didn't keep up and the reimbursement rate for travel time went down. During this same time period, our language changed in the contract relating to insurance requirements, audits, reporting requirements, training, etcetera. They also made changes that reduced our revenue. This does not include the increased cost of doing business each year, although that's included in your handout as well. I do want to state that we support many of the changes that have increased our cost because we want to be held to high standards. However, if a change is truly important to get better outcomes, then the department needs to pay for it. So please require DHHS to fund the changes that they make to the contract and support LB509. Thank you.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

RYAN STANTON: Thank you.

CLEMENTS: Next proponent.

MIKE BETZOLD: Good afternoon again, Chairman Clements and members of the Appropriations Committee. I'm Mike Betzold, spelled M-i-k-e B-e-t-z-o-l-d, and I am the CEO of Better Living Foster Care and Family Services. Our headquarters is here in Lincoln, and we have several surrounding offices. I, too, want to thank Senator Conrad for introducing this bill. And I want to go into more detail regarding a couple of the changes on the handout that Ryan gave you. You can see the last item under the staff training requirements that speaks to DHHS requiring an additional training for staff who work with foster families. This is a training I have talked about in my earlier testimony that ended up costing me as a provider an additional \$12,000 a year, but it was an unfunded mandate that DHHS added to our contract. In addition to that, another thing that you need to know about the department, they have this provider reporting system that we have to report information on each, each month on the services that we provide and some of those services we have to provide data every week. Oh, about three or four years ago, after submitting data, two my employees, taking eight hours a month each entering this data into their system, over two years of doing that, I reached out to the director who took care of all the stats and I said, hey, what are you doing with this information because it's taking us a ton of time? And

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he said, gosh, I don't know. Let me check into that. He sent me an email back and said, you know what? We're not doing anything with it, so you don't need to continue to provide that data. That data has now appeared in the draft contract for this next year. So they're going to require us to do it again. And when providers asked why are we having to report this, the department's reply was, well, we didn't do much with it before, but we plan to do more with it in the future. Likewise, an item that's not in the handout is an additional car seat training that is also in the contracts that are coming up for this coming July 1. The department is requiring all of our staff to watch a one-hour video on car seat training. We already have car seat training. We send an employee to get certified as a trainer. They spend about two hours with all of our new staff and we renew that training every two years. And now on top of that, the department is adding an additional training. When we asked why, we don't get an answer. It's like something somebody has decided that everybody should now do, and so they just add it to the contract for everybody to now follow. Andrew earlier talked about the methodology the department uses to determine rates. I want to give you a little insight into what that looks like. Back in 2014, Better Living, along with eight other providers, worked with the department to implement a new program called Intensive Family Preservation. This was a service that was established to keep children in the home, voluntary cases, without removing them and putting them into foster care. It was going to save the state a ton of money. We sat down with the department and as providers we said, here's what we need for our rate. The department came back and, of course, their rate was much lower than what we said we could do the service for. The rub that providers have and we still have for those of us that are still doing this service today, is the department said, please do the service for six months, keep track of your hours, and we'll come back and revisit the rate in six months. It's 2023 and the department has never come back to revisit that rate. And the only time that we have had an increase for those services is when we have sat at this table and asked you guys for a rate increase. Andrew will tell you that there's a plan and that they're working with providers. And now that Dannette Smith is filling in as the director, yeah, maybe there is a plan; but we're a little late. And I'm here to tell you as a provider, in the month of January alone, I lost over \$40,000 providing family support services, and I'm not going to continue doing it. And I told the department my commitment is through the end of June. At the end of June, unless the rates change, I'm done providing that service. I'm also going to stop providing IFP services because a year ago I had 11 therapists. I am down to two therapists. They are all leaving to do online therapy where they can sit in their

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home making \$85 an hour. We can't compete with that. Therefore, what happens is exactly what providers are telling you. We have a waiting list of families who are not getting served, and we're-- the department is ignoring, over and over, the requests that we are making to take a look at the rates that they're paying, and have told us you are the group that makes the decisions on what they pay. With that, I'm done with my testimony, and I'll take any questions.

CLEMENTS: Thank you. Are there questions? Thank you for the information. Thank you for your testimony. Additional proponents?

TIM HRUZA: Good almost evening, Senators. My name is Tim Hruza, last name is spelled H-r-u-z-a, appearing today on behalf of Children and Families Coalition of Nebraska, also known as CAFCON. I don't have a ton to add in terms of the on-the-ground stories that you've heard from the testifiers who came before me. But I do want to add our support to the bill. I thank Senator Conrad for introducing it. You've heard a number of testifiers today that have expressed the need to consider the rates that we pay our child welfare providers across the state and just the tough situations that they are faced with. With respect to the particular bill in front of you, we believe it is critical that the department is mindful of the requirements that they place on providers, particularly as they add additional pieces to the types of services that they contract for on an annual basis. I know the first testifier here today kind of explained some of the contract process. But those of you that have dealt with me over the last couple of years, too, and I know Senator Wishart in particular has had calls from me during that contracting window every year when this comes around. It's-- it is extremely late that we get numbers from them. Last year there was a ton of questions about were there going to be rate increases? What were those going to be? Was-- were the ARPA dollars that have been discussed here today going to be passed along? They ultimately were not. I, I believe it was either this year or maybe the year before. I mean, we had providers that go days after the deadline for the transition before new contracts are even given sometimes. And that causes-- it causes a ton of consternation on our folks' part because they're not able to plan. Right? So when you don't have a contract and you don't know what your rates are going to be, you're looking at funding for the fiscal year into the fall and into the next year, trying to decide how much staff you need and what services you're going to provide without knowing what the reimbursement rates offered from the state are. And sometimes that ends up being the state just kind of expects providers to pick it up and continue providing service, you know, for a four or five weekly period where we've got kids that are being provided services. We

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don't-- we're not under contract with DHHS because the old one is expired and new ones have not been signed. So the lag and the fact that it comes down to a deadline on an annual basis is a real problem. To your question earlier, Senator Wishart, about a rate study, I have been representing CAFCON since the 2018 legislative session. At that time, Director Wallen was the director of Children and Family Services for DHHS was promising a rate study. We've yet to see one completed. I-- I've heard that was there maybe one in, in like 2013. Someone else today told me it wasn't; it was back in the 2000s sometime. We have not done one. I think we would absolutely support an approach like that. We've also heard talk today about the LB1173 committee. None of our member providers have been invited to, to participate in that. I know there's a Website with a ton of meetings. Stakeholders are, as far as I understand, none of our members are at the table as that, as that proceeds. We will be following it and we really hope that it is a productive, positive outcome for providers and for, for the children that are in the system. But it's really hard when you're on the outside and not knowing exactly how that's working, where it will go. So with that, I'm open to any questions. I thank Senator Conrad for introducing the bill and thank you for your time.

