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Health and Human Services Committee  
October 25, 2012

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[LR517 LR519 LR533 LR537 LR555]

The Committee on Health and Human Services met at 9:00 a.m. on Thursday, October 25, 2012, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting an interim hearing on LR555, LR517, LR519, LR537, and LR533. Senators present: Kathy Campbell, Chairperson; Mike Gloor, Vice Chairperson; Dave Bloomfield; Gwen Howard; and Bob Krist. Senators absent: Tanya Cook and R. Paul Lambert.

SENATOR CAMPBELL: Good morning, everyone. I think we'll go ahead and start. We are waiting a little bit. Senator Krist is here in the building and will be down joining us, but I thought I would go through some of the opening procedures and we'll take care of all the housekeeping duties. I'm Kathy Campbell and I serve as the Chair of the Health and Human Services Committee. I represent District 25 which is east Lincoln and eastern Lancaster County. I'll go through, as I said, the housekeeping points and then we'll do introductions. If you have a cell phone with you today, I'd ask that you turn it off or silence it because it's very bothersome when you hear a phone ringing and you're trying to testify. Although handouts are not required, if you brought them with you, you can hand them to the clerk, Diane Johnson, as you come up. We'd like 15 copies. If you need additional copies or assistance, the two pages will help you. And if you're testifying today, we'd ask that you fill out one of the bright orange sheets, print your name clearly and bring it with you; and again, just hand it to the clerk before you sit down. As you are testifying today, we'd ask that you open by stating your name for the record and spelling first and last name. This is to help the transcribers who listen, to more clearly identify who you are as they are listening to the tapes. And we do use a light system here. We don't...I don't expect a huge standing room only in any of the hearings today, but that makes it as fair for a person who starts at 9 a.m. as a person who starts this afternoon at 4 p.m., so. With that...and if you're not planning to testify today, you don't need to complete anything. We're just glad you're here. We'll go ahead with introductions, and I'll start to my far right over there. Go ahead, Senator.

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SENATOR BLOOMFIELD: Dave Bloomfield, District 17 in the northeast part of the state.

SENATOR CAMPBELL: And Senator Gloor will introduce himself, I'm sure, as he testifies.

MICHELLE CHAFFEE: I'm Michelle Chaffee. I serve as the legal counsel.

SENATOR HOWARD: Senator Gwen Howard, District 9 in Omaha.

SENATOR KRIST: Bob Krist, District 10 in Omaha and Douglas County.

DIANE JOHNSON: I'm Diane Johnson, committee clerk.

SENATOR CAMPBELL: And today with us is Loguen Blazek. Am I saying that right, Loguen? I can see you. Loguen is from Valparaiso, Nebraska, and Deven Markley is from Nevada, Iowa. So we're very pleased to have pages with us today. And with that, we'll open our first public hearing today, which is LR555, Senator Gloor's interim study to review and examine the ongoing issues within Nebraska's Medicaid Insurance for Workers with Disabilities, also known as Nebraska's Medicaid Buy-In enacted in 1999. Welcome, Senator Gloor. [LR555]

SENATOR GLOOR: Good morning, Senator Campbell and fellow committee members. I'm Mike Gloor, M-i-k-e G-l-o-o-r, representing Legislative District 35. I'm here today to open on LR555, an interim study looking at Nebraska's Medicaid Insurance for Workers with Disabilities program. This program was originally passed by our Legislature in 1999. The original bill was LB519. It was added to this committee's cleanup bill, LB594, and that bill passed and was signed by Governor Johanns in May of 1999. The intent of the legislation was to allow disabled adults who receive Medicaid to pay a graduated premium to the state for continuing their healthcare. In other words, it was a buy-in to

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the Medicaid program. So that they can be productive members of the state work force, the idea was to not penalize these individuals but to encourage them to pursue work if they're able to do so. These Nebraskans would not be able to afford health insurance in the private market, then, nor now, particularly with their disabling health problems. These are individuals who already qualified for Medicaid. As we know it, they don't work. They would be completely reliant on government services receiving far more of the taxpayers' dollars than if they were back and part of the work force to the extent they're physically capable of contributing to the work force and to society. Although this program saw a modest fiscal impact as it was implemented, \$140,000 to the General Fund in that day, there were minimal costs associated with the implementation over the years. Although we do not know exactly how many Nebraskans it could affect in the future, we do believe that it is not fulfilling its full potential because of complicated rules, lack of staff training by the department, and little or no outreach efforts. In other words, this is a program for which there has been little utilization, but continues to be a strong need. Thank you for your thoughtful questions as we look at potential changes to a program that needs adjustments if it's going to reach its full potential. I'd be glad to, as is always the case, answer questions, but there will be some people behind me who are program experts and can do a better job, I think, of filling you in. Thank you for your time for hearing this resolution. [LR555]

SENATOR CAMPBELL: Questions from the senators? Senator Gloor, I just have one. In the last budget, what are we budgeting for this program? Do you know? [LR555]

SENATOR GLOOR: I don't know what we budget. I can tell you that the costs in fiscal year '12 were \$659,000, of which \$277,000 came out of the General Fund, but we can find out that number or perhaps somebody behind me will have the budget number or can come up with it quickly. [LR555]

SENATOR CAMPBELL: Actually, the utilization cost is probably better than what the budget figure. That's more helpful to us as we look. Thank you. [LR555]

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SENATOR GLOOR: Thank you. [LR555]

SENATOR CAMPBELL: Anything else? We will start with our scheduled testifiers today and the first testifier is Kathy Hoell with the Statewide Independent Living Center. Good morning, Kathy. [LR555]

KATHY HOELL: (Exhibit 1) Good morning. My name is Kathy Hoell, K-a-t-h-y H-o-e-l-l. I am from the Nebraska Statewide Independent Living Council. The mission of the council is to partner with the Independent Living Network to promote independent living and facilitate systemic change that promotes independence, inclusion, nondiscrimination, and dignity for all people in Nebraska. Independent living is a philosophy and a movement of people with disabilities who work for self-determination, equal opportunities, and self-respect. The SILC believes in supporting this philosophy, ensuring full community integration and participation of all Nebraska citizens. First, I would like to thank Senator Gloor for introducing LR555 and including us to testify on such an important issue. The council has tried to increase awareness and have the Legislature modify the Medicaid Insurance for Workers with Disabilities--which is what they call it in Nebraska--for over five years. We've actually had legislation introduced twice in these efforts but it's always failed. There will be others that will testify on the mechanics of the program. I want to talk about what the state of Nebraska is doing to people by not creating a program they can use. Whether you are born with a disability or you acquire your disability, you are just like everybody else. You have the same hopes and dreams for your life. However, having health insurance is going to be critical, and Medicaid has been the only option for a lot of people with disabilities. So even if you do return to work, you cannot jeopardize your health. There are people who have insinuated that people intentionally want to be on Medicaid, like this is some big goal we all have. This is one of the more ludicrous comments I've heard. The idea that you have to tolerate all the issues of your disability, and you intentionally impoverish yourself just to get on Medicaid, kind of makes me laugh. Most people with disabilities would relish

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the opportunity to return to work while maintaining their healthcare. Actually, I think it's really disrespectful to suggest anything else. However, the state Department of Health and Human Services has always opposed changing this program because they see it as an expansion of Medicaid. Yes, we would expand the number of people working so we would increase the employment taxes the state receives, and we would increase the same amount of sales tax that are going in the state and communities. And yes, people with disabilities would pay a premium based on a sliding scale if they qualified for this program. So yes, in that sense it is an expansion. You'd give them more money, people would get what they need. I'm going to share a couple of stories because I think it's one of the most important things about this piece of the Medicaid Insurance for Workers with Disabilities is what it is doing to people. And because nobody knows about it, they never know if they're qualified, so; and then when the test to go on to the program is so convoluted, most people can't qualify. [LR555]

SENATOR CAMPBELL: Kathy, do finish your testimony. No, I mean, take your time and finish. [LR555]

KATHY HOELL: Okay. Anyway, so just quickly, I was going to say, there was a gentleman up in Omaha that was offered a position as a janitor. He was very excited about it. But with the help of his support workers he had to go in and negotiate with a company to get a lower starting wage because otherwise his salary would have been too high for him to continue with his Medicaid, and he needed to have that. In another instance, it was a woman who was a college graduate. She had to limit her hours to 15 hours a week and she had to refuse all raises because it would have been over what she needed to continue with Medicaid. And I just would like to thank you for listening to me about this very important issue. And if there are any questions I could answer, I would be glad to. [LR555]

SENATOR CAMPBELL: Kathy, I wanted to mention in your final paragraph of your written testimony that you said, "However, in Nebraska, since our program remains so

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restrictive, the number of people that qualify for it remains right around 100." [LR555]

KATHY HOELL: Right. It's been anywhere down to 90 to a little over 100. And since it was passed in '99, this program has not really done well in Nebraska. And as you can see, there is approximately, estimated, 154,000 people in the 42 states that already have the program. So this program does well in other states and we're just not using it to its full advantage. [LR555]

SENATOR CAMPBELL: It would seem so, with only 100 people taking advantage. Senator Krist. [LR555]

SENATOR KRIST: Thanks for your testimony, and thanks for all you do. I guess during the interim study, during the hearing, and maybe you're not ready to do that right now, but I would be very interested in an item-by-item listing of what you think we need to do to make the program better. [LR555]

KATHY HOELL: Actually, a few years ago, I can't remember exactly when, we introduced...we had LB1121 introduced by Senator Jeanne Combs who was in the Legislature at that time. And we had helped put that legislation together of how we could make the program work for people. [LR555]

SENATOR KRIST: What was the number again, ma'am? I'm sorry. [LR555]

KATHY HOELL: LB1121. [LR555]

SENATOR KRIST: In what year, do you think that was? [LR555]

SENATOR GLOOR: 2008. [LR555]

SENATOR KRIST: Great. Thank you, so much. [LR555]

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SENATOR CAMPBELL: Senator Howard, did you have a question? [LR555]

SENATOR HOWARD: No, no, thank you. [LR555]

SENATOR CAMPBELL: Okay. Senator Krist, that was...any questions from...? [LR555]

KATHY HOELL: Okay. Thank you very much. [LR555]

SENATOR CAMPBELL: Kathy, before you leave, are the 100 people mainly centered in higher population areas, or all across the state? Do you know that? [LR555]

KATHY HOELL: That I do not know, but hopefully somebody that comes after me can answer that question. [LR555]

SENATOR CAMPBELL: Okay. And one other question for you before you go. How do people mainly find out about this program: through your center, your organization? [LR555]

KATHY HOELL: Actually by talking to...mostly by accident. The Goodwill has done a tremendous job of getting the word out and...but, for example, a friend of mine who did not know about the program at the time, she was disabled, and they told...HHS told her she had to quit her job and move to Iowa if she wanted to work. So, you know, it's like...the people in the department, there's some good people that know about this program, but the majority of people don't. [LR555]

SENATOR CAMPBELL: Thank you, Kathy. I appreciate your advocacy. Our next scheduled testifier is Becki Koler (phonetic). And I apologize if I don't have that name right. [LR555]

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BECKI KOEHLER: It would be Kaler (phonetic). [LR555]

SENATOR CAMPBELL: Kaler (phonetic). Good morning. [LR555]

BECKI KOEHLER: (Exhibits 2-4) Good morning. My name is Becki, B-e-c-k-i, Koehler, K-o-e-h-l-e-r, and I am the manager of business development for Goodwill Industries of Greater Nebraska, Inc., located in Grand Island and serving 54 counties of central and western Nebraska. I'm here today to offer my perspective about ongoing problems with Nebraska's Medicaid Insurance for Workers with Disabilities program as outlined in LR555. I have worked extensively in comprehensive benefits planning service delivery for over 15 years helping to develop and implement Nebraska's Work Incentives Planning and Assistance program. I currently direct Goodwill's comprehensive benefits planning services in Grand Island, Hastings, Kearney, Broken Bow, Ord, Lexington, North Platte, McCook, Ogallala, and many surrounding communities. These services help Nebraskans with serious disabling impairments use state and federal work incentive programs so they can hold down jobs in their communities. Nebraska's primary state level work incentive program is called Medicaid Insurance for Workers with Disabilities, or MIWD, and it was implemented in 1999. The original intent of the MIWD program was to help Nebraskans with disabilities achieve a level of self-sufficiency and get a job to pull them out of poverty while letting them buy into Medicaid-funded healthcare. When first implemented we had high hopes that the program would do what was intended, allowing Nebraskans with disabilities to save money, work at a job, and access healthcare. The individual would get a job, initially, possibly earning at least at Social Security's trial work period level, which in 2012 is \$720 per month, and they could keep their Social Security cash benefit while they tested their ability to work. The individual would eventually achieve a high enough earning level, consistently over \$1,010 per month in 2012, to lose their Social Security cash benefit, live off their earned income, and pay a premium for ongoing Medicaid coverage. But since implementation, we have seen very few participate because of key problems with the program. Nebraska's program ties the eligibility determination

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process to a number of very, very complex Social Security Administration work incentive provisions, making the program difficult for eligibility workers to understand and implement. Nebraskans with disabilities are often told that they are not eligible when, in fact, they are. Although Nebraska's program allows a single individual to earn at a reasonable level, the program does not allow for adequate savings for retirement and for down payments on critical purchases like homes. Nebraska's program also does not protect individuals with serious impairments like mental illness, HIV/AIDS, and epilepsy, by offering an option for continuing premium-paid coverage should Social Security determine that the person has experienced some minor improvement in their medical condition. And possibly most important, the program is not promoted so we can help as many Nebraskans with disabilities move from reliance on Medicaid and no work at all to reliance on Medicaid and as much work as they possibly can. We want to make this program useful again by implementing accurate disability determination through coordination with Nebraska's Disability Determination Service. And that would be the agency here in our state that's responsible for developing medical evidence and rendering determinations on whether claimants for Social Security benefits are disabled or blind under the law. That is their function in our state. Ensuring state employee staff training in working with the program and coordination, close coordination with Nebraska's Tier III Certified Benefits Planners in applying this, and other very, very important federal work incentive programs. I am, in fact, a Tier III certified benefits planner as are every member of our comprehensive benefits planning team. Simplify income and resource disregards and increase disabled workers' ability to save for life-changing purchases, like homes and vehicles, and certainly for retirement. Provide continuing coverage for workers who may achieve some level of medical improvement, some minor level medical improvement. And promote the use of the program so more Nebraskans with disabilities who are reliant on Medicaid benefits are earning at the highest possible level. In closing, I believe this is a critical component of moving disabled Nebraskans from poverty to the highest possible level of self-sustainability and dignity. This was the intent of the original federal legislation and it was the intent of our state legislation in 1999. We can make this program successful with several changes to

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ensure it is effective for disabled Nebraskans who are trying their very, very hardest to work. I have developed two additional handouts. One of the handouts is a more technical piece, short, but still more technical, that it provides an overview of the Medicaid Buy-In program and some suggestions for improvements. And I've also developed a handout that summarizes very, very briefly six or seven specific stories of people that we have served in our Comprehensive Benefits Planning program. This is a very small representative sample of the stories we can provide--many, many, many more. I am available for any questions that you might have. [LR555]

SENATOR CAMPBELL: Senator Krist. [LR555]

SENATOR KRIST: Thanks for what you do. I'm familiar with the industry's contract at Offutt and you do a great job. A specific question about, at the bottom of page one, you said the tie to Social Security Administration work provisions. Is this being used as an excuse for not providing more services at the state level? [LR555]

BECKI KOEHLER: I don't know. I wasn't specifically involved in the early development of the program, although I have been a credentialed benefits specialist for 15 or more years. I am thinking the federal legislation allows states to decide what income and resources they're going to disregard in making people eligible for this program. And it would appear to me that the state of Nebraska decided that they would disregard the person's Social Security disability insurance benefit for a period of time through the trial work period and the extended period of eligibility. Unfortunately, that along with the disability determination process just really adds a huge layer of complexity. And unless you're a Social Security claims representative or a certified work incentive coordinator, it's very, very hard to understand all of the legal nuances. [LR555]

SENATOR KRIST: So it's your understanding that it's not a prohibition of activity by the Social Security Administration that the department has adopted. It is more the assessment of what it can and cannot do left up to the department to decide what is

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being used in the equation. [LR555]

BECKI KOEHLER: Yes. Each state has very, very different income and resource disregards, and the buy-in programs were developed both under the Balanced Budget Act of, what was it, '98, and the Ticket to Work and Work Incentives Improvement Act of 1999. And some states have implemented programs under either. Ours is under the Balanced Budget Act. And states were allowed...you know, you determine what income and resource disregards you will allow. And Nebraska's is just very, very, very restrictive compared to many other states. [LR555]

SENATOR KRIST: Within your data, do you show any examples of other states or does Goodwill Industries have examples of how other states have done a better job in your estimation? [LR555]

BECKI KOEHLER: We have a lot of information on other states. I have not personally done a full evaluation of the changes. I've mostly thought about how I think that we could improve our program in Nebraska. [LR555]

SENATOR KRIST: Okay, thank you, Ms. Koehler. [LR555]

SENATOR CAMPBELL: Other questions? Ms. Koehler, I have a couple of questions for you. On page two, implementing...the first suggestion that you have, "We want to make the program more useful." Is the determination done...you said "the agency responsible." Is that within the Medicaid division or is it a separate...? [LR555]

BECKI KOEHLER: The Disability Determination Service is...there's a contractual agreement with the Social Security Administration and our state Disability Determination Service to do the medical side of the eligibility determination. The Social Security office does the work evaluation, the first step of evaluation, and then the file is sent to the Disability Determination Service to examine the medical evidence to determine if the

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person is medically eligible. It is my understanding that in many states the same entity that does the medical determination for Social Security does the medical determination for the state Medicaid agency. In our state, it is my understanding that that agreement does not exist. Medical eligibility is determined by our state review team. So what happens often for us is that the person will remain medically eligible under federal law, decision made by the Disability Determination Service, but then the state review team still does an evaluation of the person's medical eligibility when the person is already fully medically eligible under federal law. [LR555]

SENATOR CAMPBELL: By the Social Security. But I was trying to figure out, is the Nebraska's Disability Determination Service, is it a standalone agency or is it tucked within another state agency? [LR555]

BECKI KOEHLER: The state Disability Determination Services are I believe in every state, and they are state entities that are under contract to the Social Security Administration. [LR555]

SENATOR CAMPBELL: Oh, okay. So all of this determination is made, but it's how we state it in the Medicaid plan? So I'm trying to figure out how this all then ties back. Do you understand? I'm trying to figure out the requirement that then doubles back into the Medicaid plan. And we can examine that because that's still a question that I would probably have. In just your looking cursory at some of the states, and I appreciate that you've brought that, do you have any idea which state people kind of say, well, if you're going to pattern a program you really ought to look at--it's sort of a follow-up to Senator Krist--in your dealings with other states? [LR555]

BECKI KOEHLER: I'm sorry, I do not. I would be very, very happy to spend some time researching that, but I have not at this point. [LR555]

SENATOR CAMPBELL: My guess is that the other resource that we could use is to go

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to NCSL, which is the National Conference of State of Legislators, and they track a lot of information, so we should be able to pick it up. One last question, and I just want to make absolutely sure. When people fill out these forms, at any point do the forms, do they have to interact with ACCESSNebraska? [LR555]

BECKI KOEHLER: In my experience I believe it would be very unlikely that a Nebraska citizen would ever access the Medicaid Insurance for Workers with Disabilities program if they weren't working with a certified benefits planner because we get them connected and we interact with ACCESSNebraska daily. And some of the examples that I've given to you will describe, just in a very broad sense, the challenges that we face there. [LR555]

SENATOR CAMPBELL: Okay. And back to my question that I asked Ms. Hoell, and that was, of the 100 people in the state, are they fairly clustered in urban areas, populous areas, or would those 100 people be all across the state of Nebraska? [LR555]

BECKI KOEHLER: You know, I don't know that for a fact. I know at Goodwill we cover...our service area is essentially from Columbus to Wyoming,... [LR555]

SENATOR CAMPBELL: Okay. [LR555]

BECKI KOEHLER: ...and we serve people all throughout the area, and whenever we can, provide the technical assistance to help them access Medicaid Insurance for Workers--and we do it regularly, every day, every week. I would say to you that I do have a case note that was provided to me by one of our certified work incentive specialists at Goodwill. And this case note was from a conversation that he had with a representative at DHHS on July 22, and it indicates that there were 67 people currently accessing MIWD in Nebraska. It's...I haven't checked that, but that is a notation that one of our benefit specialists provided for me. [LR555]

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SENATOR CAMPBELL: Thank you, Ms. Koehler. Any other questions from the senators? Thank you for coming and your testimony today. Our next testifier is Gayle Hahn. Is Ms. Hahn here, H-a-h-n? [LR555]

GAYLE HAHN: I'm Gayle and I won't...I'm not prepared to testify this morning. [LR555]

SENATOR CAMPBELL: Okay. Thank you for coming today. Our next testifier, Melissa Lemmer. Ms. Lemmer, L-e-m-m-e-r. I may not be saying that correctly. [LR555]

MELISSA LEMMER: Yes, it's right. [LR555]

SENATOR CAMPBELL: Okay. Ms. Lemmer represents the Mental Health Association. Good morning. [LR555]

MELISSA LEMMER: (Exhibit 5) Good morning. My name is Melissa, M-e-l-i-s-s-a, Lemmer, L-e-m-m-e-r. I'm a benefits specialist with the HOPE, Higher Opportunities through the Power of Employment program in Lincoln. I am here today to offer my perspective both personal and professional about problems with Nebraska's Medicaid Insurance for Workers with Disabilities program as noted in LR555. The Mental Health Association is a consumer-run organization. A consumer-run organization means that the majority of employees at the Mental Health Association have lived experience with mental health issues. It started in 1999 and the HOPE program began in 2006. The HOPE program is a supported employment program. It serves individuals with behavioral health diagnosis in the Region V area of Nebraska. I have been a benefits specialist with the program for four years. In serving our participants with disabling impairments, we use Nebraska's primary state level work incentive program called Medicaid Insurance for Workers With Disabilities, MIWD. Despite implementation, few individuals with disabilities are able to access the program. Work incentive provisions make the program difficult for eligibility workers to understand. Disabled individuals are told that they are not eligible when they actually are. My personal experience with the

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process is an example of a failure of the system. I was receiving disability benefits and utilized the MIWD program. My DHHS worker did not fully understand how MIWD works and there appeared to be poor communication between Social Security Administration and the Department of Health and Human Services. My DHHS worker informed me that the amount I was working would jeopardize my eligibility for Medicaid. I was forced to reduce my hours to continue necessary medical coverage. Eventually, I was able to work with a benefits specialist through Easter Seals of Nebraska, one of the few agencies in Nebraska that fully understand the MIWD program. My benefits specialist was able to work with a DHHS worker to reinstate my Medicaid under the MIWD program. With the help of the program, I was able to work my way off of benefits, which is the intent of the program. Now I work as a benefits specialist and I have encountered several additional problems with MIWD from a different perspective. One problem that I have encountered numerous times is incorrect calculations to determine eligibility for the program. Many times, in Test A, income which should be disregarded, isn't. The test for eligibility then disqualifies the individual for MIWD, when, in fact, they should be moved on to the Test B portion of the calculations. Many individuals are determined ineligible without the full test being performed. Another example is when an individual I worked with became eligible for Medicaid once she began her trial work period. A trial work period is defined by Social Security Administration by achieving nine months of earnings of \$720 gross income per month. These months do not have to be used consecutively but have to be used within 60 months to end the trial work period. The DHHS worker did not understand that these months did not have to be used consecutively and counted nine months from her initial trial work period month. After nine months, her Medicaid was then turned into a \$1,300 per month share of cost Medicaid. Lack of training by a DHHS worker caused an interruption in medical services for the disabled individual and created a very complicated process to get her Medicaid reinstated. In closing, I would like to impart our need for the reform in how DHHS workers are being trained, being properly informed of the rules, and how to implement the MIWD program. This program is vital to the successful transition of disabled Social Security beneficiaries into a state of self-sufficiency. A very large number of disabled

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individuals who are interested in attempting to reenter the work force choose not to do so due to the fear of losing medical coverage. Education and accurate implementation of this program can potentially motivate large numbers of individuals to gain employment, which ultimately is a benefit to all. I thank you for your time in allowing me to share my experiences. If you have any questions. [LR555]

SENATOR CAMPBELL: Thank you. Questions from the senators? One of the questions, Ms. Lemmer, that I would ask is, in your testimony you indicate that the DHHS worker did not understand the eligibility and so forth. Was the DHHS worker inside the Medicaid division? [LR555]

MELISSA LEMMER: Yes. [LR555]

SENATOR CAMPBELL: Oh, okay. I just wanted to make sure I understood that. And again, as your clients would work through this, they would most likely fill out the universal form, also? [LR555]

MELISSA LEMMER: Um-hum. Usually they fill out the form on-line on ACCESSNebraska... [LR555]

SENATOR CAMPBELL: Nebraska. [LR555]

MELISSA LEMMER: ...and then we advocate for them working with the worker through the phone. [LR555]

SENATOR CAMPBELL: Right. And so they're not only completing all of the paperwork for the Social Security Administration, would that be accurate, as well as the Nebraska? [LR555]

MELISSA LEMMER: Uh-huh. [LR555]

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SENATOR CAMPBELL: Okay, I think I finally got it. Thanks for your help. Okay. Our next testifier... [LR555]

SENATOR GLOOR: Thank you. [LR555]

SENATOR CAMPBELL: ...is Linda Jensen. Good morning. [LR555]

LINDA JENSEN: (Exhibit 6) Good morning. My name is Linda Jensen, L-i-n-d-a J-e-n-s-e-n. You're receiving my testimony now and I want to thank you for this opportunity to speak about the problems in implementation of Nebraska's Medicaid Insurance for Workers with Disabilities. I'm going to tell you about our own story. I also am a member of the board of directors for the National Alliance on Mental Illness. My son was first diagnosed with schizophrenia in September 1991. He's had over a dozen hospitalizations and he's been violent at times resulting in injuries. I was given papers for a Medicaid application during his first hospitalization, but I thought he was going to get better so I didn't apply for Medicaid coverage until about 1992 when he tried to commit suicide, and I realized that insurance and our incomes could not cover all the hospitalizations and rehab care he needed. We've been fortunate that my son has had a good period of stability the last ten years, the medications have worked for him. He has worked part-time for a psychiatric hospital in Omaha as a peer specialist for over four years now. My husband and I are still his guardians and he lives in our home. We rent him a room or an area, and we provide a lot of functional support, such as laundry, cleaning, maintenance, keeping track of the car, you know, supervision of his medications, picking up the prescriptions, filling the med boxes, making sure he takes them, medical appointments, money management, family support. So he gets a lot of family support and we love him. In November of 2010, he was notified that Medicare would no longer cover his medical expenses because he had not received SSI or SSDI for several years. He had been working and we probably should have gone back on it for a period of time when he was in between jobs, but it's such a paperwork nightmare

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that we just decided, you know, he decided he would try to find jobs instead. We're still in appeal for that situation because he did have a ticket to work and his disability status was not supposed to expire. So this was in...he was supposed to end January 31. Well, January 17, he received a letter from NDHHS that his Medicaid would be discontinued also. So I called the caseworker--we had a caseworker back then--and she said that they had received a message from Social Security that his disability had ceased. And I asked about an appeal and so she said to send a letter. I added up his costs for his medications and found that would be about \$1,800 a month, and his income was about \$1,000. Doesn't quite balance by a long shot. And, of course, there's monthly blood tests and everything else so, you know, it would be over \$2,000 at least. So they reinstated it for February. Then I went to get his medications--this is an interesting thing--on February 18, and they said they couldn't charge them to Medicaid because Medicare...it was still on the books that Medicare was covering him and they were still listed as the primary payer, but they wouldn't pay either, of course. And so I called the caseworker and she said that Medicare...or Medicaid, the Medicaid department receives the information by tape from Medicare as far as who they cover, and they don't receive that until the 15th of the month, and then it takes at least ten business days for that to be loaded onto their system. So, in the meantime, we could just pay for the medication. And I said, that's \$1,700, you know. And she said, well, you can check with your pharmacy and see if there's any way that they would, you know, give you a little advance on the pills until we can get it settled. So the pharmacist was very patient. I really...he was wonderful about working that out, although we had to go back and forth, and I don't know how many phone calls it took, you know. (Laugh) And I knew about the Medicaid Insurance for Workers with Disabilities because actually I had been on a committee with Senator Jensen and Jeff Santema back when it was first passed. So I asked about that in the very beginning. I said, you know, what about this plan? What about this? And they said, oh, you know, they acted like they didn't know anything about it, or what, I don't know. So I did talk to...it was Nebraska Advocacy Services then, and also I was told to contact Easter Seals work incentives and they've been a tremendous help. So we had a fair...we actually finally got to the place where we'd appealed a

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couple of times, or whatever it was, with Nebraska Department of Health and Human Services and Medicaid, and then there was a hearing scheduled. And then, all of a sudden, we got another letter that Medicaid would cease. And I said, well, there's a hearing scheduled. And then they said, well, you've got to send in...it's time for his annual review; so we sent in those papers. So then that was continued again until the hearing. Well, the first hearing they had was on the phone and we hadn't received any of the exhibits, so they then decided that they would continue that. And so then we had another hearing actually in the State Office Building and with a hearing officer from DHHS, Medicaid, I don't know. And they didn't have the medical statements at that time, but the case supervisor kind of took over the case and she said that she had just received them and they didn't show severity. She made that judgment on her own. And we didn't get those statements to read. Actually, the Easter Seals work incentives coordinator, Gayle Hahn, was with us for the hearing, and she explained all about the Medicaid for Workers with Disabilities to these people. And they... [LR555]

SENATOR CAMPBELL: Ms. Jensen, we probably need to go through your outline. I do want you to finish what you've got here, but maybe we hit some of the high points. [LR555]

LINDA JENSEN: Okay. So anyway, but they continued to say that he wasn't eligible. So then eventually, you know, it was just a lot of back and forth and back and forth. Eventually, after the hearing, the decision was made eventually. We tried to get more of information about what those medical statements said and they never would give them to us. The Ombudsman checked into them and someone said that the records were inadequate. But anyway, so they said the appeal could only be filed in district court. We talked to some lawyers. They said the only way for my son to get back on Medicaid was to quit work. Or else, some other people said, well, you could go back into the...you could quit taking your meds and go back into the hospital. Well, we know what happens when people quit taking antipsychotics and they have schizophrenia. It isn't always the hospital. You know, sometimes it's worse. And so, luckily, he decided he didn't want to

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try either of those options. And so we finally just decided to start looking for free medications. He was able to get a limited health insurance coverage with a high deductible policy at his work. Well, then in January we received a letter that my son could buy into Medicare, so we checked again and filed a new application with HHS. That was through ACCESSNebraska, and we stayed on the phone for a while. And what happened then was, eventually after we got all the information to them...one time they...a couple of times they sent letters to our old address, which had been in Kearney. The state review team did review him and they decided that he was permanently disabled and eligible for Medicaid again. So it was just a nightmare. And, you know, we're very glad now that he's eligible for it. I'm still not sure if he's under the right program, or if he's...I need to follow up on that again. The people that when they told us he was eligible for it just said he's eligible for Medicaid and they didn't really seem to understand again the Medical Insurance for Workers with Disabilities. [LR555]

SENATOR CAMPBELL: But he is now...he is still working at his job. [LR555]

LINDA JENSEN: Yeah, and he's still working. And he's been able to continue to work, so. [LR555]

SENATOR CAMPBELL: Okay. All right. Thank you, Ms. Jensen. [LR555]

LINDA JENSEN: And he's working actually on a master's in counselling and so we're hoping that someday he'll really have a supportive job. [LR555]

SENATOR CAMPBELL: Questions from the senators for Ms. Jensen? Thank you for your detail. This will be very helpful as we go through it. [LR555]

LINDA JENSEN: Okay. [LR555]

SENATOR CAMPBELL: And I apologize for asking you to hit the high points but we

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have everything written, so. And thank you for taking the time to do that. [LR555]

LINDA JENSEN: Yeah. Well, if you want more details I can always give them to you. I took notes during this time. [LR555]

SENATOR CAMPBELL: Absolutely. We noted that. And as an educator, you would be willing to help us, so thank you. [LR555]

LINDA JENSEN: Right. Thank you. [LR555]

SENATOR CAMPBELL: Anyone else in the hearing room who wishes to testify today on LR555? Good morning. [LR555]

BRAD MEURRENS: (Exhibits 7-10) Good morning. Good morning, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Brad Meurrens, B-r-a-d M-e-u-r-r-e-n-s, and I'm the public policy specialist for Disability Rights Nebraska, the designated protection and advocacy organization for Nebraskans with disabilities, formerly known as Nebraska Advocacy Services. We have a keen interest in efforts to expand the operation and effectiveness of the Medicaid Buy-In program. Our agency takes many calls from people with disabilities who desire to enter or reenter the work force, and we work with appropriate agencies to help these individuals achieve meaningful, competitive employment, including the promotion of the buy-in. We have also worked with the Legislature to enhance the buy-in program, culminating in LB1121 of 2008. Many people with disabilities desire competitive employment opportunities. However, for many people with disabilities, significant unique barriers exist for them to achieve this goal. Despite their strong desire to work, the 2010 American Community Survey of the U.S. Census Bureau indicates that about 56.6 percent of people with disabilities in Nebraska are unemployed. We have no reason to believe this has changed much, if any. Fueling this high unemployment rate are a variety of factors including employers mistakenly believing that people with disabilities

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cannot work satisfactorily; that it will be more expensive to hire a person with a disability; and for those individuals with disabilities that utilize Medicaid, rising incomes will jeopardize their eligibility for Medicaid. Medicaid plays a significant role in the lives of many people with disabilities. Given the significant health needs and the high rates of poverty within the disability community, it often is their sole source of health insurance or provides coverages for services that they need that are not covered typically under private- or employer-based insurance, such as personal assistance services. Thus, the Medicaid Buy-In program is a crucial piece in the disability employment puzzle. We are pleased to see this committee taking up this issue. Medicaid Buy-In programs exist in a majority of the states in this country and have produced some significant positive results for not only people with disabilities, but also the states themselves. A national review of published studies of state buy-in programs notes: "National and state evaluations of these programs have found that Medicaid Buy-In enrollees earn more money, work more hours, contribute more in taxes, and rely less on food stamps than people with disabilities who are not enrolled," and "Medicaid Buy-In programs successfully enable participants to engage, or engage more robustly, in the labor market." And those quotes are contained within the second handout that I gave you. It's not the Kansas one. I can show it to you later, anyway. In turn, these impacts have a positive effect on state budgets. The same study quotes, "In Washington, the state's Office of Financial Management estimates that 6 percent of participants' increased earnings--or \$400,000 alone in the first year--directly contribute to the general fund. Kansas calculated that between 2003 and 2006, Medicaid Buy-In participants sharply increased the amount of state income taxes from an average of \$74 in 2003 to \$123 annually in 2006." "In New Hampshire, that state's evaluators calculated that the aggregate earnings of its Medicaid Buy-In participants as \$20 million from 2002 to 2006, \$11 million more than what would have been in the state's economy without the Medicaid Buy-In program. Kansas responded to concerns that its Medicaid Buy-In program was driving up the cost of the Medicaid program," which is, also on a side note, the same exact rationale and argument that this state's Medicaid department says every time this issue is brought up. And they've responded, "with analysis showing that state medical expenditures had

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decreased 45 percent per person between 2004 and 2007, and in Michigan, the state realized a 53 percent direct savings in reduced healthcare costs, a reduction in average cost per person from \$947 to \$446." Thus, this is a win-win situation for both Nebraskans with disabilities and the state overall. However, there are a variety of factors that need to be addressed in order to maximize the efficacy of Nebraska's Medicaid Buy-In program. For example, increasing the asset limits, raising the income ceiling, or instituting a grace period. What variables need to be tweaked must be examined further in conjunction with disability advocacy groups such as ours, individuals who are on the current buy-in, and those individuals with disabilities who want to work but face the draconian choice between earning a wage and retaining Medicaid. We strongly urge this Legislature to address the Medicaid Buy-In enhancements in the upcoming session. At a minimum, Nebraska needs to conduct a study and review the operation and outcomes of its buy-in programs much like Kansas has done. That's the "Chartbook" right here. I have one copy of it; I didn't make 15. I have one but you can look at it. That information will be critical in devising an appropriate and accurate array of enhancements so that the untapped human capital of Nebraskans with disabilities can be leveraged to the greatest degree. I'd be happy to answer any questions you may have. [LR555]

SENATOR CAMPBELL: Questions from the senators? You provided a lot of good information to us. I'm going to ask the question that I asked earlier and that is, in your study of all of the states, which of them is the simplest for a client to get through? [LR555]

BRAD MEURRENS: Well, you know, that direct issue I had not come up with in my research and I don't know if there is a...to answer your earlier question about was there a model state, I don't know if you can say that there is a model state for a couple of reasons. First is I haven't seen that in the literature, and secondly is that the states are...some states have implemented the buy-in like ours under the balanced budget amendment. Some have considered it under the Ticket to Work and Work Incentive

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Improvement Act, the TWWIIA Act, so there's a disparity there. Plus also, every state may be different in terms of its asset limits, its income eligibility guidelines, or other sort of mechanisms by which the state has created, such as a grace period, income ceilings, income floor, stuff like that. So I don't know if we can really say that there is a state that's the best or is a model. I think it has to be crafted independently, and taking and begging and borrowing from this state and this state and this policy, and creating a truly unique Nebraska-specific policy. [LR555]

SENATOR CAMPBELL: Okay. That helps, thank you very much. [LR555]

BRAD MEURRENS: Uh-huh. [LR555]

SENATOR CAMPBELL: Any other questions? Senator Krist. [LR555]

SENATOR KRIST: As long as you went down that road, I'd like to further. Specifically, are you aware in your research or in any of the guidelines that you gave us where there's a cap at which the federal government pushes back on the state and says, this is absolutely it. Because oftentimes what we hear from the department is, the feds won't let us do that, therefore we can only go to this level. So, for example, if we wanted to adjust upward the cap on the allowable income at any level, is there a federal limit whereby we then are in violation of their rules and regulations? [LR555]

BRAD MEURRENS: To my knowledge, no. I know that there are some restrictions in the balanced budget amendment version of the buy-in. I do believe, to my knowledge, the major sort of ceiling there is, it has to be the people that are eligible can be up to 250 percent of the federal poverty. Now under the Ticket to Work version, that provides states a lot more flexibility in terms of crafting income ceilings, crafting income floors, and those sort of things. Now, I don't think...it is...I don't believe that the balanced budget amendment version like what we have institutes these very hard...has very strict and hard restrictions all the way through the program. To the best of my knowledge

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there is flexibility built into the program coming down from the feds saying, you know, there's...this 250 percent of federal poverty is the target. But you can figure out, you know, what your asset limits and those sort of other mechanisms within the program can be tweaked independently by the states. But again, I think the TWWIIA version, the Ticket to Work version provides a lot more flexibility. For example, the Ticket to Work version allows for what they call a medically improved category--those persons whose disability status is improving, their health is improving, but they still have a disability. The balanced budget amendment version does not allow for that medically improved category. So I think in answer to your earlier question, Senator, about, you know, what sort of things would we recommend that you do, I think that may be premature at this particular point in time to come up with a laundry list of improvements. I think that needs to be negotiated and needs to be discussed between, like I said, between, you know, the agencies and the advocacy groups and the people who are involved in the program to figure out what is the best sort of mix, the optimal mix for Nebraska. And I would also point you to this study...this is the one that I was...I messed up on the reference earlier. This study provides a wide variety of opportunities in which states can make adjustments. They address a lot of different areas in which we can make some tweaks here and there. [LR555]

SENATOR KRIST: Thank you. [LR555]

SENATOR CAMPBELL: Any other questions? Thank you, Mr. Meurrens, very much for a lot of detailed information. Our next testifier. Good morning. [LR555]

MARY ANGUS: Thank you, Senators, for this opportunity. I had assumed that this was going to be invitation only and was not prepared, nor did I bring any papers, so I jotted notes on my phone, so excuse me if I refer to that. [LR555]

SENATOR CAMPBELL: I think that's a good use of your phone. (Laughter) [LR555]

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MARY ANGUS: My name is Mary Angus, M-a-r-y A-n-g-u-s. People in Nebraska ought to know how to spell Angus. It's on every menu and in each store and on all kinds of stuff. I am a person using the Medicaid Insurance for Workers with Disability program. I am currently in an appeal. I was notified via a notice that was written up on October 4, mailed on October 5, and given ten days--days, not business days--to appeal that or risk not being able to continue it during appeal. Please excuse my anxiety. I've testified many times but there are times when I'm more nervous than others and this is one of them probably due to the situation I'm in. What happened is, and you've heard some of the Ticket to Work trial work period, etcetera, I have been told by Social Security that I've completed my Ticket to Work program, including the extended benefit program, and are no longer disabled. And as I understand that, that would not necessarily be the medically eligible, and in fact, I continue to get Medicare as part of that program, Social Security program. I also am continuing to receive Medicaid payments for the premiums for my Medicare, which I think is an interesting addition to that. I tried to work. The reason my trial work period ended is I tried to work, and I was...I have been working part-time and self-employed with Angus Disability Consulting. There have been a few months, obviously, that I made enough that the trial work period may or may not have completely been met. That's up for reconsideration. But I lost that job and am asking for that reconsideration but also for a reinstatement, an expedited reinstatement, for the payments for SSDI; and my doctor has written a statement supporting that reinstatement because my disability which is bipolar disorder for which I've been hospitalized probably over 20 to 25 times since 1995, when I went on disability in the first place. I have been using a share cost during that entire time. The share of cost is the insurance payments that I have made to add to or to supplement or be the primary payer for my medical costs. At one point were I not on Medicaid and had no insurance, which I would not have had because I was unable to work, this was probably the late '90s, my "billables" were \$180,000 that year, and I had only the income from Social Security, which was at that time around \$800. Since I've been working under the share of cost for many years, I was familiar with that. I also in the early '90s was trained as an income maintenance worker in the Medicaid as well as food stamps, etcetera, and I can

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tell you that that was much better training than anybody gets now. It was extensive training in seven programs. When I was notified, the notice again was dated the 4th, mailed the 5th, I happened to be out of town at the time so I didn't receive it right away, but I was told at that point that my unearned income which amounts to test A that you've heard, and I believe that's under the Balanced Budget Act, the amount was less than my unearned income. Since Ticket-to-Work work period had ended, then I was no longer eligible to have that disregarded, and my Social Security, it had been \$1,018 a month and the amount was \$930. I had been spending \$90 a month to bring it down and using that insurance. At that time they disregarded \$20 of my income but did not even consider my share of cost. When I was asking about it, I was not told about it and I was...finally, when I went to the appeal, they have told me that I'm eligible during the appeal time for the Medicaid, so I've continued it for November. When the appeal is over or during that time if I purchase another \$30 worth of insurance, I will be eligible under the share of cost and will have full Medicaid again. My earned income is approximately \$300 a month and certainly not enough for me to live in. I'm sorry, I'll try to get done quickly. I live with my parents so there's no...I don't get a housing subsidy. I eat with my parents so I don't get food stamps. The only benefit that I get from the state is Medicaid and that has been with a share of cost during that time. I'd be happy to answer any questions that you might have. [LR555]

SENATOR CAMPBELL: Thank you, Ms. Angus. And yes, you do testify quite often. Good to see you again. Are there any questions on the part of the senators? Thank you for taking time. [LR555]

MARY ANGUS: I just thought it would be good to hear from a current user. [LR555]

SENATOR CAMPBELL: Absolutely. And I'll pay very close attention now to a good use of those cell telephones. (Laughter) [LR555]

MARY ANGUS: Very helpful. Thank you very much. [LR555]

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SENATOR CAMPBELL: Yeah, absolutely. Any other testifiers today on LR555? Senator Gloor, did you wish to make any closing comments? [LR555]

SENATOR GLOOR: I think in the interest of time, I'll waive. [LR555]

SENATOR CAMPBELL: Okay. Thank you. With that it closes the public hearing on LR555. If you are leaving us today, would you leave very quietly? For the clerk, are you okay to continue for another one? All right. I'm going to give a couple of instructions to the people who might have joined us after that. Obviously, if you have a cell phone, please turn the cell phone off or silence it. If you're testifying today, as you can watch people come forward to bring their orange sheet, please give the orange sheet to the clerk so that she can follow at the beginning of your testimony. And you do need to state your name for the record and spell it so that the transcribers can hear you say your name and also spell it. I think that might be it. We've all introduced ourselves once, so hopefully you've picked that up as we've gone along. We will, with those instructions, open LR517, which is Senator Nelson's interim study to examine the benefits of adult day-care service programs currently provided to Nebraska seniors. And Senator Nelson, the instructions I was given is that you wanted to close but not open, is that correct? Or did you want to make some... [LR555]

SENATOR NELSON: No, I will open. [LR517]

SENATOR CAMPBELL: Okay. Please join us and we'll start. And Senator Nelson, after you've finished, you're more than welcome to take a chair up here. Sometimes it's easier to hear the testimony then, so feel free to sit and join us. [LR517]

SENATOR NELSON: (Exhibit 11) Thank you, Senator Campbell. Excuse me. [LR517]

SENATOR CAMPBELL: Would you like a glass of water? [LR517]

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SENATOR NELSON: If there is some water, if we have a page. [LR517]

SENATOR CAMPBELL: We'll get you one. The pages disappeared here for a minute. We'll get you one when they come. [LR517]

SENATOR NELSON: Will we have other members returning? [LR517]

SENATOR CAMPBELL: Yeah, absolutely. [LR517]