CLEMENTS: Are there questions? Seeing none, thank you.

TIM HRUZA: Thank you very much.

CLEMENTS: Any other proponents for LB509? Seeing none, anyone here in opposition? Good afternoon.

ANDREW KECK: Good evening. I think it's about that time. Good evening, Chairman Clements and members of the Appropriations 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, CFS, within the Department of Health and Human Services, DHHS. I'm here to testify in opposition to LB509 which would require DHHS to reimburse providers for any increased costs or decreased revenue that results from changes to child welfare service contracts. The department acknowledges the important role providers play in supporting youth and families. Simply put, we could not do the work we do without them. DHHS aims to balance the efficient use of taxpayer dollars with the needs to ensure appropriate service rates for providers. LB509 would create unpredictable budgetary needs for the department due to the changing nature of costs and revenue for services provided for service providers. Providers have varied overhead costs, fund utilization practices, staffing capacities, and skill levels. Multiple factors contribute to cost increases and revenue decreases, including, one,

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reduced or modified services; or, two, changes to liability or property insurance premiums. The language in contracts may impact providers differently depending on their unique circumstances and business structure. Due to this variant, service providers would end up receiving different reimbursement rates for the same service. LB509 would also create a cumbersome process for, for providers and DHHS. Cost increases and revenue decreases experienced by providers would not be able to be determined until the conclusion of a contracting period. After the exact figure of cost increases or revenue decreases is determined, LB509 would require the information be analyzed by a third party such as an actuary. Providers could experience a delay in reimbursement as the data would have to be analyzed before issuing a finding relating to reimbursement amounts. CEO Smith and CFS leadership facilitate bimonthly provider council meetings with leaders from those child welfare provider associations to coordinate child welfare services across Nebraska. These meetings intend to improve service delivery and strengthen collaboration between DHHS and provider agencies. Contracts are standing agenda item, including updated terms and requirements to ensure providers have adequate time to review and execute contracts prior to their start date. The department is currently developing a new practice and finance model for child welfare in Nebraska, accordance with LB1173 from 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 strategic three branch 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 consultant. LB509 could negatively impact DHHS's ability to implement recommendations relating to the finance model. DHHS is meeting with child welfare providers and analyzing service delivery regarding services and rates for the upcoming biennium. This includes the possibility of temporary using existing funding for child welfare rate increases and a rate study based on the LB1173 2022 finance model report. In summary, LB509 would create unpredictable budgetary needs for DHHS and create different reimbursement rates and cost increases for the department. It could also impact the department's ability to implement a new finance model. Given these considerations, we respectfully request the committee not advance this legislation. Thank you for the opportunity to testify today. I'd be happy to answer any questions.

CLEMENTS: Are there questions? Senator Dorn.

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DORN: Thank you, Senator Clements. Thank you for being here again. Do you know, is LB1173 is-- are those meetings going to be open to the public or--

ANDREW KECK: Yes.

DORN: Yes, they are.

ANDREW KECK: Yes.

DORN: OK. Thank you.

CLEMENTS: Senator Wishart.

WISHART: Thank you, Deputy Director, for being here. You mentioned that there is going to be a rate study involved in LB1173. Can you talk a little bit more about the timing and the funding of that?

ANDREW KECK: Right. So we kind of envision once the model is done, again, if I-- if I would start writing an RFP or something like that for a rate study, it would be based on current services. And so it would have to be done after the report is done. Because if I don't know what the model is, I can't really write a request to develop rates based on a new model. And so it would have to be done probably sometime next year, starting next calendar year I should say. And so by that time, then hopefully again once, once the study is done, we get the RFP out next year and then we can start analyzing that and what that would be. So it'd be at least next year before the RFP would be out.

WISHART: And you have funding within your budget to support that rate study?

ANDREW KECK: We, we would talk and ask other states what that would cost. As of right now, I don't know how much that would be, so we might have to come back at that time for an additional request.

WISHART: Thank you.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you again for being here. So walk me through the contracting process with these private agencies. How, how often are they? Do they come to you and give you a proposal of how much it costs for them to provide services to the state? Or do you tell them how much you'll pay them for those services? Is it outlined

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how many hours they're expected to contribute to those services? And is the training included with the number of hours of training that are required if they are awarded these services through the state?

ANDREW KECK: All right. There's a lot there. So I'll answer what I have written down and if you-- I will follow up with you.

ARMENDARIZ: OK.

ANDREW KECK: So for the contracts that again, start in July, we actually start meeting with providers in October. So actually last October we started talking with them about the next upcoming contracts, things that we might like to see implemented. And then they come back with feedback and stuff they would like implemented. And so that's where we do talk back and forth about those. So we've had that initial meeting. Then in October we sent out some of the language changes that we proposed. Again in December, we got some feedback as well too. We've done some vetting through some of our legal and some of our [INAUDIBLE] after the feedback, and then I'm going to have some meetings with providers actually here in April to go over, over any more feedback. And then we'll work to get those contracts out in May. So that way they have at least over a month to sign before the July 1 start date. Regarding proposals, different hours for different services, again, it depends on the service and what providers want to do. If it's a more in-depth service that requires certain things that's outlined in the contract, so if it has more therapy hours or certain things, there are requirements in there. And so we do talk with them back and forth on what's appropriate. Even within the service, if they-- if they come back and tell us, all right, they think that a therapist hour instead of 5 hours a week, it's four. And so we can talk about what that does to the child, if that really works and talk about what that would look like. For the budget, I would say, you know, when it's their new services and everything like that, we definitely work with them on what that would be. And so that's where we're identifying new ways to do things. And so they do come back with us and that's when we start piloting new things. And then only after we work with different agencies or one across the state then we can decide what is the rate, if it's \$100 an hour, a thousand bucks a week, whatever it is, it just really depends on how intensive and what the outcome of those services would be to what staff would be needed. Because again, if it's someone who's just transporting people back, that would require less than if it's a master's level therapist.

ARMENDARIZ: And then the last one, how much is provided and expected for training?

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ANDREW KECK: Again, it depends on again what the service is. Certain ones do require certain training for the staff.

ARMENDARIZ: And then how do you reimburse them for training hours?

ANDREW KECK: That would be kind of built into the entire rate. Certain services like the foster care, there is an administrative rate. And so that part, like the amount per day, should include their overhead as well as the direct care staff, the caseworker who goes out to the family as well, some of the back-end training as well, too. Because again, that is like a cost per day that we remit when the child is placed with that agency.

ARMENDARIZ: OK.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

ANDREW KECK: Thank you.

CLEMENTS: Any additional opponents? Seeing none, is anyone here in the neutral capacity? Seeing none, Senator Conrad.

CONRAD: Thank you so much, Chair, and thank you to committee members for your good questions, ideas, and solutions. Just very, very briefly in closing. I think you can hear the desperation and the passion in the voices of these incredible providers that serve every corner of our state and serve so many families in need. And whenever we invest in programs, services, and resources to make families stronger, that makes our community stronger, our state stronger, and our country stronger. So the goal of these programs and services is to help families when they need a little bit of help so that they can be at their best as members of our community, state, and country beyond this period of hardship that they're facing in their lives for whatever reasons. Let's figure out how to keep those resources there to meet the policy goals that we all care about. And I'm looking forward to taking next steps on a rate study or whatever it may be to continue the dialogue to, to address our, our shared goals in this regard. Thanks.

CLEMENTS: Are there questions?

CONRAD: Thank you so much.

CLEMENTS: Seeing none, thank you.

CONRAD: Thank you.

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CLEMENTS: Regarding LB509, we have position comments for the record: three proponents, one opponent, and none in the neutral. That concludes LB509. We'll wait just a minute while the room clears.

RIEPE: I've got a way of clearing a room out, so.

CLEMENTS: All right. Senator Riepe.

RIEPE: Chairman Clements and members of the Appropriations Committee, thank you for the opportunity. My name is Merv Riepe. It's M-e-r-v R-i-e-p-e. I represent Legislative District 12. I bring before you today LB663, which provides legislative intent to appropriate \$5,331,423 in the General Fund to the Department of Health and Human Services Administration Program 33 for each fiscal year '23-24 and '24-25. The purpose of this appropriation is to fund CyncHealth, which was formerly known as NeHII. CyncHealth is the organization designated in statute as the administrator of Nebraska's health information exchange and prescription drug monitoring program. The health information exchange is the information network that connects healthcare providers, payers, and public health agencies across Nebraska and allows for health information to be shared in a modern and safe way. The prescription drug monitoring program is the information system to which all dispensed medications in Nebraska must be reported. These systems are funded by both federal and state dollars, and this appropriation would ensure the state's portion of the required funding for this vital piece of healthcare information structure. Dr. Jaime Bland, the CEO of CyncHealth, is here to provide the committee members with details behind LB663. Thank you and I will try to answer questions, but Dr. Bland will address detailed questions and issues. So with that, I thank you.

CLEMENTS: Are there questions? Seeing none, we'll welcome proponents.

RIEPE: Thank you.

CLEMENTS: Welcome.

JAIME BLAND: Just to get my glasses on. Good afternoon, Chair Clements and committee members. I am Dr. Jaime Bland, J-a-i-m-e B-l-a-n-d, and I am president and CEO of CyncHealth; and I'm here speaking in support of LB663. What I hope to clarify for you today is why we're requesting this appropriation, and the value CyncHealth brings to the state of Nebraska. Together, the HIE and PDMP form the foundation on Nebraska's health information sharing infrastructure. These systems, both established in statute, are funded by federal and state dollars, as

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well as fees that are paid by participants who make up our healthcare providers across the state. We are requesting this appropriation as a state portion of funding for the public-private partnership that was originally envisioned by Nebraskans and the Center for Medicare and Medicaid Services. As you may have heard, the federal funding model recently changed. Previously, the funding model was a 90/10 federal-state match rate. This ended in the fall of 2021. The new current funding model is a 75/25 federal-state match for operations on the information systems. This appropriation is necessary for state fiscal year '24-25 services contract with Nebraska Medicaid for the state's portion of the match of the federal drawdown. Nebraska DHHS collaborated with CyncHealth to develop the contract, drafting it together, and then DHHS submitted the contract to CMS, along with the federal funding request that included FY-- federal fiscal year '24-25 budget request and scope of services. DHHS has pushed the requirements for appropriations into the contract terms with CyncHealth, which is why we're here today. This appropriation is essential as it ensures stable funding for the valuable infrastructure that CyncHealth has developed, implemented, and continues to advance for Nebraskans. The infrastructure that is built out of public-private partner-- public-private partnership, and which benefits Nebraska healthcare providers and the department. Not only is the infrastructure a foundational element of Nebraska's healthcare system infrastructure, a public healthcare infrastructure component, it is also a national leader in health information exchange. CyncHealth has a seat at the table with federal agencies like CMS, CDC, and ONC, and we are often asked to advise and inform HIEs across the country. And we are among the small group of advanced HIEs leading and directing innovation in interoperability in the U.S. Additionally, Nebraska is the first state in the country that has a CMS certified integrated approach to clinical information/medication history, a whole person approach. Our integrated HIE and PDMP is yet another example in a long list of ways CyncHealth, to borrow Governor Pillen's phrase, making Nebraska a winning state. Regardless of your role-- regardless of our role at a national level, we are a Nebraska organization, and we are extremely proud to be able to support our home state by collaborating with providers and state partners like Medicaid and public health to provide an interoperability framework with fully integrated technology and data services, which I'm happy to speak to during the question period if the committee is interested in any specifics. As a leader in interoperability, we utilize modern approaches to reduce burden on people to ensure their records make it to providers, reduce administrative burden on providers, and reduce reporting inaccuracies. Additionally, we make it possible for state agencies to have access to

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public health, population health, and Medicaid data under an appropriate governance infrastructure. Lastly, we take our roles as data stewards of federal and state funding very seriously, and we recognize the significant responsibility that comes with handling sensitive data such as health information. For this reason, I want to know that we have extensive governance processes and procedures in place to provide oversight and checkpoints, including our board of directors, the Nebraska Health Information Technology Board, our Compliance and Security Committee, and our Internal Data Governance Committees. I'm happy to answer any questions that you may have.