SENATOR NELSON: Good. All right, thank you. Good morning, Senator Campbell and senators. My name is John Nelson, spelled N-e-l-s-o-n, and I represent District 6 in midtown Omaha. I'm here today to discuss the benefits of adult day care and to provide the reasons why the state should enhance the funding for these services. Every year our state spends more and more money on healthcare services. Over the past two years, General Fund appropriations increased by \$57 million, largely as the result of the rising costs of healthcare. Also during this period, our state increased Medicaid spending by 14.8 percent, pouring nearly \$650 million into Medicaid in 2012. The handouts that you will receive include a chart that illustrates the increases in Medicaid spending from 2000 to 2013. In 2010, Nebraska hired Milliman Inc., which, as you know, is a financial consulting firm, to provide an estimate of the costs that will be imposed on the state with the implementation of the Patient Protection and Affordable Care Act. They concluded that the state would incur costs of \$30 million in 2013-14 and another \$55 million in 2014-15. Nebraska needs to be creative to balance our budget in the upcoming years. Adult day care is a cheaper and more efficient alternative to full-time nursing facilities or assisted living. You have a graph that compares the median annual costs of adult day-care services and several other healthcare options. According to the Genworth Financial Services 2012 annual report, a patient in Nebraska could pay over \$70,000 a year to live in a private room nursing facility and more than \$64,000 to live in a semiprivate nursing home. Patients must pay more than \$46,000 for a home

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healthcare aide to care for them and \$39,000 a year for an assisted-living facility. In comparison, adult care costs a little more than \$13,000 a year, which is a small fraction of these other options. If we could persuade more persons to use these services, we could drastically cut the budget and decrease healthcare spending in a big way. The state should encourage patients to use adult care services by increasing aid to those who receive this care. Currently, patients can apply for and receive aid from either the Aged and Disabled Medicaid Waiver or the Social Services Aged and Disabled Block Grant, which is Title XX. The reimbursement rate under the waiver is \$32.47 per day which was reduced from \$33.30 in 2011. At the present time, there are 72 people receiving funding through this waiver. The reimbursement rate under the block grant is \$17.34 per day and that was last adjusted in 2008. There are 853 Nebraskans who receive this aid. We are asking that the state provide a uniform rate and increase the block grant amount to \$32.47 per day, up from the \$17. This added assistance will encourage participation in adult care services rather than the more expensive forms. In addition, adult day-care services provide much needed respite for the families whose elderly relatives live at home with them. In a recent study titled "Family Caregiving in the United States," AARP reported that more than 42.1 million family caregivers provided daily care to an elderly family member in 2009, and nearly 61 million provided some care during this period. These numbers are expected to increase, especially as families continue to struggle economically. Nebraska can ease the burden on these families in Nebraska by investing in adult care services. A uniform reimbursement rate for adult day-care services will cost the state approximately \$1.4 million a year. Now, alone, that is a lot of money, but that pales in comparison to the \$1.1 billion that DHHS received in 2012. And so we are suggesting and will testify today that adult care is a wise investment and that will help us curb spending and balance our budget here in Nebraska. I'll be happy to entertain any questions that you might have on the charts. Others will follow me in testimony and go into a little more detail than I have. [LR517]

SENATOR CAMPBELL: Thank you, Senator Nelson. Are there any questions for Senator Nelson? Senator, and the people who will testify, will they provide how many

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adult day-care facilities there are across the state? [LR517]

SENATOR NELSON: Yes, they are prepared to do that across the state of Nebraska, right, and the numbers, yes. [LR517]

SENATOR CAMPBELL: Excellent. Thank you very much. And again, you are invited to join us. [LR517]

SENATOR NELSON: Thank you. [LR517]

SENATOR CAMPBELL: We will start out with the list of testifiers on LR517 and the first is Julie Kaminski. Good morning. [LR517]

JULIE KAMINSKI: (Exhibits 12-13) Good morning. My name is Julie Kaminski, J-u-l-i-e, Kaminski, K-a-m-i-n-s-k-i. Good morning. I work with LeadingAge Nebraska. And LeadingAge Nebraska, we represent the nonprofit providers of senior housing and services. Together our members serve about 5,000 Nebraskans in a variety of settings, whether it's nursing homes, assisted living, independent living, or adult day service in this situation. Having worked in the field of aging for almost 15 years, what I know is that the 65-plus population in Nebraska is growing and they want to stay at home. In fact, my mom is in the hospital having surgery today and I'm saying, you've got to go for rehab at the nursing home and she says, I'm going home. So as people age, they want to stay at home for as long as possible. An adult day service is one of those options that allows them to stay at home. So, hopefully, I can provide some additional information--the bill that we introduced--to show you why this is an innovative way to look at funding long-term care in Nebraska. So as Senator Nelson mentioned, there's two ways of reimbursing Medicaid adult day service. There's the Medicaid waiver and the block grant. And when I looked at this you might say, well, why aren't more people on Medicaid waiver as opposed to the block grant? So for Medicaid waiver to kick in, and if I'm repeating this, something that you already know, you have to be nursing home

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level of care and there's a cap on the people that can get reimbursed at that level and it's a lot more paperwork to get that Medicaid waiver rate as opposed to the block grant which is why 92 percent of the people on adult day are reimbursed under the block grant. You asked about where the providers are located. There's a chart that shows by city and then by county of where the adult day providers are located in the state of Nebraska, so that should hopefully help clarify that. There currently are 50. Nebraska is the fourth lowest reimbursor of adult day service in the United States. I was at a conference in Denver earlier this week and they mentioned specifically Nebraska in one of our sessions being one of the lower rates and as we were talking with some of our members who happen to be dog lovers, they said, to put this in perspective, I take my dog to doggie day care. And I pay more, anywhere from \$18 to \$27 a day for dog day care, but yet our rate is \$17.34 in Nebraska. So on average, the national rate is about \$50. I'm sure you probably have people coming in every day saying, if you do this now, it will save you money down the road. This is something that will save money now. If you look at this chart and if we can divert one person into adult day service as opposed to long-term care, whether it's an assisted living or nursing home, that's \$50,000 for one person in one year. You know, in these tough economic times--I mean, that's all we listened to in Denver about how tight budgets are--we have to be innovative. We have to think differently for long-term care. And we're innovative in Nebraska. I mean, I've been here and I know we do good things. And so the way we deliver long-term care and services is changing and this is one way that I think allows us to be innovative; but if we miss the opportunity to reimburse providers accurately, we're not going to have the providers jumping into this. And the challenge, I think, many of these nonprofit providers who will testify after me are losing each year but are committed to it because it's part of their mission. So I just ask you to respectfully consider equalizing these two payment rates so that it allows Nebraskans to show the innovation that we have in our state and allows us to serve...it comes down to serving our Nebraska seniors where they want. They want to be in their homes and I think we have to look differently at the system, so.

[LR517]

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SENATOR CAMPBELL: Senator Krist, you have a question? [LR517]

SENATOR KRIST: Absolutely. Thank you for coming and thank you for your testimony. Of these, and there are substantial numbers, how many of them are standalones and how many of them do you know are collocated with assisted or on assisted living? It would seem that it would be a good marriage and a good financial plan. I know we had testimony last week, I think, from an individual who has a financial plan, and in that facility he has assisted, unassisted, and he has a day-care service. [LR517]

JULIE KAMINSKI: I don't know the exact numbers. I can go back and look for you. Many of them are collocated. Our testimony, you're going to hear one that is the largest in Nebraska who is a standalone, and then others who have assisted living, and then the adult day as part of that. So many of them are collocated. Tabitha here in Lincoln is collocated. So I can get you those numbers and e-mail it to you. [LR517]

SENATOR KRIST: That would be great. Thank you very much. [LR517]

SENATOR CAMPBELL: Other follow-up questions? Thank you very much for bringing the information forward and I hope your mother does well. [LR517]

JULIE KAMINSKI: Thank you. [LR517]

SENATOR CAMPBELL: Our next testifier is Joe Schulte or Melanie Haynes-McCurry. Good morning. [LR517]

MELANIE HAYNES-McCURRY: (Exhibit 14) Good morning. My name is Melanie Haynes-McCurry, last name H-a-y-n-e-s, hyphen, M-c-C-u-r-r-y. I am here today to introduce myself and tell you a little bit about the Franciscan Center which is an adult day care that was opened in 1985 as a nonprofit under the ministry of New Cassel Retirement Center in Omaha and the School Sisters of St. Francis. Our day center is

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open Monday through Friday from 7 to 6 p.m. and we provide service to approximately between 25 and 30 people per day. Our staffing ratio is one to six, and through the six people that we have on staff we have 100 years of combined service through activities, therapy, and healthcare. Our adult day centers in Nebraska serve approximately 1,000 people. Adult day centers are a wonderful bridge in healthcare and deserve to have an adequate reimbursement rate in order to keep our costs down and to effectively serve our seniors. Our cost effectiveness compared to nursing homes allow for less disruption of the person that's being cared for through companionship, nutrition, socialization, stimulation, and recreational activities. We have very many home and health agencies in Omaha that are able to do many jobs, including being a home health aide or having CNA service. However, these costs are quite constrictive to our seniors in terms of long term at-home care. A home health aide is starting at \$19 an hour and the CNAs begin at \$21 an hour. Our particular adult day service is at a cost of \$50 per day. We have quite a few of our seniors who come to our day care who utilize the block grant as well as the Medicaid waiver. One of those examples is Maggie who lives at home alone in her own place. She has very involved family, a large family who work throughout the workweek and so are unable to spend a lot of time with her. She attends three days a week and uses the transportation that our adult day provides through the AMR service. She has an opportunity to see her friends during the day and returns home after a long day of interacting and having her nutrition taken care of and any other services that she needs while she's in the adult day. She comes home, she feels a part of her community. She gets exercise, she participates in activities, and has an opportunity to still live alone and conduct her life the way she would like to have it led. This person also has home health coming in, in the mornings and the afternoons, to look after her and help her get ready, or to get ready for bed at night. We have quite a large population of participants who live with their family or as a caregiver which allows their families to work, allows for them to be able to go and have activities taken care of such as grocery shopping, their hair done, and allows the caregiver to have some respite time. Many of these conflicts that we see between families and the ones they're caring for come through when I receive inquiry phone calls from people who would like to start day services. Many of them are

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in immediate conflict and would like to have immediate results to their problems. We would like to ask that the Legislature would please help us to mitigate some of these costs and move forward in a way that we know adult day can help take care of our seniors. Our seniors come each and every day with an attitude of wanting to be part of something and have something to do. We realize that the costs are rising every day for Nebraskans and we would like to show that adult days have the opportunity and the ability and the staffing to get past any problems we would have with moving our folks into nursing homes. It's much easier for them to age in place and to be at home and enjoy what time they do have at home before moving on to the next level of care. So we respectfully ask that adult day centers be considered as a definite alternative to nursing home placement. It has far more benefits to Nebraska and its seniors. And a raise to a more viable level of reimbursement is vital for the ADCs to keep moving forward and continue to provide quality service to those seniors who are aging in place. I thank you very much, and if you have any questions, I will be more than happy to answer them. [LR517]

SENATOR CAMPBELL: Questions for Ms. McCurry? Is there a difference--and maybe you've covered this and I didn't hear it--is there a difference in the level of care between the waiver and the block grant in terms of what qualifications the staff has to have to care for them? [LR517]

MELANIE HAYNES-McCURRY: No. [LR517]

SENATOR CAMPBELL: No difference. [LR517]

MELANIE HAYNES-McCURRY: No difference. [LR517]

SENATOR CAMPBELL: Okay. What do you think is the difference then between the \$32 and \$17? Just as it's been structured, or...? [LR517]

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MELANIE HAYNES-McCURRY: That would be my guess. I honestly don't have that information in entirety to give you that, but that would be my guess, yes. [LR517]

SENATOR CAMPBELL: Okay. Thank you very much for coming today and providing... [LR517]

MELANIE HAYNES-McCURRY: You're welcome. [LR517]

SENATOR CAMPBELL: You have a number of examples in your testimony which we'll take a look at. [LR517]

MELANIE HAYNES-McCURRY: Thank you. [LR517]

SENATOR CAMPBELL: Thank you. Our next testifier is Jeanette Denson. Good morning. [LR517]

JEANETTE DENSON: (Exhibit 15) Good morning. I am Jeanette Denson, J-e-a-n-e-t-t-e, Denson, D-e-n-s-o-n. I am the director of Custer Care Center in Broken Bow, Nebraska. Broken Bow has a population of 3,500 and is located in Custer County, which has a population of about 12,000. So I am here to represent the rural adult day care. Custer Care started out in 1991 as a freestanding adult day care. We have continued doing adult day services but have had to add other services, such as assisted living, home care, and transportation to remain financially stable. We would have been closed several years ago had we not branched out and done other things. Adult day services is a vital part of our community. In the past two years we have had 15 persons enrolled, with eight persons using the Title XX block grant funds and two using the Medicaid waiver. We keep statistics of all the people that we serve, and as I went back, I noticed that seven of those people had been at the adult day services for over five years. So I took that and said, what would be the difference with those seven people had adult day care not been available in Broken Bow, Nebraska? And the cost savings

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was tremendous. Those seven people cost the state \$2,348 a month. If they had been in assisted living or...which they would have had to go to assisted living or to the nursing home had the adult day care not been available, because most of the people we serve are people who live alone. If they had been there in the assisted living for five years, the cost savings to the state would have been \$898,000, and if they had been in the nursing home it would have been \$1,900,000. Think what that would have been like in a larger community. We see very few people compared to the other people that you will hear from. The impact of the cost savings for adult day care is huge. But what is most important to me and to the people who are here and to you is that people want to stay in their own homes. They don't want to go to assisted living; they don't want to go to a nursing home unless it has to be. For example, a 71-year-old man was referred from Adult Protective Services to Custer Care when he was moved into an apartment from the home he was living in. He's been coming to adult day care for the last eight years, five days a week. Most of the people can only come three days a week because that's the limit, but they've had to do an exception because he needs the help five days a week. He is a developmentally disabled person and has grown to depend on our services and us. He is able to remain in his apartment with the help with grocery shopping and laundry services, but he needs a place to go to do activities. He needs something to do every day, and so we worked with his guardian to get the help he needs. We help with medications; we help with bathing; we help get him meals. He has two meals a day plus a snack every day. On the weekends the guardian helps him. Because he's able to stay in his own home, he can also go to football games, and he goes to lots of them, any games that are around. The community knows him well, and he goes to every other community event that he can get to on his bicycle. But without that he would not be able to stay in his apartment. He would need to be in the nursing home. Many adult day cares have closed in the last few years because of the cost; \$17.34 doesn't cover what we have to have. I took my training, my internship at Madonna. At that time they had four adult day services. All of those are closed. Many others have closed because you just can't make it on \$17.34. Some adult day services do not serve Medicaid clients in the cities, but I don't feel I have that option. We have to

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serve the people who are in our community. If the rates could be raised to cover the cost, many other adult day cares could be started across the United States...or across Nebraska, and I think it would be a big cost savings for the state of Nebraska. Are there any questions? [LR517]

SENATOR CAMPBELL: Questions? Thank you for your detail on that testimony. [LR517]

JEANETTE DENSON: Okay. Thank you. [LR517]

SENATOR CAMPBELL: Was it snowing? [LR517]

JEANETTE DENSON: Huh? [LR517]

SENATOR CAMPBELL: And was it snowing? [LR517]

JEANETTE DENSON: It was. When I left this morning at 5:30 it was snowing. (Laugh) [LR517]

SENATOR CAMPBELL: We don't like to hear that word, do we? (Laughter) Thank you for coming today. [LR517]

JEANETTE DENSON: Thank you. [LR517]

SENATOR CAMPBELL: Our next and last testifier...is there anyone who I do not have listed who wishes to testify on LR517? Okay, would you come forward, please? Good morning. [LR517]

BETH DANKERT BABB: (Exhibits 16 and 17) Good morning. Senators, thank you for your time today. My name is Beth Dankert Babb, B-e-t-h D-a-n-k-e-r-t B-a-b-b. And I am

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representing the Friendship Program, which is an adult day service program in the Omaha area. I am here today to ask for your consideration in regards to the rate for adult day services. Adult day services provide services primarily to seniors and to their families to assist them in remaining in their own homes. Participants rely on these services for health monitoring, nutritional support, social support, and case management needs. Families rely on these services for respite, for safety of the participant during the day, and case management needs. In one of the handouts that I gave you is a calendar of our programs so you can kind of see what would go on in a typical day at the program. As you are aware, the current reimbursement rate is \$17.34 a day. To show you how far that would go in relation to the costs that we have, I want to just talk about one of our costs, which is staffing. Nebraska state regulations state that you have to have staffing to meet the needs of the participants, and the National Adult Day Services Association recommends a staff ratio of six to one. So far, in October, our program has had an average of 59 clients a day, so we have ten staff. Our average salaries, averaging all those staff, is \$12.84 per hour. The current reimbursement rate for those 59 participants would be \$1,023.06, and our staff costs would be \$1,027.20. This does not include any benefits. It doesn't include meals for the participants, it doesn't include utilities for our building or any of the materials that we use for activities. The monthly cost for a participant who would attend three days a week at the proposed rate is only \$422.11. Trends in aging services include community-based services that support people remaining in their own homes and as long as that is feasible. In the continuum of healthcare services, adult day services play an important role, and I just want to give you an example of one person who attended our program and the impact that it had in her life. And we're going to call her June. She came to the program shortly after her husband died. And when she first started at the program she was fairly independent, so she came mainly for socialization. After she'd been there for a while, she needed more and more assistance, so we helped her with medications and setting up a mediset, helping her with health monitoring and getting to medical appointments and obtaining community resources that she needed. She also lived with her daughter. And her daughter had a home-based business, and having June come to the program

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allowed her daughter to be able to continue to have this home-based business instead of having to take care of the client. June died this past July. When her daughter called the program to inform us of her death, she said, you all helped us so much and took such good care of her. June was 97 years old when she died, and she attended the program until about four months before she died. She had been enrolled in the program for almost 17 years. That's the kind of impact that an adult day service can have on a person and their family. Many people want to remain in their own homes and there are many families who want to help them do that, but they need support in order to do that. Adult day service programs are cost-effective services that can help them do that. Thank you. Do you have any questions? [LR517]

SENATOR CAMPBELL: Any questions? Senator Gloor. [LR517]

SENATOR GLOOR: Thank you, Senator Campbell. And thank you, Beth, for your testimony. [LR517]

BETH DANKERT BABB: Thank you. [LR517]

SENATOR GLOOR: I'd like to ask you about staffing ratios. And I've just lost it here, but...here it is. Nebraska state regulations say that staffing must be sufficient to meet the needs of the participants being serviced. And then you go on to say, the National Adult Day Services Association guidelines recommend a staff-to-client ratio of one to six. Are those the Nebraska...? [LR517]

BETH DANKERT BABB: No, that's national. [LR517]

SENATOR GLOOR: But... [LR517]

BETH DANKERT BABB: Nebraska doesn't specifically give you a definition. [LR517]

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SENATOR GLOOR: So how do they determine that it is appropriate? I mean, I understand it's based upon the needs of the clients. But how do you walk the line between managing the limited dollars you have and making sure you're providing the appropriate staffing levels and not getting sideways with state regulations? [LR517]

BETH DANKERT BABB: Well, I think one of the things we do is we look toward the national association for that guideline, which they're saying one staff to six participants. The Friendship Program also has a mental health program, a day program; and the guideline by the state for that is six clients for every one staff, so we kind of use that across our agency. [LR517]

SENATOR GLOOR: Are we at that point where people are going to have to reduce staffing ratios to make up for the loss in revenues? Has that...or the lack of increase in reimbursement, or has that already begun to happen? [LR517]

BETH DANKERT BABB: In our program I would say that has not begun to happen because we look for other sources of revenue. Transportation is one that helps us. We have VA clients that help us, because the reimbursement rate for us will be \$45 a day, the beginning of November, which is significantly different. You know, I mean, we just tried to find ways to supplement that funding any way we can to meet...because we...the program has been in business since 1979. We're one of the oldest adult day programs in the state, and we're very committed to older adults. That's our primary commitment, and we do have...I mean, we've branched into mental health services just because we were seeing more and more referrals for needs for those participants. But I don't anticipate that we would do that unless we really, really had to. [LR517]

SENATOR GLOOR: Okay. Thank you. [LR517]

SENATOR CAMPBELL: Senator Bloomfield. [LR517]

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SENATOR BLOOMFIELD: Thank you, Senator Campbell. And you may or may not be able to answer this, but everything we've seen so far, that I've noticed anyway, shows a five-day-a-week program or a three-day-a-week. Do we do anything for these folks on weekends? Does anybody? [LR517]

BETH DANKERT BABB: You know, we have tried Saturday services on a limited basis, and our adult day participants were not the participants who utilized that. It was our mental health clients. So we don't offer that very frequently for the adult day, but we do more so for our mental health clients. [LR517]

SENATOR BLOOMFIELD: Okay. Thank you. [LR517]

SENATOR CAMPBELL: Do you have private pay... [LR517]

BETH DANKERT BABB: Rate? Yes. [LR517]

SENATOR CAMPBELL: ...participants? And what is that rate? [LR517]

BETH DANKERT BABB: Our current charge for private pay is \$40 per day. [LR517]

SENATOR CAMPBELL: Okay. Thank you for your testimony. Oh, I'm sorry, Senator Krist. I apologize. [LR517]

SENATOR KRIST: I did not have a question. But after...I want to just make a comment. For the record, what you're saying is if I'm a veteran and I need this service, that the Veterans Administration is going to pay \$40... [LR517]

BETH DANKERT BABB: Forty-five dollars per day. [LR517]

SENATOR KRIST: And your self-pay rate is commensurate with about \$40 a day.