CLEMENTS: Are there questions? Senator Armendariz.

ARMENDARIZ: Thank you. Thanks for being here. So the state is required to provide the PDMP.

JAIME BLAND: There's a statute for HIE and PDMP. There's federal--

ARMENDARIZ: Is it just the prescription drug monitoring program, or is it HIE?

JAIME BLAND: There's federal reg-- the state statute?

ARMENDARIZ: Yes.

JAIME BLAND: It's both.

ARMENDARIZ: The state statute requires us to have the HIE?

JAIME BLAND: HIE and PDMP, yes.

ARMENDARIZ: OK. OK. That's all I have then.

CLEMENTS: Any others? Senator Lippincott.

LIPPINCOTT: What's the rate of return to the state with this program?

JAIME BLAND: So following literature for Medicare and Medicaid beneficiaries, the costs or the cost savings of a robustly implemented information exchange like ours is about a cost avoidance of \$139 per beneficiary. So about a \$52 million rate of return to the state for what they're currently investing, which is the \$5.3 million which is in our contract. I can't speak to any of the department's budget numbers.

CLEMENTS: Other questions? Senator Dover.

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DOVER: I guess just as simply as you can do it. I'm-- this isn't my profession, but could you just explain as far as-- what I understand is hospitals pay a fee-- I mean, I see like money coming from-- money coming from us to you. Hospitals are paying you. Can explain what those fees are for--

JAIME BLAND: Yep.

LIPPINCOTT: --and what they pay for?

JAIME BLAND: Yep. So this document that I handed out does explain some of that. So when we-- when Director Bagley explains the cost allocation, that's cost allocation to Medicaid beneficiaries and to public health use cases, so the state pays for that portion. The private sector use cases which the public-private partnership balance is where this funding model comes into play, and then the federal contribution that comes into play. So the feds match this portion of the state's contribution and the private sector supports the organization for private sector use cases as well.

CLEMENTS: Oh, Senator Armendariz.

ARMENDARIZ: Thank you. Another follow-up question: What happens if the private sector decides to opt out of the program? Would you rely then completely on federal and state funds to fund this and would that increase our share?

JAIME BLAND: So, sure, there would be a shift in what we do and provide. I would say that, you know, those private sector use cases, the data that we support, there would be a shift in what that infrastructure investment would be. I, I don't have that scenario costed out, but potentially it could.

CLEMENTS: Any other questions? Senator Lippincott.

LIPPINCOTT: Why has Health and Human Services not filled their position on the board?

JAIME BLAND: We used to have two. In previous administrations, we had two positions that were filled on the board. I am not sure why the CEO Smith's administration has chosen not to participate, but they certainly can. There's two ex-officio positions on the board.

CLEMENTS: Seeing no other questions, thank you for your testimony. Other proponents for LB663. Welcome.

STEVEN LEITCH: Thank you. Good afternoon, Chair Clements and members of the Appropriations Committee. I'm Steven Leitch-- I'm Dr. Steven Leitch, S-t-e-v-e-n L-e-i-t-c-h. I'm the chief medical information officer at CHI Health and a board member at CyncHealth. I'm here today to speak in support of LB663. I would first like to speak to the importance of the health information infrastructure that CyncHealth has built here in Nebraska. In fact, CyncHealth not only provides the state of-- state with its HIE and PDMP systems, health information exchange and provider drug monitoring systems, but when you add to that the robust collection of additional services and capability Cync offers as well, Nebraska essentially has what is called a health data utility. That is an infrastructure we have in place is necessary utility, providing a public service in the same way our power grids or water systems are utility infrastructures. When we connect to that local power district, we could expect that when we flip on the light switch at our home, the light will turn on. In that same way, when providers connect to the HIE and pull up a patient's record, they can expect to access a full medical record containing the information they need to make critical and informed care decisions. While vital to our healthcare industry, this infrastructure is particularly important to the state as well. One example of this, one of many, is during the pandemic. CyncHealth was able to set up a bed count dashboards for public health exchange agencies and hospitals to know where open beds were available when hospitals were facing overcrowding. Because that trusted data sharing infrastructure was already in place and because of the level of expertise of CyncHealth's staff, they were able to set up those dashboards in a matter of weeks instead of the months or even years it took most other states to do the same. As record numbers of patients were transferred between facilities during the public health emergency, the health records for those patients were able to follow them to any facility and immed-- and be immediately accessible. And the HIE has remained secure, dependable, and responsive throughout the pandemic. From an infrastructure perspective, CyncHealth not only provides a secure and stable framework for the exchange of health information throughout Nebraska, but it also provides a vital backup for healthcare organizations to lean on when faced with IT issues, security concerns, or system performance. During prolonged downtime of a provider's medical record, HIEs like CyncHealth could play a vital role in-- vital role. In October, CyncHealth quickly provisioned online portal access that's outside the medical record directly online for hundreds of doctors and staff to support a healthcare system facing just that situation. Both emergency and routine care was able to continue during the-- using the information available in CyncHealth's Network. Without it, at times, we would have been relying

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on patient and family recall alone. As Jaime mentioned, we are lucky to have one of the best, most innovative health data utilities in the country right here in Nebraska. And our state is a leader in this space because of CyncHealth specifically, The ongoing support of our state and its citizens is justified and remains a wise investment. Thank you for your time today. I'm happy to answer any questions you may have.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for being here and testifying. Is CHI required to provide the state any data and reports directly from your EMR on a regular basis?

STEVEN LEITCH: To the state?

ARMENDARIZ: Yes.

STEVEN LEITCH: I do not believe so. I believe we started the HIE [INAUDIBLE] for the state.

ARMENDARIZ: So the only access that the state has to CHI data is through CyncHealth.

STEVEN LEITCH: At this--

ARMENDARIZ: CHI is not required to provide numbers of, say, infections, or outbreaks, or--

STEVEN LEITCH: No, we provide data on infection and other things to the state. Yes, we have other things we send you. Yes.

ARMENDARIZ: OK. Yep. That's what I wanted to know. Thanks.

STEVEN LEITCH: Whatever regulatory, regulatorily required, we send you.

ARMENDARIZ: Got it.

STEVEN LEITCH: And, and CyncHealth holds the data, the patient information and will share it, shares it as well, so, as needed.

ARMENDARIZ: So when you-- when you had issues with, say, a data breach, does your EMR also provide offline backup for those physicians?

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STEVEN LEITCH: So when we have a security issue, we do have offline data on patients. That data is limited to the patients that are in the system or patients expected to come to the system. You know, the millions of patients we may have seen, we can't have all that data readily available, but it is available. But it's when the downtime becomes extended that that data is no longer as helpful, and that's where CyncHealth is a vital, vital resource.

ARMENDARIZ: Thank you.

CLEMENTS: Other questions? Senator Lippincott.

LIPPINCOTT: Is there a way the state can have any kind of oversight, audit, some type of transparency on the money that's given into your program?

STEVEN LEITCH: I would ask Jaime to provide that when she comes back. I believe that is available, she will answer that when she comes back up. I'm the clinical guy, not the numbers guy.

LIPPINCOTT: OK. Thank you.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

STEVEN LEITCH: Thanks.

CLEMENTS: Next proponent for LB663. Welcome.

JEANETTE WOJTALEWICZ: Thank you. Good afternoon, Chair Clements and members of the Appropriation Committee. My name is Jeanette Wojtalewicz, J-e-a-n-e-t-t-e W-o-j-t-a-l-e-w-i-c-z. I'm a member of CyncHealth's Board of Directors and a healthcare finance leader with decades of experience working for a major healthcare system. I am here today to speak in support of LB663. As a member of the board of directors for several years now, I have seen the growth of CyncHealth, which started out as a small organization focused simply on connecting hospitals so that a patient's information could easily follow them as they move from provider to provider on their healthcare journey. However, as the organization has matured, the network has been able to expand beyond just hospitals to include nearly all the types of facilities where Nebraskans go to get their healthcare. This broad participation is what makes CyncHealth's goal of providing patients with their complete longitudinal health record possible. And the creation of the longitudinal health record is only a part of CyncHealth's vision for patients to be able to control and direct their full health record wherever they want it to go, whenever they

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need it. Additionally, in my tenure on the board, I have seen firsthand just how very seriously CyncHealth approaches its responsibility as stewards of this particular type of data. Health information is very important and very personal. Data governance is the utmost importance of CyncHealth. The organization understands that the exchange network can only be successful if its participants and the public are able to trust that the data within it is protected and secure. This trust requires that the data governance policies and procedures in place are not only fully compliant with all state and federal regulations, but are also aligned as much as possible with expert best practices going above and beyond the bare minimum required by law. From a financial perspective, I also want to speak to how CyncHealth has demonstrated its expertise in being able to identify and bring forward federal funding as much as possible in order to minimize the responsibility from the state. Over the years, CyncHealth has worked collaboratively with DHHS on identifying and engaging those federal funding levers to cover the health IT interoperability services that benefit Nebraska's providers. What has made this partnership successful in the past was that both CyncHealth and the department were operating in good faith as partners in this work. When we all act in good faith, it is the healthcare providers and patients who truly benefit. The most impactful benefit to provider organizations is reduction in administrative burden. This can have a powerful impact as dollars previously spent on administrative inefficiencies can be shifted to things like staffing and employee retention, which we all understand is of utmost concern to the sustainability of healthcare systems across Nebraska. And in addition, I would like to state, I know there was a concern raised earlier regarding the private funding that comes from healthcare systems. You may recall in 2021, LB411 was passed, which requires the facility participation in providing data to CyncHealth for a complete data record that is in place. And also a question was raised earlier relative to audits and availability of data. The fact that I have sat on the board for a number of years and also on the finance committee, we have regular monthly meetings allowing us to see the financials, to review the data. And I can state as a board member that that data could be made available should the state desire to have such an audit conducted. And that is all I have. I'd be happy to answer any other questions the committee has.

CLEMENTS: Are there questions? Senator Armendariz.

ARMENDARIZ: Thank you. Thank you. Just for some clarity, so the state required the private industry to participate?

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JEANETTE WOJTALEWICZ: Specifically, the requirement was for healthcare facilities. I believe it included even skilled nursing facilities. And there are some allotments being made for how that data is provided. But yes, that is correct.

ARMENDARIZ: So was there any guidance on how much they were expected to pay to participate in them?

JEANETTE WOJTALEWICZ: I don't recall if there was specifics around there, but there was a requirement that the data be provided on a regular basis to CyncHealth for purposes of meeting the needs of the state of Nebraska and the citizens of Nebraska.

ARMENDARIZ: OK.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

JEANETTE WOJTALEWICZ: Thank you.

CLEMENTS: Are there additional proponents for LB663? Seeing none, are there any opponents? Seeing none, is there any neutral testimony? Seeing none, Senator Riepe.

RIEPE: Thank you. I debated whether to come back, but I-- especially after I sat through some of the earlier hearings and, and I hate-- I came with great reluctance to mention this was a DHHS program that was expressed. I do commend you for asking the questions, the what ifs and why questions. I think those are all critically important. The one thing that I really wanted to say within DHHS, and I've had some past experience there, we have historically experienced technology issues, not so with CyncHealth, who enjoys high recognition across the nation for its expertise and its performance. And so I'm proud of them and I'm proud of what they have done. I have nothing else.

CLEMENTS: Any questions? Seeing none, thank you.

RIEPE: Thank you, all of you.

CLEMENTS: And we have position comments for the record. We have two proponents, no opponents, and one in the neutral. That will conclude LB663. We'll now open the hearing for LB739. Welcome, Senator Raybould.

RAYBOULD: Thank you very much. Good evening, everyone. Chairman Clements and members of the Appropriation Committee, I'm your last bill. This is exciting. My name is Jane Raybould, and it's J-a-n-e.