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[LR517]

BETH DANKERT BABB: Yes. [LR517]

SENATOR KRIST: So in order to make things meet for the average citizen who doesn't qualify under those programs, you have to supplement your total budget by taking in those higher-paid categories. [LR517]

BETH DANKERT BABB: That helps a little bit. [LR517]

SENATOR KRIST: And what's the rationale, other than the fact that one is a veteran or one is a normal citizen? Where does...have you ever gone down that road and asked that question? [LR517]

BETH DANKERT BABB: Actually, the VA just raised our contract rate, and I think that's one that they had agreed to with us. The clients that we serve with the VA tend to be slightly higher needs. And I think almost all of the clients that we have that are VA have dementia, so there's more need there, or a higher level, kind of a higher level of care with that within our program. [LR517]

SENATOR KRIST: Okay. Thank you so much. [LR517]

BETH DANKERT BABB: Okay. [LR517]

SENATOR CAMPBELL: Thank you for your testimony. [LR517]

BETH DANKERT BABB: Thank you. [LR517]

SENATOR CAMPBELL: Our next testifier. [LR517]

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ROBBIE NATHAN: I'm Robbie Nathan... [LR517]

SENATOR CAMPBELL: Oh, that's okay. You can just give your... [LR517]

ROBBIE NATHAN: Okay. [LR517]

SENATOR CAMPBELL: Oh, we'll need your orange sheet. [LR517]

ROBBIE NATHAN: It's right here. (Laugh) [LR517]

SENATOR CAMPBELL: There we go. The page can get it for you. [LR517]

ROBBIE NATHAN: Okay. Thank you. [LR517]

SENATOR CAMPBELL: Good morning. [LR517]

ROBBIE NATHAN: I'm Robbie Nathan and I'm representing AARP today. And that's R-o-b-b-i-e N-a-t-h-a-n. AARP appreciates the opportunity to discuss adult day services. One of AARP's policy principals is that public long-term services and supports should give meaningful support to families and friends who are providing care for someone who needs long-term care. Adult day-care services are generally provided to people who receive long-term services and supports from a family caregiver with whom they live. The adult day service allows the caregiver to go to work or engage in other activities that they need to do to keep the household together. In some cases it provides the caregiver with a break from the responsibility of care giving. Adult day services allow a caregiver to continue to be a caregiver. It helps keep a care recipient in the community and delays placement in an institutional setting. Since there is a strong likelihood that a person who enters a nursing facility will spend all of his or her assets on the cost of care, every day that institutional placement is delayed will result in avoided Medicaid costs of nursing home care. One of the problems that we see in Nebraska's public

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support for adult day services is an inadequate rate of compensation for adult day services providers who provide services covered through the Title XX social services program. The 2011 MetLife Market Survey of Long-term Care Costs found that private rates for adult day services in Nebraska ranged from \$17 per day to \$120 per day with an average of \$61. I have attached a copy of the adult day-care section of that report to this testimony. You will see that the low end of the Nebraska range of adult day-care costs is among the lowest in the nation, yet it is more than twice the rate paid for adult day services by the Title XX program. According to Nebraska rules and regulations governing Title XX social services, the program can pay an adult day services center \$7.50 per day--less than half the low end of the range of private rates in Nebraska. I have attached that regulation. The Title XX reimbursement rate is less than one-eighth of the average per-day cost of adult day services. That's an indication of the value that Nebraska places on caregiver support services. It will not contribute to the development of these services which could enable family caregivers to continue as caregivers. Nebraskans do provide a lot of informal long-term care. The third attachment is the report of a survey conducted by AARP on long-term care issues in Nebraska. I would draw your attention to the section on care-giving experience that begins on page 13. This survey was conducted with AARP's members in Nebraska. We found that 19 percent of those respondents indicated that they provided unpaid care to an adult who needed long-term care. We have about 200,000 members in Nebraska, so extrapolating from the survey there are about 38,000 of our members who are engaged in unpaid care giving. The survey found that one-third of those who identified themselves as caregivers provided care to someone who lived with them. Again, if we apply that percentage to the 38,000 caregivers, we can infer that there are about 12,500 AARP members who are providing long-term care to someone who lives in their home. To put that number in perspective, there are about 13,000 nursing facility beds in the state. If those caregivers stop giving care, we need a lot more beds. In about 15 years we expect the number of Nebraskans who will need long-term care will begin to grow dramatically. We have 15 years to figure out how best to deliver long-term care to a lot more people than we are serving today. Earlier this year we passed the 15th

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anniversary of the publication of "Nebraska's Long-Term Care Plan." That plan resulted in changes to the long-term care system that facilitated the development of home- and community-based services. In the 12 years prior to the publication of the plan, Medicaid spending for Nebraskans over the age of 65 grew at an average annual rate of 11.5 percent. In the 12 years since the plan was published, average annual growth was 3.1 percent, and that included a couple of years when investments that were necessary to implement the plan were made. AARP believes that we need to build a stronger community-based long-term care system. One element of achieving that goal is to pay providers a fair price for the services they provide. It also means providing support to those who are caring for a frail family member. The Title XX reimbursement rates are one problem that needs to be addressed, but it is only one problem. We need to prepare for 2026, when the oldest baby boomer reaches the age of 80. We encourage the committee to support efforts in the upcoming legislative session to build a long-term care system that will serve our state in upcoming decades. Thank you. [LR517]

SENATOR CAMPBELL: Questions from the senators? In your studies, would the people who utilize adult day-care services come under the managed care contracts and Medicaid? [LR517]

ROBBIE NATHAN: They could. I will... [LR517]

SENATOR CAMPBELL: I'm assuming that's one of the questions that we'll want to visit with the department about,... [LR517]

ROBBIE NATHAN: Um-hum. Right. [LR517]

SENATOR CAMPBELL: ...because now we're moving to managed care across all parts of Nebraska, so. [LR517]

ROBBIE NATHAN: Right. [LR517]

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SENATOR CAMPBELL: Thank you very much for your testimony... [LR517]

ROBBIE NATHAN: Thank you. [LR517]

SENATOR CAMPBELL: ...and for bringing the research to us. [LR517]

ROBBIE NATHAN: Thank you. [LR517]

SENATOR CAMPBELL: Are there other testifiers for LR517? Seeing no one, Senator Nelson, did you wish to close? [LR517]

SENATOR NELSON: Yes. Thank you, Senator Campbell and other members of the committee. I just wanted to address the question that you had, Senator Campbell, about the disparity of the rate of the Medicare waiver and the block grant. And I discussed that very thing with Liz Hruska some days ago in Fiscal, and it was her understanding that there are higher requirements under the Medicaid. She described it kind of a basket of levels that you have to reach, and there are only a certain number of slots available for the Medicaid. And most certainly most of those slots are going to persons who, if they don't receive that aid, are going to have to go into long-term care of some sort. So there is a substantial savings there. And I guess to cap up all of this good testimony I think that adult day-care services have this immediate benefit, immediate savings, in that if we can provide those services and delay the time when people have to go into more expensive Medicaid supplement...well, where Nebraska is going to have to be coming up with the additional money, we're much better off to raise the rate and keep providers so that they aren't supplementing and going out of business. And the block grant only has so much money per year. If you want to keep the level of participants high in that, then we have to look to our General Funds here in the state of Nebraska to come up with that additional money. And I would just argue that the estimate of \$1.4 million is far less than the cost that we would have to pay if we lose some of these services or they

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are diminished. Thank you very much. [LR517]

SENATOR CAMPBELL: Uh-huh. Thank you, Senator Nelson. With that, we will conclude the hearing on LR517, and we will take a five-minute break before we begin our last hearing this morning. [LR517]

BREAK

SENATOR CAMPBELL: I think we'll go ahead and start this morning. And just a quick review for the people who might have joined us not having been here before. We would ask that you turn off your cell phones or silence them because they can be very distracting. If you're planning to testify today, you need to complete one of the orange sheets that are available on either side, and as you come forward you give it to the clerk. And if you have written testimony you can also give that, as you come forward, to one of the pages will help distribute those for you. We do use the light system here: five minutes. You have four minutes on green. When it goes to yellow you have a minute. And then when it's red we'll probably try to help you summarize or get to the end. We don't have a lot of testifiers, so we'll be a little bit more lenient on that one. I think what I'm going to do is ask everyone to introduce themselves because a lot of you were not here when we did that. So, Senator, would you mind starting for us?

SENATOR BLOOMFIELD: Dave Bloomfield, District 17, northeast corner of the state.

SENATOR GLOOR: Mike Gloor, District 35, Grand Island.

SENATOR CAMPBELL: I'm Kathy Campbell of District 25, east Lincoln and Lancaster County.

MICHELLE CHAFFEE: I'm Michelle Chaffee. I serve as legal counsel to the committee.

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SENATOR KRIST: Bob Krist, District 10 in Omaha and Douglas County.

DIANE JOHNSON: And I'm Diane Johnson, the committee clerk.

SENATOR CAMPBELL: And our two pages that are with us today are Loguen and Deven, so they'll be glad to help if you need any assistance. And I think with that we'll go ahead and open LR519, Senator Mello's interim study to examine wage subsidy programs. Great to welcome you. We're glad we're in the early start of your lineup on interim studies. [LR519]

SENATOR MELLO: (Laugh) (Exhibits 19-21) Well, thank you so much, Senator Campbell and members of the Health and Human Services Committee. My name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I represent the 5th Legislative District in south Omaha. As part of the American Recovery and Reinvestment Act of 2009, Congress created a Temporary Assistance for Needy Families, or TANF, Emergency Fund. These funds were designated to help states cover the costs of providing assistance to low-income families during the economic downturn, either in the form of increased demand for basic assistance, temporary short-term benefits such as assistance to prevent eviction or homelessness, or subsidized employment programs. The purpose of LR519 is to examine these subsidized employment programs, which are sometimes referred to as wage subsidies. Subsidized employment programs have existed in the United States since the Great Depression in the 1930s. Two such well-known programs were: the Works Progress Administration, the WPA, which created jobs for more than 3.3 million unemployed Americans building our nation's infrastructure; and the Civilian Conservation Corps, the CCC, which created more than 500,000 jobs preserving our nation's national resources. More recently, subsidized employment programs have largely been focused on transitioning welfare recipients back into the workplace. Utilizing TANF emergency funds and ARRA, 39 states were able to either create new subsidized employment programs for just such a purpose or expand existing ones. The committee should be receiving right now a copy of a joint report from the Center on

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Budget and Policy Priorities and the Center for Law and Social Policy examining those ARRA-funded programs. I've also handed out a one-page summary of a more detailed report from the U.S. Department of Health and Human Services. Due to the length of that report, however, the full report was e-mailed to each of you this morning prior to the day's hearing. Among other findings, these reports found that subsidized employment programs utilizing the TANF Emergency Fund placed more than 260,000 low-income adults and youth in paid jobs during a period of high unemployment, helped the states sustain work-focused TANF programs, provided opportunities for low-income workers to learn job skills, and created new partnerships between state and local TANF agencies, work force agencies, businesses, and nonprofit service providers. Legislation that I introduced last session, LB1136, would have created a two-year pilot project for a similar subsidized employment program utilizing the state's TANF rainy-day funds, which in the state of Nebraska is referred to as Aid to Dependent Children, or the ADC program. Under LB1136, employers would have partnered with nonprofit employment agencies and applied for wage subsidies to help bring on new employees who are currently participants in the ADC program. Over a six-month period, the employer would gradually take on more responsibility for paying a greater portion of the subsidized wages until the employee was receiving 100 percent of their wages directly from the employer. ADC recipients who participated in the program would gain job skills and obtain access to meaningful employment while employers would benefit from the offset costs to train new employees. At the time that LB1136 was introduced last session, the TANF rainy-day fund had a balance of roughly \$16 million. My office just received an updated balance information that shows a current balance of more than \$57 million. Estimates from our own Department of Health and Human Services continue to project a significant balance in the rainy-day fund through 2016. In fact, the state of Nebraska has been very fortunate in that in the most recent rainy day we've experienced we saw nominal growth in ADC participation, as opposed to significant growth seen in other states. Given the significant projected balances well into the future, I'm confident that there is sufficient TANF rainy-day funds to address future needs as well as to fund a subsidized employment program designed to move ADC recipients back into

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living-wage employment. During last year's hearing on LB1136, the Department of Health and Human Services offered three primary reasons for opposing the legislation. The first was the potential that future TANF funding would not be available for the program; the second, insufficient time to develop the program and get contracts out the door; and the third was, quote unquote, other programs that serve the same population. The first two issues can easily be addressed by delaying implementation to allow the Department of Health and Human Services sufficient time to develop the program and by creating any subsidized employment program as a pilot project while reviewing ongoing TANF expenditures from both the federal block grant and the TANF rainy-day fund. As for their argument that there are, quote unquote, other programs already in place to deal with the needs that a subsidized employment program seeks to address, the only true comparable program we've been able to find is an on-the-job training program through the Workforce Investment Act, which is administered by the Nebraska Department of Labor. This program is underutilized and not specifically targeted towards long-term employment. Of the 33 participants in the program, from 2009 to 2010, just 19 were employed after the program ended, a retention rate of just over 57 percent. In contrast, many state and local TANF agencies that have operated subsidized employment programs have specifically targeted these programs to focus on long-term employment status, not just short-term job placements, with a much higher success rate. For an example, Hawaii's subsidized employment program has a 78 percent retention rate as of July 2008; the PIVOT program in western New York State has a 75 percent retention rate over the past five years; and subsidized employment programs in Washington and Minnesota, in existence since the late 1990s, have seen more than two-thirds of their participants successfully obtain unsubsidized employment after completing their programs. I've invited several former ADC participants to testify this morning about the potential benefits they see of instituting a subsidized employment program; and representatives from Nebraska Appleseed are with us as well to explain their views on the program concept. With that, I thank the committee for their time and would be happy to answer any questions you may have. [LR519]

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SENATOR CAMPBELL: Any questions? Senator Gloor. [LR519]

SENATOR GLOOR: Thank you, Senator Campbell. Senator Mello, I didn't understand the solution to the future TANF money disappearing from the feds and how you said that was a relatively easy fix. Can you feed that to me again, please? [LR519]

SENATOR MELLO: Well, first off...and I believe we passed out a budget document from the department that shows, obviously, their baseline projections being the same for the next five years, both money expended and money received, as well as not really evaluating or taking into account, so to speak, that our ADC population could decline ultimately, which in the past four years, surprisingly, we've done fairly well, have not seen a significant increase in ADC recipients. Without going too far into the weeds, and I know this committee well knows it, significant portions of the TANF rainy-day fund over the last four years have been utilized to ultimately cover the costs of the privatization effort of child welfare, which shows that this fund, this TANF rainy-day fund has plenty of funding that's still available right now to assist needy families and children right now. The other aspect...and we just had a conversation recently with our friend Liz Hruska in the Legislative Fiscal Office. The other aspect I mentioned in the testimony is evaluating the actual TANF funds that are going towards work support in their budget right now. Roughly, it's \$17 million they have anticipated annually that goes towards the work support component. We don't have the information readily available for us today. But no doubt when I bring a piece of legislation, if it's a different version of LB1136, we're exploring what those dollars that are currently being spent in the work support if there's a way to utilize some of those existing dollars and target it towards this kind of concept and program. Because right now the current program deals with job placement and job training, but it doesn't actually have or doesn't allow...the statute doesn't allow a subsidized employment program to be part of one of the options that the state can contract out for, to, for example, in Omaha it's PSI who runs the Employment First program. So that's another option that we're exploring, and it's going to be relative, I guess, or dependent upon the information we get back from the department on the

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actual contracts they have statewide to implement the TANF work support component. [LR519]

SENATOR GLOOR: Thank you. [LR519]

SENATOR CAMPBELL: Senator Bloomfield. [LR519]

SENATOR BLOOMFIELD: Senator Mello, given the lack of participation in the program through the Department of Labor and our comparatively low unemployment rate, what brings you to think that this program would be heavily used if it were there? [LR519]

SENATOR MELLO: Well, I think in the sense of exploring and looking at what we currently do for recipients who receive Aid to Dependent Children in regards to their work supports, as I was just going over the issues that Senator Gloor raised, right now they're limited in some of their options in regards to seeking employment and moving off of public assistance through that program. And the underlying issue is, what is the retention rate, or what are the ultimate outcomes from people who move off of the Aid to Dependent Children? Right now, and thankfully, I think, through a lot of work of this committee over the last four years, as Senator Harms brought some legislation to help Aid to Dependent Children recipients be able to access education through receiving their General Education Diploma, or GED, and/or extending time for them as recipients for them to go get an associate's degree through a technical or a community college, that's a new pathway that was created to help ensure people who ultimately get on this program are able to find living wage long-term employment, where right now we well know--I would say Senator Krist and Senator Howard from the Omaha area well know this--that there are parts of the Omaha area where we have significant education challenges, people who are on ADC right now. And ultimately we have sometimes very few job prospects for people to apply for that provide a living-wage job. I would argue that the state of Nebraska probably no longer sees, I think, simply having someone who is on ADC applying for a job at McDonald's as economic success or providing them the

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economic mobility to move forward. That right now is part of ultimately what some of the options are available to these recipients of this program, where no doubt...and unfortunately I wasn't able to provide testimony today, and it's something that we're working on with the business community in Omaha, at least in my small neck of the woods, it was exploring what businesses and what industries may be able to take advantage of a program like this to be able to find people who are interested in an industry who are able to get a six-month on-the-job training experience and be able to move into an actual living wage job instead of simply applying for any job that's available for them, so to speak, which ultimately doesn't satisfy their own economic, I would say, their own economic self-sufficiency once they leave this program. We can get you more...I would say if your question is, since the Department of Labor program didn't see the results...and this was an issue that we kind of mentioned, I think, last year in the testimony as well. We don't see that actually as a very similar program to what we're trying to do here. That's what the department is making their argument that, well, this is a program that's available for similar audiences, a similar kind of...a similar demographic, so to speak, or those who are currently receiving public assistance in HHS, this is a similar program for them. It's not, and I think we tried to make that argument last year. I'm grateful that we were given the opportunity again to try to refute that argument through today's testimony. And if you or the committee would like, we can try to provide more details in regards to the other retention rates and success rates of the work supports that are put in the TANF work area that...the document I handed out earlier. [LR519]

SENATOR BLOOMFIELD: Okay. Thank you. [LR519]

SENATOR CAMPBELL: Senator Mello, do we have any idea on the retention rates of any of our current ADC participants? I mean, that would assume that we're not retaining full-time jobs after that. That would be my assumption, but I don't know if you had any figures to back that up. [LR519]

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SENATOR MELLO: That is information that we are requesting, and we can get updated information to the committee prior to session. And no doubt when we introduce, I think, this legislation or a similar piece of this legislation again, we'll hopefully have up-to-date current data, so to speak, by the end of 2012 to present the committee. [LR519]

SENATOR CAMPBELL: Because certainly the effort that Senator Harms went into was to try to look at the longevity... [LR519]

SENATOR MELLO: Um-hum. [LR519]

SENATOR CAMPBELL: ...and get people to a career path or a job path; that this isn't like start and stop and start and stop, that doesn't really help a person. [LR519]

SENATOR MELLO: And actually I don't have it on me, and it's actually in my office in my briefcase. We get these reports now from the Clerk's Office, digital reports every Friday. [LR519]

SENATOR CAMPBELL: Right. [LR519]

SENATOR MELLO: The department just released...I know the associate's degree report, they released it, I believe, last week; so I have a printed-out copy and I can forward that on to the committee about the bill,... [LR519]

SENATOR CAMPBELL: That would be great. [LR519]

SENATOR MELLO: ...I believe it was LB507 a few years ago that the committee passed and ultimately the body passed. That first report was released recently, last week, so that's available to all of us at the Clerk's Office on-line. But we can forward that on to people. [LR519]

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SENATOR CAMPBELL: Right. We can pick it up too. Thank you, Senator Mello. Any further questions from the senators? Thank you. [LR519]

SENATOR MELLO: Thank you. [LR519]

SENATOR CAMPBELL: We will go ahead and start with the provided list of testifiers, and our first testifier is Ambrosia Evans. Good morning. [LR519]

AMBROSIA EVANS: Good morning. [LR519]

SENATOR CAMPBELL: Did I say that name right, Ms. Evans? [LR519]

AMBROSIA EVANS: Yes. [LR519]

SENATOR CAMPBELL: Who is an...and you are providing an Omaha client perspective to us today, so welcome. And again, state your name and spell it for the record. [LR519]

AMBROSIA EVANS: (Exhibit 22) My name is Ambrosia Evans, A-m-b-r-o-s-i-a E-v-a-n-s. My background is that I am a Nebraska native. I've been getting ADC, also Medicaid and SNAP. I face a lot of challenges such as not being understood. I know I need help, but I have gone without having what I need. I feel there should be a lot of new opportunities at ADC, including being more understanding on a personal basis, giving more people help in school, and getting job search. I encourage you to support these changes. Also inside the packet are other letters from women in the Pathways Program. [LR519]

SENATOR CAMPBELL: Excellent. You've given us a lot of letters here. [LR519]

AMBROSIA EVANS: Um-hum. [LR519]

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SENATOR CAMPBELL: And your own letter is also a part of it, I just happened to find out. [LR519]

AMBROSIA EVANS: Yes. [LR519]

SENATOR CAMPBELL: Questions from the senators for Ms. Evans? [LR519]

SENATOR GLOOR: Question. [LR519]

SENATOR CAMPBELL: Yes, Senator Gloor. [LR519]

SENATOR GLOOR: Thank you, Ambrosia, for being here. It takes a little courage to come in front of a bunch of people with ties. (Laughter) You did a nice job. What would you like to do eventually? What kind of career would you like to pursue? [LR519]

AMBROSIA EVANS: R.N., nursing. [LR519]

SENATOR GLOOR: Good for you. I used to run a hospital. We need a lot of nurses, so good for you. Do you think that's something that...would it keep you in the Omaha area, or is...I mean, is that going to always be home for you? [LR519]

AMBROSIA EVANS: Omaha, Nebraska, is always going to be home. But my plan is to get my career and move. But while I'm here I do believe I do need more help with that. And going through the ADC program, the rules and things you have to go by, they really don't help. It took me to get into a different program to get the help I needed, so. [LR519]

SENATOR GLOOR: Okay. Thank you. Keep working towards that health career. [LR519]

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AMBROSIA EVANS: Thank you. [LR519]

SENATOR CAMPBELL: Are you currently taking any classes, Ms. Evans? [LR519]

AMBROSIA EVANS: I'm finishing my GED. I just finished that yesterday. I'm planning to start school in November for the R.N. [LR519]

SENATOR CAMPBELL: Congratulations. [LR519]

AMBROSIA EVANS: Thank you. [LR519]

SENATOR CAMPBELL: That's great. Any other questions? Thank you for representing so many people and again coming and telling us your story. We appreciate it. [LR519]

AMBROSIA EVANS: Thank you. [LR519]

SENATOR CAMPBELL: Thank you. Our next testifier is Katrina Thomas. [LR519]

KATRINA THOMAS: Hello, Senators. [LR519]

SENATOR CAMPBELL: Good morning and welcome. [LR519]

KATRINA THOMAS: (Exhibit 24) Good morning. My name is Katrina Thomas, K-a-t-r-i-n-a T-h-o-m-a-s. To begin, I would just like to thank each of the senators for your service in our Legislature and your dedication in working towards enhancing health and human services in Nebraska. I am testifying in support of LR519. I've had several years of experience with the Employment First program as a recipient of ADC and also in working with public assistance participants. I have always strived to give my son the best life I possibly could. After becoming a single parent this goal became even more strenuous. I was employed in retail and made a decent amount of money, but it did not

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cover all of the bills--rent, food, you know, the necessities. I went back to school in hopes that after receiving a degree I would economically be able to provide for my child. While I was acquiring my associate's degree in human services at SCC I was an AmeriCorps youth specialist at Malone Community Center. I retained employment with this organization, yet my income was still not enough to become self-sufficient, so I committed myself to achieving a bachelor's degree in social work at Nebraska Wesleyan University. I was not able to work for Malone Center any more due to conflicting schedules--it was an after-school youth program and full-time classes. Another issue I had in gaining employment was the fact that I rely on public transportation. If you know anything about that around Lincoln, it takes me about...there's transfers, so it takes me a good two hours to get across town, and that's just one way, and they only run until 7:00 p.m. It was very difficult to obtain a job when you have to ask an employer to work around your hours and your class schedule and you can only work very limited hours; therefore, I applied for ADC and received \$293 a month. Obviously, faced with the reality that this is not enough income for a two-person family, I had to take out student loans to cover the bills. For my Employment First service plan I advocated for my work experience to correlate with my field of study and was placed at ResCare Workforce Services, which you probably know is the private company that is contracted with HHS to administer participation requirements. The current stipulations are that a participant cannot stay at the same placement for more than six months, and then they must be transferred to another site. In my situation, which is a rare case, I fought hard, and ResCare also advocated to HHS for me to have a full year placement with them. Obviously, ResCare considered me a dedicated and skilled worker. If the wage subsidy program would have been in place I would have been earning wages for six months from this employer rather than receiving ADC. After my placement at ResCare expired, I pushed for the opportunity to have my work placement at Nebraska Appleseed. I knew this organization would expand my social work skills and advance my education in macro policy. Once again, I have proved that I am a valuable employee and Appleseed has contracted me, which means that I am able to stop receiving ADC because now I am receiving a paycheck. Give me a second.

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That just happened like this week. [LR519]

SENATOR CAMPBELL: Oh, my goodness. Would you like a glass of water? [LR519]

KATRINA THOMAS: That's just my shaky voice. But no, I'm fine. [LR519]

SENATOR CAMPBELL: But we're glad to help. [LR519]

KATRINA THOMAS: No, I'm fine. I'm fine. Through my strong determination I will be achieving my social work degree from Wesleyan this December with honors. For years, I have volunteered and been employed in the social service field, and I am committed to continue giving back to my community. Just because some of us are low-income does not mean that we have low expectations and small dreams. [LR519]

SENATOR CAMPBELL: Just take your time. [LR519]

KATRINA THOMAS: We want to thrive and be able to care for our families on our own, just like everyone else. I encourage the senators to pass legislation that will provide opportunities for families to become self-sufficient. Personally, the proposed wage subsidy program would have assisted me in not borrowing so many student loans as a means to pay back the most basic monthly bills, which you know, with a social work degree, I'm going to be paying those my whole life. (Laughter) All too often I have heard participants say that they didn't mind working to receive assistance, but they want it to be meaningful work where they're gaining job skills, not just placed somewhere to meet participation requirements. LR519 proposes that ADC participants have the chance to gain job skills, which in turn can lead to stable employment and stronger families. [LR519]

SENATOR CAMPBELL: Thank you, Ms. Thomas, and congratulations. [LR519]

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KATRINA THOMAS: Thank you. [LR519]

SENATOR CAMPBELL: Sounds like this is a momentous week for you. [LR519]

KATRINA THOMAS: It has been. [LR519]

SENATOR CAMPBELL: And certainly not a person...I would say you're a person with high expectations and very large dreams. [LR519]

KATRINA THOMAS: Yes. [LR519]

SENATOR CAMPBELL: That's terrific. Questions from the senators? Ms. Thomas, I have to say, what field of social work do you want to go in? [LR519]

KATRINA THOMAS: I love macro, but I've got many interests, like I am interested in Native American rights, mass incarceration, environmental issues. [LR519]

SENATOR CAMPBELL: The committee had just a wonderful hearing. [LR519]

KATRINA THOMAS: The ICWA? [LR519]

SENATOR CAMPBELL: Yes. [LR519]

KATRINA THOMAS: I was there. [LR519]

SENATOR CAMPBELL: Were you there? [LR519]

KATRINA THOMAS: It was so good. [LR519]

SENATOR CAMPBELL: And I apologize. I didn't recognize you. [LR519]

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KATRINA THOMAS: No, that's fine. [LR519]

SENATOR CAMPBELL: But...and we had close to 90, 100 people there. [LR519]

KATRINA THOMAS: I know. We thought we'd be done at 3:00 and it lasted until 5:00. We finally had to... [LR519]

SENATOR CAMPBELL: Yes. We also thought we might be done by 3:00. But thank you so much for sharing your story, and the best of luck to you and your family. [LR519]

KATRINA THOMAS: Thank you. Thank you. [LR519]

SENATOR CAMPBELL: Our next testifier...and I have to check my list. I have to find my list after all this. And that's Mr. James Goddard from Appleseed. I suspect Mr. Goddard doesn't have quite as exciting...(Laughter) [LR519]

SENATOR GLOOR: Oh, I don't know. [LR519]

JAMES GODDARD: I think I'm always pretty exciting, but... [LR519]

SENATOR CAMPBELL: Are you? But hers was pretty special this week. [LR519]

JAMES GODDARD: (Exhibit 24) Yes, I agree. My name is James Goddard, that's G-o-d-d-a-r-d. Good morning, committee members, Chairwoman Campbell. I am the Low Income Opportunity Program associate director at Nebraska Appleseed. Nebraska Appleseed is a nonprofit, nonpartisan legal advocacy organization. Today I'd just like to really say we're pleased that you continue to consider a wage subsidy program. And this is because the program is a just a win-win for Nebraska's workers and employers. Excuse me. [LR519]

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SENATOR CAMPBELL: Do you need some water? [LR519]

JAMES GODDARD: Yeah, I think I do. That would be great. [LR519]

SENATOR CAMPBELL: Deven is getting a real workout getting water today. (Laughter)  
[LR519]

JAMES GODDARD: So--sorry--in a nutshell, this program, it's just a win-win for Nebraska's workers and employers, and it could create jobs. First, as we've already heard, there is funding available that's existing in ADC's rainy-day fund. We have heard today that that's about \$57 million, and so we're just looking for a small portion of this to be used for this program. Second, it can help those most in need of job assistance. Those are people like the two individuals we heard from today, and that would include people earning less than 200 percent of the federal poverty level. Thirdly, and possibly most importantly, this could help maximize job creation in Nebraska. Specifically, agencies administering this could use the resources to develop placements in in-demand industries such as healthcare and manufacturing. Moreover, employer buy-in could be fostered through incremental increases in employer contribution and agreements about retention. So we encourage you to consider this program. And I would like to take a couple seconds to see if I can respond to some of the questions that you had raised earlier. Those currently employed in the ADC program have higher retention rates at about six months, but the problems are for people who are doing other sorts of work activities, like community service. Six months down the line they're much less employed. So a program like this would hopefully put more people into the "currently employed" category, and that is what this attempts to do. [LR519]

SENATOR CAMPBELL: Exactly, and would assume that it would give them a greater opportunity for a longtime job or a career. [LR519]

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JAMES GODDARD: That would be the... [LR519]

SENATOR CAMPBELL: And that would be one of my concerns is that a lot of programs are for the short term, but they don't help somebody get established in a job. [LR519]

JAMES GODDARD: That would be correct. And I also, if I could, just to respond to Senator Bloomfield's question about what we're currently doing through the Workforce Investment Act: As Senator Mello indicated, there is on-the-job training through WIA or the Department of Labor, but that's much more limited in those who are allowed to access that program. Those individuals actually have to prove that they can benefit from the service, and what that usually means is that they're already coming in the door with higher skills. And so if you have those higher skills, then you can access some of these on-the-job trainings. But that would not include a lot of the people that we're talking about here that we're trying to help, the lower-income and lower-skilled individuals. So, as I understand it, this proposal would bring in a lot more people than the current, smaller program that exists through the Department of Labor. [LR519]

SENATOR CAMPBELL: Did you want to follow up, Senator Bloomfield? Okay. Any other questions? Thanks, Mr. Goddard. It was fairly exciting. (Laugh) [LR519]

JAMES GODDARD: Yeah. Yeah, it was for me too. [LR519]

SENATOR CAMPBELL: Any other testifiers today on LR519? Senator Mello, did you want to close, make any comments? [LR519]

SENATOR MELLO: Very quickly, and give you some time to have to yourselves before I know your afternoon hearings. If anything, I wanted to thank Katrina and Ambrosia for providing their stories if anything. I know the committee knows a little bit about the issue from what we discussed last year. And I think, understanding that, you know, with what Mr. Goddard just walked through, is that we see that there is a need in regards to

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providing longer-term employment opportunities for people on public assistance through the ADC program. And, as we mentioned earlier, it may not be in the same form as we brought last year in LB1136. We're trying to find if there's a way we can work with the department at all, in regards to their current options, before we look to create a separate pilot project again. But more than anything, I appreciate the committee taking their time to hear the testimony this morning and look forward to working with you on this issue come next January. [LR519]

SENATOR CAMPBELL: Thank, you, Senator Mello. With that we will close the hearing on LR519 and we will recess until 1:30. [LR519]

BREAK

SENATOR CAMPBELL: Good afternoon. I'm Kathy Campbell, and I serve as the Chair of the Health and Human Services Committee and want to welcome you to our afternoon hearings. Today we have two. We expect one to be quite a bit longer than the other, and we are very glad that you took time out of your day to join us. We will start this afternoon with introductions, and so we'll start on my far right. Senator.

SENATOR BLOOMFIELD: Dave Bloomfield, District 17, Wayne, Thurston, and Dakota Counties.

SENATOR GLOOR: Mike Gloor, District 35, Grand Island.

MICHELLE CHAFFEE : I'm Michelle Chaffee. I serve as legal counsel to the committee.

SENATOR KRIST: Bob Krist, District 10 in Omaha and unincorporated parts of Douglas County.

DIANE JOHNSON: And I'm Diane Johnson, committee clerk.

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SENATOR CAMPBELL: And serving as our page this afternoon is Evan Schmeits, and Evan is from Columbus, so. Yes, Senator Krist.

SENATOR KRIST: I got yelled at this morning--and Bennington.

\_\_\_\_\_: And Bennington. (Laughter)

SENATOR CAMPBELL: We would want you not to neglect Bennington.

SENATOR KRIST: That's right. I'm sorry. I apologize.

SENATOR CAMPBELL: We'll go through a few housekeeping things today. If you have a cell phone with you, please turn it off or put it on silent. It's very distracting if you're trying to testify. If you are testifying this afternoon, we ask you to complete one of the bright orange sheets on either side of the room and print legibly. And when you come forward it's very important that you don't, you know, pass go, do anything. Just hand that to the clerk because that's how she keeps track of who is speaking, much easier for her. As you sit down to testify, we will ask you to identify yourself, first name, last name, and to spell both of those, and that's for the transcribers so they can sort out who is speaking at different times as we record these hearings. We do use the light system here. When you begin your testimony you will have five minutes, and it will be green for four of those minutes. Then it will go to yellow, and that means you have one minute. And then it will go to red, and you'll probably be looking up and I'll be anxiously trying to kind of get you to conclude. If you need any assistance this afternoon with copies or where things are in the Capitol, you can certainly visit with the page. With all of that, we will open the hearing this afternoon on LR537, Senator McGill's interim study to gather data and develop recommendations on the unmet needs of and gaps in services available to youth who transition or "age out" of Nebraska's foster care system. Welcome, Senator McGill. [LR537]

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SENATOR MCGILL: Hello. I'm really happy to be here. Thank you all for taking time out of your schedules during a busy campaign season to come down and hear us talk about some of these important issues today. I'll be brief because I don't want to be repetitive and there's a lot of information coming behind me and a lot of youth who have become very engaged in this issue, youth who have aged out of the system. And we just had a press conference upstairs, and we have a young man in here who just aged out four weeks ago. And he's one of the many who has fallen through the cracks and not being urged to fill out Former State Ward paperwork and, therefore, is ineligible for the services that are out there right now, which is why many...one of the many advantages in this program we're proposing and discussing is that you wouldn't have to be going to college right away, you wouldn't have to have you making that decision right as you're aging out to be a part of the program. It would, of course, still be a voluntary program. You wouldn't have to stay in foster care; you wouldn't stay with your foster family. But I'll leave a lot of those details to the folks who are following me. And we're blessed to have the folks with us who did a fiscal analysis of this issue over the last year, who have brought the fiscal note down significantly. And we have those national experts here today to explain those numbers and why we're now looking at a dollar amount under \$3 million, which is much more reasonable than the previous fiscal note. So with that, I'd rather just get to the other testifiers. [LR537]

SENATOR CAMPBELL: Okay. Any questions before we start? Senator McGill, you're more than welcome to join us at the table. [LR537]

SENATOR MCGILL: Oh. [LR537]

SENATOR CAMPBELL: It's sometimes easier for you to hear. [LR537]

SENATOR MCGILL: That's true. [LR537]

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SENATOR CAMPBELL: So feel free. [LR537]

SENATOR MCGILL: I may do that. Why, thank you, Senator Campbell. [LR537]

SENATOR CAMPBELL: You're welcome. You're welcome. I must explain to the audience that we have a list of testifiers that has been provided by Senator McGill's office. And she had requested that certain of them have a longer period of time because of the information they have. So we will start with Amy West, representing Appleseed. And Ms. West has 15 minutes because she has a whole stack of information there and is sharing with us the results of youth and stakeholder surveys and data. Welcome this afternoon. [LR537]

AMY WEST: (Exhibit 25) Thank you. Again, my name is Amy West, A-m-y W-e-s-t. Chairwoman Campbell and members of the Health and Human Services Committee, on behalf of Nebraska Appleseed I thank you for the opportunity to testify today, and I'm excited to share findings of the report prepared for LR537 with you all. I want to sincerely thank Senator McGill for bringing this interim study and to the committee for their work on addressing challenges and shortcomings in the child welfare system. Thus far, a lot of the focus has rightly been on the front-door issues and preventing children from entering the foster care system unnecessarily. Today, however, we want to talk about a population that hasn't gotten as much attention, and that's youth who age out the back door of the system. The transition to adulthood isn't an easy process for any young person, as I'm sure all of us can remember. Most 19-year-olds are able to fall back on their biological family if an emergency arises or if they need a warm place to sleep at night. Unfortunately, those who age out of foster care often do not have the same luxury. For these young people, the resources are fewer, the support systems are often smaller, and this transition is even more difficult. They face significant barriers to postsecondary education and employment, and far too many end up struggling with healthcare access, poverty, unstable housing, or even worse, homelessness. Keeping this population in the forefront of our minds is particularly important in light of new

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opportunities Nebraska has under a recent federal law to improve the system of care we currently have set up for these young people. I'll provide a little background on this law and a brief overview of this opportunity, and then I will offer a summary of the report, including some data about the gaps in current services and results from a statewide survey about this new opportunity. So to give you a little bit of history, in 2008 the United States Congress unanimously passed the Fostering Connections to Success and Increasing Adoptions Act, or "Fostering Connections." Among other things, this act allows states to draw down federal matching funds to extend services and support to age 21 for young people who age out of the foster care system as long as they are either enrolled in secondary or postsecondary education; employed for at least 80 hours a month, which breaks down to about 20 hours a week; participating in a program or activity to remove barriers to employment, such as a job training program; or unable to do so due to a medical condition. As you will note in the one-pager that was provided to you on "Extended Services and Support to Age 21," services for young people who age out of foster care would include Medicaid coverage, housing support, and young adult-directed case management services. This program would also provide services for young adults who were adopted or who entered a guardianship at age 16 or older, including Medicaid coverage and continued adoption and guardianship subsidies. Fostering Connections truly allows us to invest in these young people's success as adults. While the act encourages states to be creative and think outside of the box in terms of how they might design such a program, some elements are required in order to make the program eligible for federal matching funds. Other program design options can and should be individually designed by the states to reflect best practices and to best meet the needs of the young adults in that particular state. Above all, it is important that this program be voluntary and directed by the young adult receiving services. So now I'll talk a little bit about the data and some of the implications from that from the report. As part of LR537, Senator McGill requested quite a bit of data from DHHS about this population. What we received show that, since 2007, over 300 young people each year have exited foster care without achieving permanency. Last year, 208 young people aged out, and 113 were discharged to independent living at ages 16, 17, or 18;

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so that's a total of 321 young people. Although any youth exiting foster care without having achieved permanency is contrary to the goals of the system, the number of youth being discharged to independent living prior to reaching the age of majority is particularly concerning to us. Figure 2 in the report further discusses that and provides you some extra numbers on the past years. To give you a little picture of how this program would work...or of the current system of care that we have for young adults in Nebraska, I'll talk a little bit about the Former Ward program. So for college-bound youth, the Former Ward program provides Medicaid coverage and a monthly stipend, or it covers the housing costs of those living in college dorms. Youth who age out of the system are eligible for services until they turn 21, but they must apply before their foster care case is closed. Although this can be greatly beneficial for young people who plan to further their education, several groups of youth are excluded from this program, such as older youth who achieve permanency through guardianship or adoption, youth who do not immediately enter college, youth who take unplanned breaks from school, and as mentioned, youth who are not made aware of the program and, thus, do not apply before their case is closed. The data from DHHS in the report highlights these gaps. Although 67 percent of those who exited foster care in 2011 applied for Former Ward, only 35 percent received services through the end of the year. Even more concerning is the number of young people who are able to participate in the program for the full two years, until their 21st birthday. From 2007 to 2010, an average of only 27 young people each year receive Former Ward services for the full two years. Taking a look at healthcare access, the DHHS data in the report also shows that an overall average of 55 percent of these young people are left without Medicaid immediately following discharge from foster care. To give an example of the impact of this, we have heard from young people who have immediately been forced to go off of their medication when they exit foster care due to a lack of healthcare coverage, and even more who go without needed medical treatment. Although there is no way to track how many of these youth were able to obtain healthcare through private insurance or another source, it is likely to be a low number. To shift the focus again, I'll talk a little bit about the results of the surveys of youth and the stakeholders. This summer we collected surveys regarding

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specific program design options of an extended services and support to 21 program from 104 young people with experience in the foster system and 256 stakeholders who work in the child welfare system. The goal of this was to find out what the young people in the foster care system really need to support a successful transition out of the system and into adulthood. The report contains detailed responses from these surveys, so I encourage you to take a further look at that. We asked these young people and stakeholders specific questions about how a program of extended services and support to 21 should look in Nebraska. Again, Fostering Connections offers quite a bit of flexibility and really encourages states to develop creative ways of meeting the needs of young people locally. Thus, questions were kept as open as possible to truly gain a sense of what young people felt their needs were, what professionals working with them saw, and how those needs could be met by extending services and support to 21. We asked young people and stakeholders for their input in several key areas: program eligibility; adoption and guardianship subsidies; case management; housing options; and judicial oversight. I'll offer just a few highlights from each of those areas. In terms of program eligibility, both young people and stakeholders expressed the opinion that youth whose cases were close to independent living before turning 18 should be included in the proposed program. Federal matching funds would not be provided for this population, but 70 percent of young people and 83 percent of stakeholders thought it would be important to include these youth. Young adult-directed case management could be provided by either DHHS or NFC in Omaha or another private agency. While young people seem to value continuity and prefer to keep their same DHHS or NFC caseworker, if possible, stakeholders were more in favor of setting up a new program of workers to be more specialized in serving this population, either under DHHS or NFC or under a new private agency. Looking at housing under an extended program, housing options can and should include more age and developmentally appropriate independent settings, such as single or shared apartments, dorms, or renting a room in a home. Survey results supported this as well. Young people selected a wide range of housing options, but they did seem a bit concerned about including some of the more traditional placements, such as group homes, institutional care, and foster homes. So it will be

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really important as we move forward to ensure that these are considered as options only when necessary, such as if the youth has a medical condition or a developmental disability or when the young adult wants to remain there. Another key piece to the puzzle is ensuring that funds are being efficiently used and meeting the needs of young adults, and that the program truly is setting them up for future success; in other words, oversight. Fostering Connections requires ongoing case oversight in the form of two case reviews per year, but the act is fairly open in terms of who serves as an oversight body. Options could include a judge in a courtroom, a representative of the court, or an administrative body, such as the Foster Care Review Office or the Mediation Center. Most young people and stakeholders who responded to the survey preferred having the courts play some role in overseeing these reviews, although both groups tended to favor having a representative of the court conduct the review rather than a judge in a courtroom. In close, Nebraska has a real opportunity here to improve outcomes for older youth in care. Creating a program of extended services and support to 21 is the right step to take in filling some of the service gaps. This program would be more inclusive, more flexible, and more comprehensive in preparing these young people to become productive, successful adults. The data supports it, stakeholders support it, and most importantly, the youth themselves support it. In the words of one of the young people who took our survey, extended services and support to 21 is a way of giving youth more room for growth and a chance to be responsible. We want to again thank Senator McGill for her leadership on these issues and the many young people and stakeholders who provided their input, many of whom are here today. We also appreciate all of the work of the committee to improve Nebraska's foster care system for all children, and we thank you for your consideration of these important issues as a part of LR537. And I would be happy to take any questions. [LR537]

SENATOR CAMPBELL: Amy, that was very thorough. Wow. (Laughter) [LR537]

AMY WEST: Thank you. I'm glad. [LR537]

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SENATOR CAMPBELL: All right. Senator Krist. [LR537]

SENATOR KRIST: Take a breath. (Laughter) I have two questions, and one of them specifically has to do with the data in the survey. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR KRIST: And the other one has to do with money we've already spent or allocated in the past few years. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR KRIST: I think someone said there is a money person coming up next. [LR537]

AMY WEST: Correct. Yes. [LR537]

SENATOR KRIST: Okay. So for the data itself, when did you start to collect the data and the surveys? When did we start this effort? [LR537]

AMY WEST: The data from the surveys began this summer, so this is an initiative that began in August. No, it began in July for the youth, and then the stakeholders was August and September. [LR537]

SENATOR KRIST: In 2012? [LR537]

AMY WEST: Yes, in 2012 of this summer. [LR537]

SENATOR KRIST: So we're all familiar with the tragic event that happened at Von Maur,... [LR537]

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AMY WEST: Um-hum. [LR537]

SENATOR KRIST: ...where a youth aged out, and for several reasons, including which he was taken off of medication, he took others' lives. We can go back that far with data to come forward. [LR537]

AMY WEST: Yeah. [LR537]

SENATOR KRIST: Is any of that cumulative or historical data, in terms of where we've come, what we've spent, and what we've done, included in this survey and this recommendation? [LR537]

AMY WEST: The surveys that were distributed to youth and stakeholders were specifically about how such a program should look, so we didn't really...we asked a little bit about, you know, their experiences with the Former Ward program, for instance. We did include data from DHHS. That's back to 2007, in terms of the numbers of youth who aged out and who received Former Ward and who were covered under Medicaid, so that is in the report. So that is a little bit, you know, the past five years. [LR537]

SENATOR KRIST: So you went back to 2007 basically. [LR537]

AMY WEST: Correct. [LR537]

SENATOR KRIST: Okay. Thank you. [LR537]

AMY WEST: You're welcome. [LR537]

SENATOR CAMPBELL: Questions? Senator Gloor. [LR537]

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SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Amy. Former Ward program, the fact that some of the youth are excluded because they didn't apply before the case closes, whose rule is that? [LR537]

AMY WEST: Um-hum. That's the way the program is designed. It's my understanding that DHHS is the one who formed that program, so I believe that it would be under their guidelines. [LR537]

SENATOR GLOOR: So it's a policy issue within the department. [LR537]

AMY WEST: Correct. [LR537]

SENATOR GLOOR: It's nothing that's a requirement from the feds. [LR537]

AMY WEST: That's my understanding. [LR537]

SENATOR GLOOR: Okay. [LR537]