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And the last name is Raybould, R-a-y-b-o-u-l-d. I represent District 28, which is in Lincoln. I am here today to introduce LB739, which would increase the amount of state dollars granted to our 22 local domestic violence shelter-- shelters and programs serving sexual violence and trafficking survivors across our entire state. So, yes, I'm here to ask for more money. These funds would be granted the same way the current \$1.9 million are granted through the Protection from Domestic Abuse Act, which is administered by the Department of Health and Human Services. The same act is where we find the statutorily mandated services these programs are providing our citizens, which include emergency services and support programs for victims and their families; education, counseling and programs for abusers; programs to aid in prevention and elimination of domestic abuse; assistance with completion, filing of protection orders. Currently, the network of programs mandated to provide these services receives only \$1.9 million in state General Fund appropriations. This is the only state funding specifically earmarked for domestic violence services. LB739 would increase state appropriations by \$3 million to \$4.98 million total. Due to federal funding cuts, this increase is crucial in order to just maintain services. There are testifiers coming behind me that will explain the need for this funding. They will also be able to tell you how we compare to other states in how much financial support we give to programs that serve survivors of domestic and sexual violence. I did want to mention that I was here before talking about domestic violence in our correction facilities and programming, a pilot programming that we presented to you in LB439. It's a pilot program in the penitentiary that would allow those who commit domestic violence, the abusers, to get programming. And it's a two-year program. And so it would tie in nicely with this so that they do get treatment prior to being released so that they don't recidivate and commit other acts of domestic violence. I also wanted to mention for your consideration to bridge this gap of funding needs, the use of TANF could certainly help out until a more sustainable funding is established. And I know, I believe you're handing out this. OK, you are. Good. What I also wanted to let you know is how committed I am to working with you to find a solution to this funding crisis. And again, we are mandated by statute to provide these services and these funding-- this funding to allow these services to continue their work is desperately needed. I have talked to many of you about other possible places we could find these funds, such as TANF or what short-term measures we could use now as we work to craft a longer term solution to the lowered amount of federal dollars that will greatly impact these much needed services across our state. So thank you all very much. You've had a wonderfully

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long day, but I would still be delighted to answer any questions you may have.

CLEMENTS: Are there questions? Senator Wishart.

WISHART: Senator Raybould, thank you for being here today. Just to clarify, looking at the fiscal note, is it your intent that we as a Legislature would be appropriating an additional \$4.98 million on top of the current funding that is provided?

RAYBOULD: And it would be only an additional \$3 million on top of the--

WISHART: OK.

RAYBOULD: --current \$1.9 million that was precipitated by the dramatic reduction in the federal funds.

WISHART: And then is your office then going to get an amendment to, to address that? Because if you look at the fiscal note, the way the bill is written, it would be utilizing funds that are already appropriated for child welfare. So, so you're asking for an additional--

RAYBOULD: \$3 million on--

WISHART: \$3 million, yeah.

RAYBOULD: --top of the 1.9 that is already appropriated--

WISHART: OK.

RAYBOULD: --or earmarked for the domestic violence programs.

WISHART: Sounds good. So I will reach out to you about an amendment.

RAYBOULD: OK. Thank you.

CLEMENTS: Other questions? Seeing none, thank you.

RAYBOULD: All right.

CLEMENTS: Are there proponents? Welcome.

CHRISTON MacTAGGART: Hello. Good evening. It is, in fact, evening now. Chairperson Clements, members of the Appropriations Committee, my name is Christon MacTaggart, C-h-r-i-s-t-o-n, last name M-a-c-T-a-g-g-a-r-t. I am executive director of the Nebraska Coalition

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to End Sexual and Domestic Violence, testifying in support of LB739 on behalf of our 19 member programs who would benefit from this increased funding. So these programs collectively provide statutorily mandated crisis intervention, support and prevention services to survivors of domestic violence, sexual violence, and trafficking in all 93 counties. The funding, as Senator Raybould mentioned, is tied to Nebraska's Protection from Domestic Abuse Act, which names the department as the body responsible for ensuring these services are available. And it's the only state funding specific to this assistance that goes towards our 19 programs and then 4 additional Nebraska tribal programs. The current state General Funds are at \$1.9 million. And so for several reasons, we are asking for this \$3 million increase. First, programs have continued to see substantial increases in services provided. We see about a 10 to 15 percent increase in victims and children served every year. So in 2022, that meant that for our 19 programs they provided 61,425 shelter nights, and they served over 13,000 survivors and children in Nebraska. This is really in line with our-- Nebraska is also in line with national data that supports really broad increases in domestic violence since 2020 of up to 27 percent. So we are-- we are again seeing that as well. Additionally, with rising costs due to inflation, our programs are over budget for things like basic services, so shelter, gas, utilities. Because we have 19 programs that serve 93 counties, they cover multiple counties and spend a lot of time driving to provide services in other parts of their service area. Some of our programs had in last-- in July of last year had already expended portions of their entire budget for the year of their 12-month budget. So these costs just continue to rise for them. Finally, in the past, these increases have mostly been absorbed by federal funding and primarily Victims of Crime Act funding is one of the main funding sources. These are federal pass-through funds from fines and costs on white collar federal crimes. Due to changes in how federal crimes are prosecuted, this funding has been significantly reduced. And programs have been told by the Crime Commission, which is the pass-through agency for these funds in Nebraska, to expect 40 percent funding cuts in July of this year, which is when the new grant cycle starts. So that 40 percent for our network means a \$2.5 million loss of funding that, that essentially provides direct services. So for those reasons, this funding wouldn't-- isn't going to-- we're not in a situation where this is going to substantially increase programs' overall budgets at all. It will essentially allow us to hold our budgets steady and maintain the services that we have currently been providing. State funding for domestic violence services in Nebraska has historically been pretty low in comparison to other states. That's noted on the

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handout that I gave you, the second page, which has a chart on the back of what state funding looks like for other Midwest states. You can also see on that chart above that that represents what VOCA cuts have looked like over the last several years coming into Nebraska. And that is overall VOCA cuts, not specific for our network of programs. Our programs are that \$2.5 million number that I provided. So I would just note that this-- that even if this request is granted, Nebraska will actually still be the lowest of the Midwest states as far as domestic violence funding looks like. And I would also just name that this is really a crisis situation for our programs that we haven't actually seen. We're asking for your support for LB739, this additional \$3 million that will go towards our 19 programs and the 4 tribal programs. I would appreciate your support. I know it's been a long day for you, but I'm happy to answer any questions.

CLEMENTS: Senator Vargas.

VARGAS: Thank you very much for being here. You mentioned, you know, we've had some experience with the VOCA in the past, and I know it's picked up some of the tab here. I'm surprised by how significant this decrease is in expected funds. I knew about some of the VOCA cuts because of the federal prosecution strategies, but it is-- it is substantially lower. So this is happening across the country right now where all the funds are decreasing.

CHRISTON MacTAGGART: It is.