AMY WEST: We don't receive federal reimbursement for the Former Ward program, so it would be state dollars. [LR537]

SENATOR GLOOR: It would be state dollars. And along the lines of Senator Krist's questioning, the issue of a lot of these young people not having Medicaid coverage when they age out,... [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR GLOOR: ...is there also assumption that most of them, if the effort was made, if we had some sort of transition process in place, would qualify for continued Medicaid coverage? Is that the... [LR537]

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AMY WEST: In terms of this program? [LR537]

SENATOR GLOOR: In terms of this program. [LR537]

AMY WEST: Correct. Yes. The requirements for eligibility in this program are very broad, and it's intentionally that way. So as long as they are working at least part time or attending school or, you know, if they're trying to get a job, even something like applying for jobs at a job training center or something like that would count as an activity that would make them eligible for this program. So if they're actively making efforts to either, you know, have a job or get into school, then they would be included. So it's much more broad. And what's also nice about this program is that it's, again, voluntary, but youth have the ability to opt in and opt out. So if they do not want to sign up immediately--you know, a lot of youth hit 19 and they're kind of ready to try it on their own a little bit--and a couple years later or a couple months later they might be struggling, they can come back into this program pretty easily. So that's one nice thing about the program design in this program. [LR537]

SENATOR GLOOR: Okay. Thank you. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR KRIST: One other follow-up. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR KRIST: Does the opt-in/opt-out portion of this take into consideration the Affordable Health Care Act and the extension of insurance to that point or some care to that point? [LR537]

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SENATOR CAMPBELL: Um-hum. [LR537]

AMY WEST: I'm not sure what impact the opt-in/opt-out portion of the program...however, I believe that the ACA was taken into account when they did the fiscal analysis. [LR537]

SENATOR MCGILL: Um-hum. [LR537]

AMY WEST: So I believe Margaret will mention that. [LR537]

SENATOR MCGILL: Yeah. [LR537]

AMY WEST: So we are looking at that as well, starting in 2014. [LR537]

SENATOR KRIST: Okay. Thank you. Thank you. [LR537]

SENATOR MCGILL: Yeah, because from what I understand, it is a population that is not affected by the decision on Medicaid expansion or not. I think there...unless there is a total repeal. [LR537]

AMY WEST: Um-hum. That's our interpretation of it. [LR537]

SENATOR MCGILL: Yeah. Yeah. [LR537]

SENATOR CAMPBELL: Now the Affordable Care Act calls for all foster kids, both current and past, to be eligible for health care until age 26,... [LR537]

SENATOR MCGILL: Um-hum. [LR537]

AMY WEST: I think...um-hum. [LR537]

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SENATOR CAMPBELL: ...just as the extension was made for any one of us to keep our kids on insurance until age 26. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR CAMPBELL: I've always thought it was unfortunate that Congress did not feel that they wanted to fund that, because it seemed to me such an inequity when they put the ACA in fact that they could have covered that; but until 2014. (Laughter) [LR537]

AMY WEST: Um-hum. Yeah. [LR537]

SENATOR CAMPBELL: Amy, one of the questions that I have is, as you surveyed and looked at...and we'll have to spend quite a bit more time looking at this... [LR537]

AMY WEST: (Laugh) Yes. [LR537]

SENATOR CAMPBELL: But one of the requirements...several years ago the Legislature passed three portions, at least put three portions of Fostering Connections in Nebraska statute. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR CAMPBELL: One of those requirements was that there was to be a transitional plan put together. In your data, does it say how many...what's the percentage are youth that age out, that that stipulation was not carried out? [LR537]

AMY WEST: And we didn't collect data on transition planning. We actually have a policy brief on transition planning, so we can provide that to you for some additional information. [LR537]

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SENATOR CAMPBELL: That would be great. [LR537]

AMY WEST: And we didn't look at that specifically in this report. I'm not sure that DHHS would track the data of when they do a transition plan or when they do not do transition planning, so we didn't include that in the survey this time around. But we do have some additional information that we can provide to you. [LR537]

SENATOR CAMPBELL: The department does not have an option of whether it will have a plan or not. [LR537]

AMY WEST: No, they do not. They do not. [LR537]

SENATOR CAMPBELL: There is to be one. [LR537]

AMY WEST: Correct. [LR537]

SENATOR CAMPBELL: And so that would be something that we might want to follow up with you,... [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR CAMPBELL: ...because you've got so much data here we ought to be able to put some, you know, find some of that. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR CAMPBELL: So I would really like to see that. [LR537]

AMY WEST: Great. [LR537]

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SENATOR CAMPBELL: Any additional...Senator Krist, did you have one? [LR537]

SENATOR KRIST: Oh, no. No, I'm just exercising. [LR537]

SENATOR CAMPBELL: Okay. (Laughter) Thank you very much for all of the information. [LR537]

AMY WEST: Thank you. [LR537]

SENATOR CAMPBELL: And I know that you went to great lengths to get people to answer and respond to your survey. [LR537]

AMY WEST: Um-hum. [LR537]

SENATOR CAMPBELL: I must have gotten at least one e-mail a week saying, did you hand that in? (Laughter) So thank you, Amy. [LR537]

AMY WEST: Yes. We had a good response rate, so I was happy about that. [LR537]

SENATOR CAMPBELL: Absolutely. [LR537]

AMY WEST: Thank you so much. [LR537]

SENATOR CAMPBELL: That's dogged determination. Our next testifier is Margaret Flynn-Khan and is from Mainspring Consulting. And this will cover the fiscal analysis of extending care to the 19- to 21-year-olds in Nebraska. Did I pronounce your name correctly? [LR537]

MARGARET FLYNN-KHAN: You did. Thank you. [LR537]

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SENATOR CAMPBELL: And so before we start into your analysis, would you identify yourself and spell your name, please? [LR537]

MARGARET FLYNN-KHAN: Sure. Good afternoon. My name is Margaret Flynn-Khan, M-a-r-g-a-r-e-t F-l-y-n-n, hyphen, K-h-a-n. [LR537]

SENATOR CAMPBELL: Thank you. [LR537]

MARGARET FLYNN-KHAN: (Exhibits 26 and 27) And I appreciate your attention today. I thank you for having me here to report on the analysis that we did. I work with Mainspring Consulting. Mainspring Consulting is a national consulting firm. For the last few years the Jim Casey Youth Opportunities Initiative, which is a partner on your Project Everlast here in Nebraska, has provided support to Mainspring to work with states to look at the design and costs of extending care to 21 under Fostering Connections. So I've had the opportunity to work with Michigan, Iowa, Pennsylvania, Hawaii, and now Nebraska on these types of analyses. And so I'm here today to report on what we did in terms of a fiscal analysis and what the results of that were. You have just been sent around a PowerPoint, as well as a report. There's lots of information. I'm going to try to go through it fairly quickly and just hit on the high points, but you have that detailed report if you really want all the detail of the numbers. So Fostering Connections presents an important opportunity for improved outcomes for older youth to leverage federal dollars to support those outcomes; and, if you're successful, in getting better outcomes to save dollars in the long term on other types of supports, like public assistance, criminal justice, Medicaid. To look at this opportunity in Nebraska, the Nebraska Children and Families Foundation brought Mainspring in with support from the Jim Casey Youth Opportunities Initiative. The approach we took was that NCFE pulled together a pretty diverse group of stakeholders across the state to provide input on what the design should look like, and then we used that as the parameters for our cost estimates that we did. We also worked more intensively with a small group of

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DHHS staff and NCFE to really work through the data and the detail of the cost assumptions. We did...we costed out those three main components that you have to put in place if you opt in to Fostering Connections, the extended foster care or guardianship assistance, and adoption assistance. And for each of those, our goal was to get to what is the net state fiscal impact for Nebraska. So what would the new state cost be, taking into account what you're already spending on some of the supports and services for this age population and the new federal dollars that you would be leveraging, then what would the net be? What would the new state cost be for Nebraska? So let's look first at some of the design and cost assumptions for the first component, which is the big one, the voluntary care to 21; and then we can go to the numbers of what we actually came up with as the costs. So to estimate how much this would cost, we first had to estimate how many youth would be served, and that's driven by the eligibility. These are the federal eligibility guidelines, and you can see that number 2 is where you're primarily targeting your current investments and your Former Ward program. Numbers 3 and 4, you would expect to bring in pretty significantly more numbers into services for older youth above and beyond what I think in 2011 was 112 served in the Former Ward program. So we'd expect the caseload numbers to be quite a bit higher than that. Here's some historical data; so this is 2007 to 2011. So we started with looking at how many youth are in care at age 18 as kind of the baseline starting point. And you can see that over the last five years you've had about 670-700 youth turning 18 in care. This includes OJS and HHS youth, and you can see that breaks down about 50/50, with slightly more OJS youth. So the OJS are in that yellowish color and the blue are HHS. Your trends overall, you've had some increase, but it's been a pretty stable trend over the last five years. Some states we work with, they have large declines that we project out. In this case we kind of assumed forward that you would continue this trend of fairly stable caseloads. The second piece of the picture then is where are youth exiting. So we looked at exits for youth 18 and 19. And you can see here, you have a very small number of exits, so this is only exits for youth who are 18 years old or 19 years old. You have a small number who exit to adoption and guardianship; that's the green. You have small to other, and that's runaway, transition to another public system. And then for the

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most part it's either reunification or independent living, and that breaks down about 50/50. So you see that white block, those 300 youth are really the target that we want to serve with an extended care program, with this voluntary care program, those 300 youth who are aging out per year. So based on that, we came up with...this is what we came up with in terms of our estimated caseload. And so the way this reads is that we said, okay, so among those 660 youth who we know are in care at 18, how many do we think would be in a voluntary care program at age 18? How many would then either continue to stay in or reenter at 19 and be in care at 19? And how many would be in care at 20? Despite your age of majority at 19 we included some 18-year-olds, because the data shows us that you have about 100 youth per year exiting to independent living at 18. And so the working group thought it was important that they have the opportunity to opt in to this voluntary care program as they're leaving, exiting traditional foster care. So that's why those numbers are so small or smaller in proportion, because you're already serving that population through your traditional foster care program. At 19 you see the numbers bump up, and we would expect this would be the largest portion of your caseload, and then at 20 it goes down slightly as young people are more ready for independence or just more ready to leave the system. And you'd see some attrition there. We also built in, in the first column, you see 2013-14. We built in some assumed increase in caseload overall, that as the program got up and running you wouldn't serve as many in the first couple of years, and then you'd see more youth coming in, in the out years. All of that means that our estimate is 429 for the first two years and 594 in terms of the total caseload you would be serving between 18, 19, and 20 in this voluntary care program. A couple of other points, before we get to the dollar figures that kind of drive these estimates, that are important to understand. There are...states have different options in terms of how they keep young people in care legally. And what the working group recommended with this voluntary care program...because they were very focused throughout on saying, we want this to be different, we don't want this to be the same thing as traditional foster care up to 18. What they wanted was for young people to exit when they would be exiting to independent living and then have the option to enter a voluntary care program through a voluntary placement agreement. So they would be

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opting to and committing to stay in care with some accountability built into that. That's important for the fiscal analysis because what Fostering Connections said is that if a young person is reentering care, you redetermine their IV-E eligibility, whether they're eligible for the federal match, and you do that based on their income, not their parents'. So as a result, when we get to the federal revenue, you'll see a much higher state-federal share, a much higher federal share, because we have a projected much higher IV-E penetration rate for this population than you do for your younger foster care population. We also costed out two case management options: public and private; and we included multiple options for case review. So we'll kind of go through and look at those numbers now. So here are our projected costs. And you see on the left-hand side are the costs with public case management, the right with private case management. This includes everything except case review, which we'll look at separately. So these are your costs for placement, for case management, and for supportive services. And you can see this is a three-year estimate. The bright blue lines are what we estimate would be the new state, so what Nebraska's new state expenditure would be to support these services. The white are existing expenditures, so this is primarily your Former Ward and some pieces of your current independent living services that are integrated into this overall voluntary care program. So you're already supporting some pieces of the program, and we built in that revenue. And then the yellowish-greenish are your new federal revenues that you would expect. So again you can see it's almost a 50/50 share, federal-state. Because of that high eligibility level, we would assume that almost all youth would be eligible for IV-E, based on the reentry into care with the voluntary placement agreement. The costs with the private case management are not very different by our estimates; so you're talking about, you know, about \$200,000 a year differential between a public and a private system, based on the numbers that we gathered. The next piece of this are the administrative reviews. And under Fostering Connections the requirements for case review are basically the same as for youth under 18. And so with the voluntary placement agreement structure that we assumed was in place for this analysis, that would mean you would need to have two periodic reviews of the case, and that could be done through an administrative body or through the court.

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So we considered three options. We looked at the court and two different administrative options. The court piece is not in here because when we went to the court and we had a conversation with the State Court Administrator, who put us in touch with and we had some back-and-forth with her staff to try to figure out what the cost to the state might be, where they ultimately came down was, at least in the initial implementation of the program, they didn't think there would be significant new cost; that they could essentially absorb those new reviews into their current dockets but that they would then have to look at it again in the out years where it likely would require some resource. So we don't have a definite number from them. But they didn't think it would be significant, at least for the first couple of years. For the administrative reviews we looked at using the Foster Care Review Office, your current administrative review entity. And so you see the numbers on the right-hand side for the Foster Care Review Office. So this new state cost: \$300,000 to \$439,000; the federal revenue: \$250,000 to \$359,000; and also the mediation centers. The reason the mediation centers are in here as an option for administrative review is that the working group, as we talked about what young people and other stakeholders who were part of that group would want that review process to look and feel like, they really wanted it to be kind of a teaming process, something where young people could figure out who and invite who they thought would be important to include, as well as case managers, and they could really sit down together and look at the goals and what progress had been made and figure out how to move forward. And because the Mediation Center already does some teaming work in the child welfare system--they do some child welfare teaming--they thought that might be an interesting option to look at for administrative review. The other thing built in here that was a little bit innovative that the working group recommended was training former youth who had been in care but who aren't in the system now to act as advocates in these processes for the young people who are there. So we built in some cost for training and supporting young people who were formerly in foster care to participate in the reviews more as advocates and helping to move through that process. So before I move--I know I went through that all really quickly--to the next piece of adoption and guardianship, are there questions on the "care to 21" pieces that I just laid out? [LR537]

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SENATOR CAMPBELL: You can go ahead and finish out, I think. [LR537]

MARGARET FLYNN-KHAN: Okay. Okay. So adoption and guardianship is a little more straightforward. If you extend care to 21 you also have to extend adoption and guardianship assistance to 21 only for those who have a finalized adoption or guardianship at age 16 or older, which is usually a relatively small number of young people. One nuance to understand is that for the guardianship piece the requirement is to extend guardianship subsidies for those guardianships that qualify for the federal Guardianship Assistance Program. That was also new within Fostering Connections, and it requires, for a guardianship to be eligible, that the child or youth has to have been living with a licensed relative foster-family provider for six months. Because Nebraska generally doesn't license their relative providers, you have very few. When I was gathering data in May, it was one across the state eligible for the federal Guardianship Assistance Program. So essentially we costed out looking at kind of the minimum requirement of the law, only extending guardianship subsidies for those that meet those federal Guardianship Assistance Program requirements. And also, because of the programmatic implications...I mean, in practice it might be inequitable for some youth who move into guardianship at 16 to extend, and then for others who meet certain requirements to not extend. We also costed it out if you extended it to all guardianships 16 and older. So you'll see two options, and the numbers are pretty different there. So first let's look at adoption assistance. You can see that what we have here are the new state dollars in blue, so that ranges from about \$5,000 to \$108,000 in 2017; the green is the federal share; and then you can see just the number of youth served. So basically here are very low numbers served and, as a result, very low numbers. To explain the sort of increase over time: Because this is available for youth who are 19 and 20, so in 2013 if you were 16 and you moved into an adoption, you would now be eligible for an extended adoption assistance; you wouldn't actually access that until 2016 when you turn 19. So that's why you see that growth. By 2017, you'd have a full cohort and you would expect those numbers to even off after that, so you wouldn't continue to see that

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kind of growth. The guardianship assistance--so this is the bigger one. This is for all guardianships 16 and over, and you have many more guardianships than you do adoptions for youth. So here we're estimating that in the early years again you'd be serving very low numbers. But as you got a full cohort in, in 2017, it would be 175 youth at \$1.1 million in state cost and \$70,000 in federal. And the reason the state-federal is so uneven here is because many of these wouldn't meet those federal eligibility requirements for reimbursement for IV-E. If you did more of the minimum and opted to only extend to those who you really have to extend to under the law, the numbers are much lower, more similar to the adoption assistance where you'd be serving at the max, in 2017, 31 youth--\$181,000 in new state and \$42,000 in federal. So there's a pretty significant differential there depending on which way you opted to go. And so finally, we included multiple options, so it's hard to just have one bottom line for all of this. But this table shows you that this is for the first year, for 2013. In the first column you have...if you took all of your lowest cost options--so care to 21 with private case management; court reviews, which the court has said wouldn't cost anything in the first year; extended guardianship assistance only to those who are licensed and meet the federal requirements; and extended adoption assistance--the total cost would be \$2.7 million. This is the new state costs. Not the total cost for the program but just the state cost. If you looked at the higher cost options for each of those, it would be \$3.1 million for the first year. So that's the very quick run-through of what's in the analysis. [LR537]

SENATOR CAMPBELL: Senator Krist. Oh, sorry. Did you want to finish out... [LR537]

MARGARET FLYNN-KHAN: No, that's it. [LR537]

SENATOR CAMPBELL: ...or go to questions? [LR537]

MARGARET FLYNN-KHAN: Yeah. [LR537]

SENATOR CAMPBELL: Is that okay? [LR537]

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SENATOR MCGILL: Can I just, real quick, draw attention to the fact that on page 8 you can also see like what the total program cost is and how much money we draw down for that too. So while the cost is \$2.7 million, the program is actually costing almost \$7 million, and we're able to get that much other monies from drawing down from the federal government. [LR537]

SENATOR CAMPBELL: Okay, thank you. Senator Krist. [LR537]

SENATOR KRIST: What's the margin of error? [LR537]

MARGARET FLYNN-KHAN: The margin of error? [LR537]

SENATOR KRIST: Yeah. I mean, you've put a lot of data together and you've given us a projected cost... [LR537]

MARGARET FLYNN-KHAN: Um-hum. [LR537]

SENATOR KRIST: ...based upon low turnout here, high turnout here. You know, in terms of what we're looking at, what's the statistical margin? Could it go as high as \$5 million if more people participated? Or, given the data, you're pretty well within a few percent of \$3.1 million. [LR537]

MARGARET FLYNN-KHAN: Right. I mean, the way in which we put this together we don't have a statistical margin of error in that we've put together a lot of different assumptions based on different data to project out. My sense of this is that in most places where we had to be conservative--conservative meaning overestimating as opposed to underestimating costs--we overestimate. I mean, I think we took the option of the more expensive option where there was some question about which way to go. So I would be...my...I feel pretty confident that this wouldn't underestimate costs in the

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early years of this. But I can't give you a statistical margin of error just based on the...  
[LR537]

SENATOR KRIST: Is there an application of a margin of error that could be applied to each one of the analysis or data points? Can we go back and say, this was the assumption here and this is my margin of error here to go back and relook at it or not?  
[LR537]

MARGARET FLYNN-KHAN: Probably not. I mean, if you look at something like caseload, so it isn't as simple because you're doing something new and different. So there's...so it isn't as simple as just saying, here's the trend, let's project it forward, because you have never done this before. So it isn't as clear-cut as that. So there was a lot of discussion by the group to say, what do you think would be a reasonable proportion who would opt in. So that type of analysis I think you just can't. [LR537]

SENATOR KRIST: Okay. Well, two points for the record. The first is we have actually two pilot programs that are currently in existence. One has to do with the juvenile justice pilot program in Douglas County, and the other one has to do with what the department currently says we have a pilot program with the lone contractor in our process with NFC being out there. What the department has said many times is it's just a contractor, it's not a partner. So I see many variables in terms of which direction we go within just those two data points. One is if they are partners and there is an incentive for them to do something in this area, it could significantly drop or increase the numbers that we're looking at to base our findings, if you see my point. The second part of it is I'm aware that in 2011 there was \$4 million allocated towards aged-out programs with a nonprofit in the local area. Some of that money was made up of state money; some of it was made up of privately donated money. I don't know where that money went to or how it was spent. We have a problem in the state finding out where the money goes and how much of it is spent in that area. So my caution, and again for the record, is we need to make sure that if there is an allocation of money, it goes to the aging out process; it's

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trackable; it is measurable; and we do the same thing that we've done in the past couple of sessions and attach an evaluative process onto this from the very beginning so as we go down the road we know the statistical analysis was good to begin with, we spent less, we can allocate less, if you get my point. [LR537]

MARGARET FLYNN-KHAN: Um-hum. [LR537]

SENATOR KRIST: And you're free to comment on any of those points. [LR537]

MARGARET FLYNN-KHAN: Yeah. I think it's an important point in terms of the tracking, and I think that with an extended care program under Fostering Connections, as opposed to the more ad hoc kind of a grant here or a grant there, you will have more tracking because you have to. I mean, you have to be reporting to the feds on all of this in the same way that you do with your under-18 population. It's also kind of a nice timing piece with the National Youth in Transition Database, which child welfare systems are implementing to track outcomes for older youth, is now coming on-line at the same time as this, because I think then you have the opportunity to look at whether you're seeing differential outcomes for youth who stay in versus those who don't continue to get the services. [LR537]

SENATOR KRIST: Will our Foster Care Review Office tie in to that database, or will we have yet another database that we will go to? [LR537]

MARGARET FLYNN-KHAN: Well, I'm not sure how it's being structured in your state. I would think DHHS is developing that National Youth in Transition Database piece--I mean their data--to report to the feds. It's a federal effort. I don't know if they're contracting that out or doing it themselves. [LR537]

SENATOR KRIST: I think that's an important thing to look at too. [LR537]

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SENATOR MCGILL: Um-hum. [LR537]

SENATOR KRIST: We've seen too many databases pop up with different goals and objectives without interfacing with others. [LR537]

SENATOR CAMPBELL: Well, and we do know that the money that we put into play for all the child welfare bills, one of the components was looking at the IT system. And we know that consultant has been visiting with people, and the consultant has visited with the Foster Care Review Office. So we know that they've been included in the analysis. What we need to make sure is that this new, what you are talking about, is that that data is also...that they're anticipating that and planning for it. [LR537]

SENATOR KRIST: And if there are any ears of DHHS in the room, or others, it's important that if this is a projected given,... [LR537]

SENATOR CAMPBELL: Correct. [LR537]

SENATOR KRIST: ...they need to include that as well. Thank you. [LR537]

SENATOR CAMPBELL: That was a good point. Other questions here? Senator McGill. [LR537]

SENATOR MCGILL: I'll just add that maybe we can get together a one-pager on the assumptions that were made about how many youth would go into the system. I know I haven't been a part of all of these discussions and meetings, but I know it was also explained to me in a way that I can't repeat. I can't remember right now about the conservative numbers and how they tried to overinflate how many kids they think would be using the system. And I also just want to share that there has been a great deal of interest by some major nonprofits in this state to partner with local government. And so, you know, we're looking at this cost. But something that's on the table is maybe doing a

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public-private partnership that, Senator Krist is right, we would need to make sure we're tracking properly and showing the effects of. But there are some good opportunities out there right now and a lot of interest on this. [LR537]

MARGARET FLYNN-KHAN: Right. In the report that I provided, starting on page 12, is an appendix that has all of the detail. So if you wanted to know where the data came from, where the caseloads...so it's the historical numbers that we looked at, it's what factors went into how we made decisions about caseload, and every other piece of this; so much more detail on specific cost components. [LR537]

SENATOR MCGILL: Thank you. [LR537]

SENATOR CAMPBELL: Of the other states that you have worked with, what do they most often do in two situations, one being the handling that case management, and number two, did they look at like a mediation center, a private enterprise, or how did they structure it? Were there any other options that you saw from some of the other states that we might need to develop or see developed? [LR537]

MARGARET FLYNN-KHAN: Um-hum. Well, for the case management piece, it's really varied depending on to what extent states use private contractors for either case management or their independent living services. So in thinking through some of the different models that states have used, Indiana is a good model to look at in that they looked at a private contracted model with independent living. They kind of relooked at their whole independent living service... [LR537]

SENATOR CAMPBELL: Hmm. [LR537]

MARGARET FLYNN-KHAN: ...and created something integrated and recontracted that out so it would be case management and independent living, because I think the danger is that you create duplicative services when you put this in place in terms of some of the

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IL services you already have in place. So I think they did that well. Other states have just stuck with their public...in Hawaii, they came up with, which I thought was a nice model, a kind of hybrid model where they built in costs for public case manager liaisons... [LR537]

SENATOR CAMPBELL: Hmm. [LR537]

MARGARET FLYNN-KHAN: ...to handle some of the court and the IV-E accountability and documentation and then have the day-to-day case management in private contracts. So I think that was another nice model. [LR537]

SENATOR CAMPBELL: So they tied it more to where the independent living was. That was the piece that they tied it... [LR537]

MARGARET FLYNN-KHAN: Right. [LR537]

SENATOR CAMPBELL: ...more to than any other ancillary services that might be covered for someone. [LR537]

MARGARET FLYNN-KHAN: Right, because in those states their sense was that that's who has the relationship with the older kids and who have been doing this work with older youth. [LR537]

SENATOR CAMPBELL: Right. Right. Okay. Other questions? I would find it particularly helpful if all this information...I'm sure Senator McGill has it digitally, but I think it's going to be real important. I'm seeing in the audience a lot of people from our Children's Commission that we put together, and they're working very diligently and made a lot of progress, I thought, last week. I'm putting together the strategic plan. And so I would hope that we would try to work with the Children's Commission and how this might come into their research and their projections, because we're trying really hard not to

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have one piece here and one piece there, but to have the Children's Commission really tie a lot of this together. So I'm sure they're going to be very interested. I see heads nodding across the room. [LR537]

MARGARET FLYNN-KHAN: Right. [LR537]

SENATOR CAMPBELL: They're going to be very interested to take a look at this data. [LR537]

MARGARET FLYNN-KHAN: And one point related to that is that under the IV-E waiver, which I know you're very interested in Nebraska, there are certain policy options, and one of them is extending care to 21. [LR537]

SENATOR CAMPBELL: Um-hum. [LR537]

MARGARET FLYNN-KHAN: And so a state has to pick two of ten, and so this would cover one of those policy options. And then what we've heard from the feds is that when you negotiate your IV-E waiver amount, that you can build in negotiation for the increased caseload that this would suggest you would have, so...just because I know that's sort of part of that bigger picture. [LR537]

SENATOR CAMPBELL: And one of the things that we're paying attention to, at least as we watch the Children's Commission, is really how far we are going to be able to move on the IV-E Demonstration Waiver because of our past problems. [LR537]

SENATOR MCGILL: Hmm. [LR537]

SENATOR CAMPBELL: And I'm...you're nodding, so you're aware of that. So we're not quite sure when we can apply for that and what components there will be. But a subcommittee of the Children's Commission is the IV-E waiver, so they're getting a lot of

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good information, I'm sure, from it. This is extremely helpful and we appreciate it a lot, and we will certainly try to tie it in to the other places that we're working. This is very helpful. [LR537]

MARGARET FLYNN-KHAN: Great. Thank you. [LR537]

SENATOR CAMPBELL: Thank you. Our next testifier...and, Amy, we're not quite sure, because we have the name written in two different ways. Amy Peters, or Amy...? [LR537]

AMY PETERS: Yes. [LR537]

SENATOR CAMPBELL: Is it Peters, Amy? [LR537]

AMY PETERS: Peters, that's correct. [LR537]

SENATOR CAMPBELL: Oh, okay. We have a penmanship problem and my being able to read people's penmanship probably. As a former English teacher I thought I could read everyone's penmanship, but...(laughter). Amy, we're very glad to have you here today. [LR537]

AMY PETERS: Thank you. [LR537]

SENATOR CAMPBELL: Amy represents Project Everlast and her personal experience with the system. We just had some of the very best testimony over the last couple of years on a variety of bills and issues from Project Everlast, so thank you very much for coming today. [LR537]

AMY PETERS: (Exhibit 28 and 29) Well, thank you so much for having me, and I promise my testimony will be short and sweet today. My name is Amy Peters, A-m-y

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P-e-t-e-r-s, and, as Chairwoman Campbell just stated, I am with Project Everlast. I am the statewide training advisor for Project Everlast, an initiative with Nebraska Children and Families Foundation. And I do come to you today as someone who has experience researching and working with system-involved youth and also as someone who has personal experience as a foster care alumna. As you've heard, approximately 330 youth age out of foster care every year in Nebraska. These young people are without permanent family connections and are at a much higher risk for the poor outcomes that could land them right back into the criminal justice or welfare system. In 2008 I actually represented one of these statistics. After my high school graduation and shortly before I turned 19, the judge closed my case and I was declared a former ward. Once my case was closed it felt like I was kicked out of the door of my foster home and thrown out into adult life without any permanent family connection. Now I'll be the first to admit it was not one bit easy for me. However, I was one of the lucky ones. I say this because I was fortunate enough to have the state and other community organizations that invested in me and helped me become the successful individual that I am today. I did receive Former Ward. It helped me pay for housing and Medicaid until I turned 21. I knew that in order to stay eligible for Former Ward I had to remain enrolled in college, and it was very difficult. Times got tough. I struggled academically while trying to maintain employment, and there was a point in time where I almost was forced to drop out. But I was fortunate enough to have a community organization that invested in me and provided me employment with an on-the-job training program while allowing me to still maintain my strenuous school schedule and get my GPA back up. Later on, I was invested in again by Project Everlast, who gave me the tools I needed to realize my own potential. Eventually they, too, offered me employment flexible enough to allow me to finish college. This is a rarity for a former foster youth. In December of this year I will be a college graduate, and I am proud to say that I am able to contribute to my community and I have not fallen into the welfare or criminal justice system as an adult. Once again I would like to mention that I am one of the lucky ones. The only reason I can sit before you today and tell you this is because I was invested in. Most young people who age out of the Nebraska foster care system are not as fortunate to have been given such an

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investment. As Nebraska Appleseed mentioned in their testimony, in the year 2011 only 35 percent of youth who aged out of care in Nebraska received Former Ward benefits. Of those youth, only those who are able to remain enrolled in college until the age of 21 will continue to receive those services. It is important to note that while I was ready for college after aging out of care, many young people who have experienced the foster care system are not, which means they lose out on the opportunity to receive Former Ward. There are a number of internal and external factors that can prevent many foster youth from pursuing college or postsecondary education, especially immediately after high school. According to data gathered by Project Everlast over the summer, these factors can include trauma from maltreatment, changes of schools and missing school days from placement disruptions, low expectations and lack of supervision from caregivers, poor-quality group home education, and lack of awareness and access to college preparation programs. Now I'll say it again: Young people who do not have a permanent family connection face great risk. According to data gathered by Project Everlast, almost 60 percent of young people who aged out of foster care reported that they were without affordable, safe, and stable housing. Over 80 percent of Nebraska youth formerly in care also did not have health insurance with dental and mental health coverage. I could not imagine where I would be at the age of 19 if I did not have health coverage and help paying for my housing. You do have a copy of the data that was gathered by Project Everlast through our surveys. And I'd like to also point out that considering that many foster care alumni struggle with both homelessness and physical and emotional illnesses, it's not surprising that so many fight to meet basic needs, let alone thrive. Now, extending supports and services for youth until the age of 21 would provide foster youth with a more level playing ground. I personally can say I have peers in college who are around the age of 23 or 24, and they still receive support from their parents; I mean, at the least, healthcare. Most parents do not discontinue investing in their children at the age of 19 and, therefore, the state should not either. I truly believe that every young person can be successful with just a little investment. Thank you for your time, and I look forward to any questions you might have. [LR537]

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SENATOR CAMPBELL: Amy is right on time. (Laughter) And a very interesting story, Amy. Thank you so much. Are there questions for her? And tell us a little bit. So you're in school now--did I hear that right--or you have finished? [LR537]

AMY PETERS: Yeah, um-hum. Yes, I'm a student at the University of Nebraska-Lincoln. I'll be graduating in December. [LR537]

SENATOR CAMPBELL: And your field of study? [LR537]

AMY PETERS: Criminal justice and psychology. [LR537]

SENATOR CAMPBELL: So what do you wish to do with that? [LR537]

AMY PETERS: You know, I'm in the process of applying to grad schools and law schools. So we will see who will take me, and that will determine where I go next. [LR537]

SENATOR CAMPBELL: I would guess there's a whole lot of people in this room that would write a recommendation for you to either of that, and any of them would be glad to have their youth... [LR537]

SENATOR GLOOR: And not want to see her in a courtroom when she's (inaudible). (Laughter) [LR537]

SENATOR CAMPBELL: That's exactly right. We thank you so much for taking time and representing many young people and Everlast. [LR537]

AMY PETERS: Sure. [LR537]

SENATOR CAMPBELL: Thanks. [LR537]

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AMY PETERS: Absolutely. Thanks for having me. [LR537]

SENATOR GLOOR: Thanks you. [LR537]

SENATOR MCGILL: Thank you. [LR537]

SENATOR CAMPBELL: Our next testifier is Reba Payne. Ms. Payne represents Project Everlast also as a personal experience. Good afternoon. [LR537]

REBA PAYNE: Hi. I'm Reba Payne, R-e-b-a P-a-y-n-e. I am here as a certain youth in foster care. I am 17 years old, and I have six siblings. I entered foster care just after I turned 15. Between the time I was born and the time I entered foster care there was 60 calls to the Health Department of Human Services reporting abuse and child neglect by my mom and stepdad. Some of the calls had to do with not having food in the house and the house not being clean. Other times my mom would get very abusive when she would get angry. A cop would come to the house with HHS and look around, but by then my mom would have found a way to put food in the house and have it clean. I would try to protect my mom by wearing "hoodies" and jeans all year round to cover up the bruises. We were finally removed in December 2009 after my four-year-old cousin passed away following abuse by my mom and stepdad. The day that they were removed, when we got there, we found only police cars, and my older sister was at home. After four hours of not being told what was going on and being questioned, separated from my siblings, we were told that we were going into emergency foster care. I was scared and just wanted to go home. My sisters... [LR537]

SENATOR CAMPBELL: You're doing just fine. [LR537]

REBA PAYNE: My sisters and I were placed into one home, and my other siblings were placed into two others. Two weeks after, me and two of my siblings were placed into the

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home that we're still in today. The foster home I am in now is pretty awesome. I feel like I'm at home, wanted, and loved, and that's what I wish for any children like me is to find a place they can feel safe and loved. In two weeks I will turn 18 and am still a junior in high school. This means I will age out in November of my senior year. After I graduate from high school I want to go to college to get a degree in early childhood education, but I'm worried how I'm going to pay for school and not be in debt for the rest of my life. Being in foster care will mean I have a way to pay for school without parents to help me when it gets rough. The decision was made not to go into guardianship so that I will be able to receive Former Ward benefits. Despite this decision, my caseworker tried to drop my case from court. Doing a guardianship or closing my case would make it so I couldn't receive Former Ward benefits, which would help just a little bit with my education and give Medicaid until at least I was 21. When I turn 19 I will no longer have foster care, but I am very lucky to have the great foster family that I do today that I will know they love me and so we can continue to be in my life. However, many kids in foster care aren't so lucky. When they age out they have no one to turn to and nowhere to go. Foster care until age 21 would mean despite what my mom and stepdad did I will be able to pursue a brighter future and not have to worry what happens when I age out of foster care when I'm still in high school. [LR537]

SENATOR CAMPBELL: Any questions? [LR537]

REBA PAYNE: Any questions? [LR537]

SENATOR CAMPBELL: Any questions? Do you get to see your siblings? [LR537]

REBA PAYNE: I live with two of my siblings and one doesn't live too far away. And my younger brother went to live with his dad's family in Oklahoma, so I don't really get to see him much. [LR537]

SENATOR CAMPBELL: So are you the oldest, or...? [LR537]

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REBA PAYNE: I am the second oldest. My older sister lives in Omaha, so. [LR537]

SENATOR CAMPBELL: And do you get to see her? [LR537]

REBA PAYNE: Every now and then when I go up to Omaha or she comes down.  
[LR537]

SENATOR CAMPBELL: So how long have you been with a foster family then? [LR537]

REBA PAYNE: I'm going on three years. [LR537]

SENATOR CAMPBELL: That's very good that you have a family that you know will be there for you. [LR537]

SENATOR MCGILL: Um-hum. [LR537]

SENATOR CAMPBELL: But there's still a lot of other help that you could use. I'm sure that's the story you're trying to tell us today. Comments or questions? Senator McGill.  
[LR537]

SENATOR MCGILL: Is your older sister in the Former Ward program? [LR537]

REBA PAYNE: No. She didn't even go into foster care. [LR537]

SENATOR MCGILL: Oh, okay, she was old enough already. [LR537]

REBA PAYNE: Yeah. [LR537]

SENATOR MCGILL: Okay. [LR537]

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SENATOR CAMPBELL: Senator Gloor. [LR537]

SENATOR GLOOR: I want to make sure I heard you correctly that your caseworker tried to get your case dropped. [LR537]

REBA PAYNE: Yeah. [LR537]

SENATOR GLOOR: Were you ever given a reason for that action? [LR537]

REBA PAYNE: I wasn't, but I'm for sure probably my foster mom was. But she never told me, so. [LR537]

SENATOR GLOOR: Okay. Thank you. [LR537]

SENATOR CAMPBELL: Any other questions? Reba, thank you so much for coming forward. It's very difficult... [LR537]

REBA PAYNE: Thanks. [LR537]

SENATOR CAMPBELL: ...to tell your story and we appreciate it. Our next testifier is Beth Baxter. I'm really sorry I skipped over...go ahead. Come forward. No, that's okay, Beth. Come on. I didn't forget you. I will come back to you, Ms. Williams. But you go right ahead. You bet. [LR537]

BETH BAXTER: I can wait. I'm okay. [LR537]

SENATOR CAMPBELL: No, that's fine. Beth is testifying today from the region, Behavioral Health Services, Region 3. And it should be noted that Beth is also the vice chairman of the Children's Commission. So we're pleased to have you today. [LR537]

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BETH BAXTER: (Exhibit 30) Thank you. Good afternoon, Chairwoman Campbell and members of the Health and Human Services Committee. I am Beth Baxter, that's B-e-t-h B-a-x-t-e-r. And, as Senator Campbell said, I'm here representing the Nebraska Association of Regional Administrators and the Nebraska Association of Behavioral Health Organizations. I serve as the regional administrator for Region 3 Behavioral Health Services, which encompasses the central part of the state. I, too, like everyone else before me, appreciate the opportunity to talk to you about this important issue. One thing I want just to remind us and which I think is important to remember, is that most of these youth who have come into care have come into care because of abuse, because of neglect, maybe uncontrollable behaviors, dependency issues. But they leave care by virtue of their age, not because they've reached any kind of permanency outcome or things have gotten necessarily better for them. They're leaving care because they reached an age milestone. While the transition from adolescence to adulthood is extremely challenging for all young people, we know that it can be even more difficult for youth who have been in out-of-home placements and find themselves being really unprepared to enter adulthood. While most young people have access to emotional and financial support systems early, throughout their adult years, these youth find themselves not having that type of support. What does the data tell us about youth aging out of care? The Casey Family Foundation released a comprehensive report titled, "Improving Outcomes for Older Youth in Foster Care," and they reviewed a variety of studies related to kids in foster care and then youth who were aging out of care. And that report also makes, I think, some significant recommendations about how to improve outcomes for these youth. These studies have found that youth who have aged out of foster care fare very significantly poorly in relation to their counterparts in the general population. A study released by Chapin Hall at the University of Chicago details some of these dismal outcomes. By the age of 24, only 6 percent of these young people had completed either a two- or a four-year college education. Fewer than half of them were working. Nearly 40 percent had been homeless or "couch surfed" since leaving foster care. Seventy-five percent of the young women who aged out of care

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were receiving public assistance, and nearly 60 percent of the young men had been convicted of a crime at some point in their young adult life. So I think the issue around Fostering Connections is an investment in these kids. And the financial investment will only outweigh and improve these kinds of outcomes that we know the dismal outcomes can cost our public system in terms of finances, and kind of human issues as well. Additionally, studies suggest that youth being in out-of-home care inherently causes instability because of multiple placements, multiple school transfers, and the challenges of maintaining that support and connection with their family and parents. Youth may experience further instability because they can't afford access to healthcare or behavioral health treatment, and I think we've heard a couple of the youth indicate that as well. So what are the unmet needs of Nebraska youth aging out of care? Since June 1 of this year, the regional behavioral health authorities have received 288 referrals from their respective service areas of the Division of Children and Family Services for youth who are 17 and older and who are aging out of care and need ongoing behavioral healthcare. We found that these youth were vastly unprepared for adulthood. There was a variety of significant needs that they had. I think those needs have been reiterated, but I've identified what the needs are of those 288 youth who actually came into the attention of the regional behavioral health authorities. And a recent survey of the regions found that youth aging out of care present with a very complex set of needs, including affordable housing, mental health/substance abuse treatment, and the like. Gaps in services for youth, I've outlined those for your reference to these as well. And there is a significant number of gaps in services for youth. And again I think it just pinpoints and reiterates that kids are vastly unprepared to enter adulthood. I tried to provide a variety of recommendations based on what our data found for us in the collective experiences of people in the behavioral health field. One that I would like to just reiterate again is the extension of services in the child welfare system using that Fostering Connections. I think the investment that Nebraska can make in that type of program is only going to improve those outcomes and improve financial outcomes for us as well. When you talk about case management, I'd like to encourage us to look at not case management in the status quo. There are case-management models and

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evidence-supported models such as the Transition to Independence Process that really knows how to engage youth, help them plan for the future, and prepare them for a much more successful adult life. Thank you for the time. And if you have any questions I'd certainly try to answer those for you. [LR537]

SENATOR CAMPBELL: Senator Gloor. [LR537]

SENATOR GLOOR: Thank you, Senator Campbell. Was it snowing when you came out earlier today? [LR537]

BETH BAXTER: It was this morning. [LR537]

SENATOR GLOOR: I'm staying here for an extra day just because of that. (Laugh) You know, you and I know each other to the extent that you don't have to convince me with statistics, although it's certainly helpful and important for the record. But I trust your judgment when you come to me and tell me things because of the years you've been out there and the service you provide and the fact we know each other. This is a pretty short question and it can be a short answer, or you can take as much time as you want. But have we, as a result of our recent soiree into privatization, have we put ourselves in a position where the need for transitional services is even more acute now than it would have been three or four years ago? Are we faced with youth who have been shuttled around as a result of the...and I'm asking you, obviously, for your opinion in central Nebraska, although I'm sure it has applicability everywhere. But what you hear, what you see, the lack of stability in the lives of these youth, are we faced with even more challenges and an even more acute need for transitional living facilities for these youth as they now try and move out into adulthood? [LR537]

BETH BAXTER: I think certainly the chaos has had a negative impact on youth, and it's had an impact upon those case managers who work really hard for those youth as well. Our experience shows that kids really are coming to our attention who have very

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complex needs, and I can't help but think that that's environmental. Those needs may be compounded because of the lack of attention, the lack of planning. You know, one of the challenges we continue is when we get a child, we get a young adult who is referred to us and they're aging out maybe next month or maybe in a couple of weeks. So obviously that just compounds those complexities and those needs that kids have. [LR537]

SENATOR GLOOR: I think there is always a price to pay for bad decisions. And I'm beginning to think that one of the prices we may have to pay, both in terms of impacts on society as well as the cost we may have to pay as a state for our efforts towards privatization, is a cost towards transitional care just to try and rectify some of the challenges that we may be talking about with these youth. So I appreciate your answer. [LR537]

BETH BAXTER: Well, I think the upside is I think there's lots of folks, the Nebraska Children's Commission and others, who are really optimistic about the time of where we are within the system. Your support, the focus of individuals across the state, there's a generation of a lot of great ideas, I think, to improve and to, you know, strengthen partnerships that we have across the state. [LR537]

SENATOR GLOOR: Any notes of optimism are always appreciated by this committee, I'm sure. [LR537]

SENATOR CAMPBELL: I think that Beth and I saw an energized discussion last week from the Children's Commission. [LR537]

BETH BAXTER: Um-hum. [LR537]

SENATOR CAMPBELL: And there was just...it was really gratifying, I think, to see so many different parts of the system be represented in the Children's Commission and

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how excited they were... [LR537]

BETH BAXTER: Um-hum. [LR537]

SENATOR CAMPBELL: ...to be able to bring their expertise piece to that total picture. You would have seen a great amount of hope last week. [LR537]

SENATOR GLOOR: Good. [LR537]

BETH BAXTER: Absolutely. [LR537]

SENATOR GLOOR: Good. [LR537]

SENATOR CAMPBELL: Thanks, Beth. [LR537]

BETH BAXTER: Thanks. [LR537]

SENATOR CAMPBELL: We appreciate your testimony. Our next testifier this afternoon is a person I inadvertently skipped over, and I apologize. It's Kristin Williams. Ms. Williams represents the Sherwood Foundation and gives testimony today on the outcomes achieved from investing in the 19- to 21-year-olds in Omaha. Welcome. [LR537]

KRISTIN WILLIAMS: (Exhibit 31) Thank you, Chairwoman Campbell and members of the Health and Human Services Committee. My name is Kristin Williams. It's K-r-i-s-t-i-n W-i-l-l-i-a-m-s. And I'm the director of community initiatives for the Sherwood Foundation. Our principal is Susie Buffett. We're located in Omaha, and we invest in communities all across the state to support children, youth, and families. Five years ago we became aware in Omaha that foster youth were aging out to homeless shelters in the area on their 19th birthdays, literally being dropped off by caseworkers with nowhere