VARGAS: OK. So the VOCA, the VOCA Fix Act was meant to fix this, but it will not return to previous levels. Can you speak to what this VOCA Fix Act actually did at the federal level? Are there any other-- is there anything in the current administration's budget to address this funding directly because I imagine everybody's dealing with this? I don't know how states are dealing with this.

CHRISTON MacTAGGART: Sure. I'm happy to speak a little bit to that. So the, the VOCA Fix Act at the federal level sort of reworked how they distribute the funds that come out of that and what the funds look like coming in. So they believe the fund will be replenished to a small degree, but it will not reach the level that it has-- that it was four or five years ago where-- and, and because those federal prosecution strategies have changed the money coming in because it's completely funded through fines on white collar crimes, it's not federally appropriated, those, those strategies will stay the same. So we hope that it will-- that will increase a little bit, but it will never go back to the level that it was. Other states, I would say, are

doing similar things to what, what we have seen here. The one difference is, is that noted on all of the-- the majority of states across the country, what we have seen is they started to see these VOCA cuts or they knew the VOCA cuts were coming about the same time that American Rescue Plan dollars came into the state. And so most states and actually all the surrounding states noted on that chart allocated, you know, about \$20 million or so over the course of a couple of years to go into the pass-through agency that passes through VOCA dollars. And they call that like a state VOCA fix, like a temporary fix. And then now those-- a lot of those agencies or programs are asking for state funding increases as well. All of the states noted on that chart are also asking for increases this year. They're asking for about double what they currently get.

VARGAS: And is there any additional-- do you know of anything happening in the budget that was just released, the current administration's budget, that would provide any more federal funds?

CHRISTON MacTAGGART: There are slight increases. I mean, I would also say that some of the domestic and sexual violence funding, you know, the Violence Against Women Act was reauthorized last year, but some of the other funding allocations actually haven't been reauthorized. And so we don't know what funding is going to look like. We're hoping that it will at least stay steady or that there may be some slight increases, but they won't be increases that can absorb this. I would-- the other thing I would note is that all of those are competitive funds. And so every individual program has to apply and then compete with other programs all around the country for those funds. So they're not guaranteed funds.

VARGAS: Thank you.

CLEMENTS: Other questions? Senator Wishart.

WISHART: I have spoken with you before this hearing about the need to find a sustainable funding source. But in the-- in the meantime, it is my understanding that 15 other states are utilizing TANF funds. So--

CHRISTON MacTAGGART: OK.

WISHART: --access TANF funds to be able to support these types of programs. So similar to child advocacy centers that we had earlier, we potentially could use our excess rainy day TANF funds for this. Are you aware of those other states in that opportunity?

CHRISTON MacTAGGART: I don't know specifically what that looks like in other states. I would be happy to, to reach out to our coalition network, there's a national coalition network, to ask what that looks like. I know that those TANF funds have some specific guidelines and restrictions, so I assume there are things they could fund or not fund with those. But I don't know enough about TANF funds specifically to know what that looks like in other states.

WISHART: OK. Well, I'd like to work with you and see if that is an option.

CHRISTON MacTAGGART: OK. I appreciate that.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for your testimony. So these other states look like they're contributing quite a bit more than Nebraska. Do you have the data to help show us what the effect of those increase contributions mean to those states compared to Nebraska? Like, what is the, lack of a better term, what is the ROI for that? And how could we

CHRISTON MacTAGGART: Sure.

ARMENDARIZ: --be better compared to the data that you're receiving from those states with the higher fund?

CHRISTON MacTAGGART: Sure. I, yeah, I would be happy to, to sort of collect some additional data like the numbers that they've served. I do know that in some states, because they have additional funds, they're doing more robust work around sexual assault as well. And in Nebraska, these funds are really devoted towards domestic violence. We don't-- there isn't state funds allocated toward sexual assault; but in some of those states, they, they do. And so those programs also have been able to build out some of that. I also know a lot of them are really doing a lot of good prevention work and have been able to, to focus on, you know, how are we preventing in a wide variety of ways domestic violence, sexual violence from continuing? So trying to curb that at the front end of it a little bit. And the current funding that our programs are receiving, I mean, they need that for crisis services. They don't typically have a lot of extra funding to devote towards prevention work. So I do know that offhand that those are some of the ways that those additional funds are focused. But I'd be happy to gather some data on the number of survivors we're serving every year, things like that.

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ARMENDARIZ: Yeah, if you can get me the numbers specifically on how many preventions are made compared to what, what we're seeing or, you know, along those lines, we'd like to curb it--

CHRISTON MacTAGGART: OK.

ARMENDARIZ: --I guess with those dollars.

CLEMENTS: Are there other questions? Seeing none, oh, excuse me.

DOVER: Yeah, in this where it shows the, what's the impact of Victims of Crimes Act funding cuts and it says "The below chart denotes incoming VOCA funds for the state over the last five years." So you're saying that back in 2018 you received \$19 million?

CHRISTON MacTAGGART: Yes, that is the amount that came into the state.

DOVER: And in 2020--

CHRISTON MacTAGGART: And so right now, the 2021 funds are the funds that are about to be allocated by the Crime Commission. And so it's-- you can see that that's a pretty significant decrease for our programs.

DOVER: So how do you adjust your program for, for a difference of \$13 million?

CHRISTON MacTAGGART: So the-- this is VOCA funds more than just our network. It also funds other victim service organizations. So for our network, what we've been told is to expect a 40 percent cut, which is about \$2.5 million. We're hoping that, that any funding we receive through this process will help. I will tell you, our programs are masterful at doing a lot of work with very little resources. So they're, I mean, they're also looking at other places they can cut. Most of them already have pretty lean staffs, but they are increasing fund-raising from, from private dollars, those sorts of things. And we don't know what this will look like if, if there are no additional.

DOVER: So I don't expect you to be exact by any means. But so what do you believe your VOCA award was for in 2018?

CHRISTON MacTAGGART: Oh, for the network.

DOVER: For, yeah, for your-- for you, what, what, what did VOCA do for your budget in 2018? And then, and you said we're down to what, one point whatever so.

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CHRISTON MacTAGGART: Right. I am trying to remember the total dollar amount that our network gets and it's about-- I want to say it's, it's close to \$9 million, \$8 million, something like that. I don't know exactly what it was in 2018, but it would have been close to that.

DOVER: All right. Thank you.

CLEMENTS: Other questions? Seeing none, thank you for your testimony. Next proponent. Welcome.

HILARY WASSERBURGER: Thank you. Good evening, everyone. Good evening, Chairperson Clements and members of the committee. My name is Hilary Wasserburger, H-i-l-a-r-y W-a-s-s-e-r-b-u-r-g-e-r, and I'm the executive director of The DOVES Program. I appreciate the opportunity to visit with you today about LB739 and why its passage is so crucial to DOVES. First, let me tell you just a little bit about The DOVES Program. DOVES was founded in 1979 and has been serving survivors of sexual, domestic, and dating violence for almost 45 years. We currently employ nine staff members who serve survivors throughout our very large 12,000 square mile service area in the Panhandle. We have offices located in Gering, Alliance, Sidney, and Chadron. Attachment A includes a little bit more information about our program and our services. The passage of LB739 is so crucial to DOVES and our network of programs for two main reasons. First, we are facing those substantial cuts in funding from the Victims of Crime Act. Just last week, our staff had almost 140 contacts with victims. On one day alone, we had 35 victim contacts. Some of these contacts were a victim's first attempt to reach out for help and others were scheduling their next appointment. Some survivors needed help applying for a protection order. Others were requesting an advocate accompany them to court. Some needed emergency shelter to stay safe from immediate harm, and others were receiving housing services to help them establish a new safe home for themselves and their children. Some just needed to talk and know that they would be believed and others needed help with something tangible: gas assistance, food, a cell phone to replace one broken by their abuser. I mentioned we are facing significant funding cuts from our VOCA grant. For DOVES, a 40 percent decrease means we can't fill an open position we have right now and may need to reduce our staffing even further. But a 40 percent decrease means so much more than this. It means that we may be able to only respond to 84 of those contacts from victims instead of 140. It means that some of those people who reach out right now because it is safe for them to do so, they have the courage, they have such an urgent need will need to wait until next week or even longer to access our services. And it may mean that we're not-- we're not able to meet

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the requests for services at all. The funds through LB739 are crucial to making sure this doesn't happen. The second reason LB739 is vital to DOVES is because of inflation. Inflation is causing an increase in demand for items like food, gas, hygiene items, household items, clothing while the cost for us providing that, of course, is also going up. In addition, the lack of safe, affordable housing is making it so difficult for survivors to even imagine the possibility of leaving an abusive relationship and being able to make it on their own. An increase in funding for The DOVES Program and all programs in our network is so important right now. Thank you for considering our request. LB739 will make a difference for Nebraskans who are seeking safety, support, stability and most importantly, hope after dealing with sexual, domestic, and dating violence. I appreciate your time and I'm happy to answer any questions that you have.

CLEMENTS: Thank you. Are there any questions? Seeing none, thank you for your testimony.

HILARY WASSERBURGER: Thank you.

CLEMENTS: Next proponent.

KIRBY WILLIAMS: Good evening. My name is Kirby Williams, K-i-r-b-y W-i-l-l-i-a-m-s. I'm an enrolled citizen of the Cherokee Nation, and. I'm the executive director for the Nebraska Tribes Addressing Violence Coalition, also known as NETAV, which is a newly established tribal domestic violence and sexual assault coalition working to address intimate partner violence against Native Americans here in Nebraska. I am testifying here today in support of LB739 and to provide insight on how an increase can assist the tribal domestic violence programs in their vital efforts to support Native American survivors of intimate partner violence. Currently, the four tribes headquartered in Nebraska are designated to receive \$39,836.25 each for domestic violence services. The tribes use this funding to cover anything from victim assistance, such as clothing and rental assistance, domestic violence shelter utilities, and some outreach and violence prevention activities. Each of the tribes are in varying states of capacity when it comes to their utilization of the funding. But overall, they are in a constant state of looking for additional funding to try to meet the minimum needs of their programs or to even get to the bare minimum. As the Ponca Tribe's domestic violence program relayed to me, just because the funding gets cut doesn't mean the needs are getting cut. The Omaha Tribe currently use-- utilizes the funding to support their domestic violence shelter that they-- that the tribe has been desperately working over the last year to reopen. The program hopes

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that an increase in funding will be able to assist them in actually hiring the staff needed to run the program and operate it. The Santee Sioux Nation is currently operating in a limited program staff capacity due to previous funding constraints. Current domestic violence services have had to be absorbed by an already overwhelmed tribal social services staff. They hope that with an increase in funding, the tribe will be able to hire dedicated domestic violence program staff. Something else I was asked to share was the importance in recognizing that the tribe is often operating with one person working five programs' worth of job duties versus a single state worker working a single program. We place emphasis on the need for better understanding, empathy, and a willingness from the state to meet the tribe at their current capacity. The Winnebago Tribe of Nebraska is the only tribe with an active and open 24/7 domestic violence shelter. The current staff numbers, however, barely meet the minimum requirement to run a successful program, and it is the hope that an increased amount of funding could help to support additional staff members. The tribe is actively looking for support and funding of any kind to assist with additional service efforts and most importantly, to assist with much needed updates or new construction of a domestic violence shelter in the community, as the current building is in desperate need of extensive repairs. But they have unfortunately hit countless roadblocks in their efforts to find funding that allows them to do that. I share all of this with the understanding that one funding source likely can't solve all of these issues and needs. But I cannot emphasize enough that these programs are working tirelessly to support their communities and Native survivors in the state, and that all of them are stretching every single dollar they see to try and meet those needs. They do so with the utmost dedication and resiliency that you find from people who truly care about creating and ensuring safety for their communities. My hope is that in passing LB739 we will begin to open the door for more support, assistance, and collaboration to meet the needs of all survivors in Nebraska, including Native American survivors and tribal domestic violence programs. Thank you for your time. I am happy to answer any questions you all may have.

CLEMENTS: Any questions from the committee? Seeing none, thank you for your testimony. Are there additional proponents? Seeing none, is anyone here in opposition? Seeing none, anyone in a neutral capacity? Seeing none, Senator, you're welcome to close.

RAYBOULD: We would like to waive and wish you all a happy [INAUDIBLE]
[LAUGHTER]

CLEMENTS: Senator waives closing. We have position comments for the record. We have proponents, 21; opponents, none; neutral, none. That concludes LB739. That concludes our hearings for today.