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else to turn, no money in their pockets. Child welfare was built for younger children; it was not built for older children. And it's from this realization that we came together to plan and implement--with many community partners, advocates, and youth--Project Everlast, which you keep hearing about. Just real quickly, it's a comprehensive, cross-systems approach to ensuring older youth in care have the supports they need to transition to young adulthood. Efforts currently underway ensure that youth have access to housing, education, healthcare, employment, and the priceless social supports. At the heart of this effort are individual development accounts called "Opportunity Passport," which was developed by the Jim Casey Youth Opportunities Initiative, and they've worked with us closely to implement this in Omaha. It offers a matched savings account, sometimes 4 to 1, combined with financial literacy and asset-specific training, so that youth can purchase homes, pay off bad medical debt, pay for education, and transportation--that has been the most popular piece which is cars. And unfortunately, in Omaha, we don't have the best public transportation system, and so in order for you to get to work and to school they need to purchase cars. We're pleased to have a very strong partnership with the Department of Health and Human Services and the Nebraska Children and Families Foundation, who serves as the backbone organization for this work. In the last four years the Department of Health and Human Services has leveraged nearly \$7 million in private philanthropic support by coming to the table with about \$3 million in public supports. I'd be remiss if I didn't acknowledge our other philanthropic partner in this work in Omaha, and that is the William and Ruth Scott Family Foundation. All of this is to set the stage to share recent data regarding the impact of Project Everlast in Omaha, specifically those youth who are able take advantage of Opportunity Passport. Before you, you have a pre- and post-assessment that should have been passed out, yes, that's showing some notable progress that the youth are having who are participating in Opportunity Passport. As you can see, the ability to take advantage of these kinds of supports makes a huge difference for youth, and we still have a long way to go. Project Everlast is providing evidence that when youth have the supports and services they need, their outcomes improve. While 42 percent of youth who age out are located in the Omaha area, the majority of youth who

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age out are somewhere else in Nebraska. And unfortunately, right now, the systems and supports aren't necessarily in place for those youth. Our hope is that you'll see this data as a baseline that will encourage you to continue to partner with private entities to advance this mission and this work across the state. We are here for the long haul. We are willing to stick our necks out and get other private funders to the table because we believe this work is so essential. And this money won't be here if the state isn't also at the table. We really believe in a partnership with government and think that the strongest outcomes come from that work. Thank you. [LR537]

SENATOR CAMPBELL: Thank you very much, Ms. Williams, for providing the baseline data for us, but also for explaining the philanthropic dollars. There are so many children's services across the state that wouldn't be as good as they are without those private dollars. We really appreciate that. Questions from the senators? Thank you very much for coming today. [LR537]

KRISTIN WILLIAMS: Yes. [LR537]

SENATOR CAMPBELL: Do we have others in the room who wish to testify? That concludes my list. Good afternoon. [LR537]

DONNA MOSS: Good afternoon. My name is Donna, D-o-n-n-a, Moss, M-o-s-s. I'm from Hastings, Nebraska, and I'm here today stepping in for a wonderful board, the Court Appointed Special Advocates of South Central Nebraska--I'm currently their board president; and for the Hastings Public Schools. Just as piggybacking off of the Sherwood Foundation and my friend Beth Baxter, Hastings Public Schools, along with the Court Appointed Special Advocates, have a new project. It was started because Hastings Public had 62 homeless youth between the ages of 16 and 21. And as I was sitting on the CASA board, I went, huh, same kind of problem we're having with our kids who are in the juvenile justice system, same kind of problem we're having with our children that are in the foster care system. And so we started a project in our minds and

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then pulled together tons of community support, also support from foundations, nonprofit agencies, individuals in the town of Hastings and the surrounding communities. And so we're very proud of what we are doing. Our partnership extends to the Grand Island area, to the Boys Town facility that's there, and we are currently trying to address the needs of our youth who have transitioned out of foster care and our homeless children who, for whatever reason, may or may not have been under the care and custody of Health and Human Services. So we have quite a few students--as I said, 62 kids--and our project and the efforts of our community, we have secured an almost \$1 million federal grant to buy a building and renovate a historical landmark in Hastings. For programmatic issues we have a five-year grant that will give us five years of operating costs. We have commitments from various foundations, from Region 3, other partnerships that will allow us to start what I would hope this body would also consider is that collaboration between the partnering of private and public to offer these kids, who have various needs...they come to us from varied backgrounds and situations. Don't know about any of you, but I still called my mother while she was alive to assist me with decisions that I needed to make. And it would be very hard, I would think, to be a 19-year-old whose foster parents dropped you off in the public school building. One day you have a family, the next day you don't know where you need to go. And in the audience we have some of our social workers from Hastings, some of our licensed mental health practitioners who are also interested in the next legislative resolution. I just wanted to share that it can be done. We are a sign of hope, and we also know that we need the partnership with the state. [LR537]

SENATOR CAMPBELL: Questions or comments? Senator Gloor. [LR537]

SENATOR GLOOR: Thank you, Senator Campbell. Thanks, Donna. Who is the agency, or what entity got the grant? I don't understand who got the grant. [LR537]

DONNA MOSS: Well, you know, we're a little muddled there in Hastings. The grants... [LR537]

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SENATOR GLOOR: That would be the only thing that Hastings (inaudible). [LR537]

SENATOR MCGILL: Ha. (Laughter) [LR537]

DONNA MOSS: The grants... [LR537]

SENATOR CAMPBELL: An olive leaf from Grand Island. This is great. [LR537]

SENATOR GLOOR: Well, a Hastings College alum also, so it's (inaudible). [LR537]

DONNA MOSS: Yes. Yeah. Oh, thank you very much because they are, too, one of our partners. [LR537]

SENATOR GLOOR: Okay. [LR537]

DONNA MOSS: We're very fortunate to have two higher-education institutions in the city of Hastings, and they have joined us; Mary Lanning Memorial Hospital. The grantee is actually CASA, the Court Appointed Special Advocates, because our board represented so many of the agencies. We actually have a working kind of community group that any one day and time when we meet could have 30 different folks representing anything from the police department to the higher ed institutions to maybe a private individual who has donated quite a bit to the Hastings Community Foundation. So we have a variety of people. So the grantor went through CASA. [LR537]

SENATOR GLOOR: But... [LR537]

DONNA MOSS: I mean the grantee is CASA. [LR537]

SENATOR GLOOR: But you will provide services to any youth up to age 21 regardless

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of whether they're wards of the state or not. [LR537]

DONNA MOSS: Correct. [LR537]

SENATOR GLOOR: Okay. [LR537]

DONNA MOSS: And, in fact, to date--and I probably will be corrected by one of our homeschool liaisons or our social workers--I think we've got 52 of those kids now that were never affiliated with the foster care system who have been couch surfing for a variety of years and for a variety of reasons. [LR537]

SENATOR CAMPBELL: Hmm. [LR537]

DONNA MOSS: And our job as public educators is to keep them in school. And now--and we've always had good links with higher ed in the Hastings Community--we want to ensure that those kids have permanent living. And our arrangements that we currently have for the...it was called the Transitional Living Center, the TLC. Mary Lanning Hospital now has donated additional money, so it is going to be called the Maryland Living Center so that we can complete--very hard to find grants that will support bricks and mortar. [LR537]

SENATOR MCGILL: Yeah. [LR537]

SENATOR CAMPBELL: Yeah. [LR537]

DONNA MOSS: And we needed a place for the kids, so...and they will be renting their own apartments. We're hoping to have at least 12 apartments that will be available, two that will be available for the houseparents or "resident managers," we're going to call them, because if I was an 18-year-old, I wouldn't want a houseparent. I would accept a resident manager, but not a houseparent. I'm 18. [LR537]

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SENATOR GLOOR: Let me ask just an operational question. [LR537]

DONNA MOSS: Um-hum. [LR537]

SENATOR GLOOR: If I were a youth living in Omaha or Lincoln and heard about this,... [LR537]

DONNA MOSS: Um-hum. Um-hum. [LR537]

SENATOR GLOOR: ...I'd move my couch surfing to Hastings. (Laughter) But, I mean, my question is,... [LR537]

DONNA MOSS: Yes. [LR537]

SENATOR GLOOR: ...is there a way that you control that, or is that not a problem at this point in time and you've got enough... [LR537]

DONNA MOSS: Well, we're anticipating it being a problem because there are so very few, as some of the other speakers have indicated,... [LR537]

SENATOR CAMPBELL: In Omaha and Lincoln. [LR537]

SENATOR MCGILL: Um-hum. [LR537]

DONNA MOSS: Yes, very few opportunities for youth. So our board, our governing board and all of our community collaborators, would like to prioritize children and youth who are residing in the central part of the state first. However, you know, the kids, the youth are going to be in a program that has some requirements, some accountability, so we'll take every application. And I believe that by taking those applications, once we're

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up and ready for the programming, we'll have the data to show how many youth we are actually talking about in the state. [LR537]

SENATOR GLOOR: Well, I want to emphasize that, for the record, so that we don't find ourselves getting so comfortable that, well, Hastings will take care of the state's problem. [LR537]

DONNA MOSS: Thank you. Thank you. [LR537]

SENATOR GLOOR: I mean, it's wonderful that you have that available in central Nebraska, but it also speaks to the fact that, you know, eventually, if we don't do something, you will find yourself becoming more and more a magnet for that need. And so... [LR537]

DONNA MOSS: Correct. Correct. And you are expressing some of the concerns... [LR537]

SENATOR GLOOR: Sure. [LR537]

DONNA MOSS: ...and some of the challenges that the community of Hastings has also expressed regarding the project. [LR537]

SENATOR GLOOR: Well, thanks for your efforts. [LR537]

SENATOR CAMPBELL: We do have transition programs in Lincoln and Omaha, but certainly not in your area. And you had a great article in the Omaha World-Herald. [LR537]

DONNA MOSS: Um-hum. Um-hum. [LR537]

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SENATOR MCGILL: Um-hum. [LR537]

SENATOR CAMPBELL: That was just a great story. And please convey our thanks to the city of Hastings and all those involved. [LR537]

DONNA MOSS: I will. [LR537]

SENATOR CAMPBELL: Great story. Senator McGill. [LR537]

SENATOR MCGILL: And I'd just like to thank you. I'm putting on my human trafficking hat because many of the victims of human trafficking are homeless youth. [LR537]

DONNA MOSS: Correct. [LR537]

SENATOR MCGILL: And so getting them off the streets in a safe place will help prevent a lot of additional problems outside of maybe the things we were here to discuss today. [LR537]

DONNA MOSS: Yes. [LR537]

SENATOR MCGILL: So thank you very much. [LR537]

DONNA MOSS: Thank you very much. [LR537]

SENATOR CAMPBELL: Thank you for your testimony. [LR537]

DONNA MOSS: Um-hum. [LR537]

SENATOR CAMPBELL: I believe I saw one other hand of a person who wished to testify. [LR537]

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LAURIE BAUMERT: I'll be brief. I'm Laurie Baumert. My husband Chuck and I traveled from Norfolk today to be with you. And I want to say thank you to Senator McGill for bringing this initiative forward, and it was a great opportunity for me to listen and hear what is being done. And I'm here just today to advocate for our son, who is aging out of being a state ward at the age of 19 this coming March. Just to update you, my husband and I met with Senator Campbell in her office in 2010, along with a gentleman named Scot from Behavioral Health, and his constituent. We discussed our son at that time. It is a little bit different of a situation. Eric left our home when he was 14 and running away. We had adopted him at four-and-a-half. His first three-and-a-half years were in a very tumultuous, neglectful home environment. He spent one year in the foster system. And my husband and I, as aging adults, young newlyweds, decided to adopt this young man. It was not an easy thing to do. We didn't think it would be quite as bumpy as it's been, but parenting doesn't come with a handbook. You go all along the course. There were social difficulties, academic difficulties, and at 14, Eric ran away. He spent two years at Boys Town, 11 months in the locked unit. From there he went to DSN in Lincoln, also an enhanced treatment group home, where for a six-month stay it was a locked unit. He assaulted someone there. He dislodged a gas line, causing an evacuation to the building. And may I back up and say, when he was at Boys Town he had a felony charge against him there. These things all went to court and they were, because of the juvenile system, they were...overlooked, shall I say? However, when he dislodged the gas line in Lincoln, he did go to Kearney, and he spent nine months there--also a locked facility. He's had difficulties with assaulting other children, hurting himself. After Kearney he was able to come home for the first time last summer at the age of 18 and spent six months with our family, my husband and myself. It was not easy. About every five or six days he would have an event of some sort, behavioral, where he would maybe climb the corncrib in the backyard and threaten to jump, hurt himself or others. He was able to join the wrestling team but unable to continue being on the wrestling team or the football team. He was able to get his learner's permit. He was able to participate in numerous family events with us. But in January, again his

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behaviors went more south, and he was EPCed again. We moved from our home. Currently he's in Wichita, Kansas, in "repercussivity," I believe is the word, and pardon me for my lack of true understanding regarding some of that. But he is at a facility there that provides a locked facility for him. He swallowed a poker chip in April and had to have emergency surgery which could have resulted in him having a feeding tube. He has assaulted staff and other people there. He is able to maintain behaviors for five or six weeks at a time. Seven weeks is about his best. He's a lovely, lovely child. He played piano for six years and accomplished swimming lessons. He is very capable in many respects. He has different IQ levels between verbal skills, performance skills, and other skills in his IQ, so perhaps some of that is the difficulty for him. But in March he will no longer be a state ward, and we are wondering what to do with our son. And I'm here just on behalf of those other parents that aren't here today to say, and I know you know this: Thank you for your work on behalf of these children, and thank you today for allowing the opportunity for us to come and learn and hear of the good things that are going on. [LR537]

SENATOR CAMPBELL: Ms. Baumert, I'm going to ask you to stay for just a second. [LR537]

LAURIE BAUMERT: Um-hum. [LR537]

SENATOR CAMPBELL: Did you spell your name for the record? [LR537]

LAURIE BAUMERT: Oh, I apologize. [LR537]

SENATOR CAMPBELL: Could you do that, just so the transcribers make sure it's correct? [LR537]

LAURIE BAUMERT : I'm sure you can hear my heart pounding. I'm sorry. It's L-a-u-r-i-e, and Baumert is B-a-u-m-e-r-t. Thank you. [LR537]

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SENATOR CAMPBELL: And I do want everyone to know that Mr. and Mrs. Baumert came to my office and we had a great conversation. [LR537]

LAURIE BAUMERT: Um-hum. [LR537]

SENATOR CAMPBELL: And they have a beautiful book about their son. [LR537]

LAURIE BAUMERT: Um-hum. [LR537]

SENATOR CAMPBELL: And unfortunately, Mrs. Baumert, I still don't think that the state of Nebraska does a very good job with high-needs children that your son represents. [LR537]

LAURIE BAUMERT: Um-hum. [LR537]

SENATOR CAMPBELL: But that doesn't mean that we've forgotten him... [LR537]

LAURIE BAUMERT: I believe that. [LR537]

SENATOR CAMPBELL: ...or that we aren't working for him. [LR537]

LAURIE BAUMERT : I do believe that. Thank you. [LR537]

SENATOR CAMPBELL: Thanks for coming today. [LR537]

LAURIE BAUMERT : Thank you. Yes. Thank you for listening. Okay. Thanks. [LR537]

SENATOR CAMPBELL: Do we have anyone else in the hearing room who wishes to testify on LR537? Okay. Senator McGill, did you wish to make any closing comments?

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[LR537]

SENATOR MCGILL: Yeah, I'll just say real quick from here, if that's okay,... [LR537]

SENATOR CAMPBELL: Sure. [LR537]

SENATOR MCGILL: ...that I think we did a good job of setting a foundation last year with our reforms of the child welfare system. And I know the committee is doing a lot of work on the front end in trying to make reform efforts there in what youth we bring into the system and how we do that. And this next session will be an opportunity to make some changes there on the front end, and we shouldn't ignore the back end either, because as much as, you know, our goals are to lower the number of youth in the foster system, hopefully lower the number of youth who will eventually be aging out, there will always be youth who aren't identified as being in an abusive household until they are teenagers. There will always be some of those who have kept secrets about what's happened to them until they're 12, 13, 14. And at that point it's so hard to get them into a permanent household and a permanent situation, and so we do need to make sure that we have the right pathway for those older kids to find success as they are getting out of the system. And hopefully the overall numbers do go down over the next couple of years. [LR537]

SENATOR CAMPBELL: Well, we appreciate all the work that you've put into it, and certainly the experts that you brought today are very helpful, so. Senator Gloor. [LR537]

SENATOR GLOOR: I, like Ms. Baumert, even with all our involvement in child healthcare reform, have never heard the term "repercussivity." And so during break, if somebody could come up to me and tell me what that is or means? [LR537]

SENATOR MCGILL: I think she means the contracts. [LR537]

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SENATOR CAMPBELL: I think she means reciprocity. [LR537]

SENATOR GLOOR: Reciprocity? [LR537]

SENATOR MCGILL: Yeah, the contracts we have with other...yes. [LR537]

SENATOR CAMPBELL: I think so. [LR537]

SENATOR GLOOR: I know what reciprocity means. Thank you. [LR537]

SENATOR CAMPBELL: And she has, unfortunately, left. And if you saw Mr. and Mrs. Baumert leaving, they had the book about their son with them. [LR537]

SENATOR MCGILL: Um-hum. [LR537]

SENATOR CAMPBELL: Okay. We will close the public hearing and we will take a five-minute break. Thank you all. [LR537]

BREAK

SENATOR CAMPBELL: All right. If you would all please just find your chair. And Senator McGill also has the second hearing. Can I ask how many people are new to this hearing, have not been here? Okay, I'm not going to go through all the housekeeping. Are you planning to testify?

\_\_\_\_\_: Yes.

SENATOR CAMPBELL: Okay. You just need to fill out an orange sheet.

\_\_\_\_\_: I have one.

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SENATOR CAMPBELL: Perfect. And when you come forward you identify yourself and spell your name. I think you're set. Just a reminder about the cell phones. Otherwise, we will open the hearing this afternoon on LR533, Senator McGill's interim study to examine whether there are enough resources currently present in schools to detect and treat mental illness in school-age children. Welcome again, Senator McGill. [LR533]

SENATOR MCGILL: (Exhibits 32 and 33) Yes, and we know the answer to that is no. (Laughter) I think we all know that. (Laughter) But trying to get a better grasp of exactly what's going on around our state, maybe find some good partnerships that are working, some programs that are working to help with school-age kids. Let me take a step back though and just quickly explain my interest in this. And I don't think any of you were here during our wonderful safe haven situation during my first couple of years in the Legislature. And what struck me the most was, at first, the outrage--why would these parents do this, drop their kids off; but then learning, oftentimes directly from LPS teachers who worked with some of these youth, that those parents did everything they could to try to help those kids get the services they needed. And we were overwhelmed as teachers; we'd have to spend our whole day just one on one with this child when we're not mental health physicians. They're too disruptive to have in the classroom. And, you know, I began to realize how many young people in our state there are, even at elementary school age, that are showing signs of serious mental illness and behavioral health problems, but yet we don't have funding streams to really help treat their problems. BryanLGH has one facility for kids under 13 years of age. But even then I think Medicaid only funds them for five days, and then they're back home with their families and their problems aren't really treated. And then it's left onto the schools to have to handle these problems on a daily basis. And it's something that I became very passionate about several years ago. But with everything else in the child welfare system imploding, you know, that kind of drew our attention. But I feel like during my last couple of years in the Legislature I'd like to make sure that this problem starts to get addressed as well because, I mean, it impacts those youth too. Many of the youth that have those

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problems are in the foster care system as well. And how do we start treating them at an earlier age, work with the schools who can identify the problem firsthand? And I don't know if the answer is something like community health centers in schools, only mental health centers. I don't know what the answer is, but right now trying to gather information, hear from our schools about what they are doing, what their specific challenges are, and what they're hearing from their parents. One of the letters I have here that I passed out to you is from a principal of Pershing Elementary in Lexington. And he details two students that they've had severe problems with. And in fact, with one of them, he as the principal has had to take on the educational responsibilities of that student because they don't have any other staff to do it. So the principal is teaching this one student. The resources that the schools are having to use then to treat these instead of educating the majority of students, I mean, it's overwhelming for a lot of folks. On the flip side of this, those are obviously the students who have severe problems. They do exist. We need to find ways to get them treatment at younger ages. And I know that's complicated by Medicaid rules, but we need to find ways to do that better. On the other end of the spectrum are young people who may just be struggling from a quiet depression and are suicidal. And we do have startling suicide rates, you know, in our schools, and we need to be working to help prevent those situations from happening as well. And so I see them as two different problems but under the same umbrella of dealing with mental health in our schools and how to make sure we raise our children in ways where they're getting the treatment that they need and the stability that they need to be successful adults. So that's why I'm here. [LR533]

SENATOR CAMPBELL: Questions? Oh, sorry, Senator McGill. Senator Gloor. [LR533]

SENATOR GLOOR: Thank you, Senator Campbell. And thank you for bringing this resolution forward, Senator McGill. One of the comments I'd be remiss if I didn't make is: One of the solutions that we have talked about for this sort of thing legislatively, and we've even had a bill from Senator Nordquist related to school-based clinics,... [LR533]

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SENATOR MCGILL: Um-hum. [LR533]

SENATOR GLOOR: ...because I know the one that we established in Grand Island in the late '90s started...I mean, its intent was to provide basic primary-care services through a nurse practitioner. [LR533]

SENATOR MCGILL: Um-hum. [LR533]

SENATOR GLOOR: Within several months the kids who presented to that clinic were dealing with a host of behavioral health and substance abuse problems, and so they added a therapist as well a substance abuse counselor, and I'm assuming that it continues to this day. I know that school-based clinics are involved. Not every school can do it. There is expense; you need a community partner. But on the other hand it's certainly, certainly an effective way, I think, if you can get one established. And so you know that, but I say that again for the record and so that hopefully we'll continue to see efforts toward establishment of school-based clinics. There were at least two documented cases during the time I was there of kids who had gone home to commit suicide,... [LR533]

SENATOR MCGILL: Hmm. [LR533]

SENATOR GLOOR: ...whose connection with that clinic and the therapist there was such that they knew that the child was gone from school inappropriately and intervened and, they believe, stopped two suicides that were likely to happen. So there is one option, not a simple one; but then the solution to this isn't simple in the first place. [LR533]

SENATOR MCGILL: No, it's not. And one thing I've been learning, we held a community meeting last week where we had a variety of schools in and chatting with us, many of which are here today, and just the different sizes of school districts make that more

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possible in some areas than others, and yet these children exist almost everywhere. And so trying to figure out how we can move things forward without mandating everybody have a certain format or...you know, it is such a difficult problem to wrap your arms around and find the solutions to, but we have to take it on. [LR533]

SENATOR GLOOR: Yeah. [LR533]

SENATOR CAMPBELL: You know, Senator McGill, one of the things that we're going to talk about next Tuesday at the LB603 hearing in the afternoon. [LR533]

SENATOR MCGILL: Um-hum. [LR533]

SENATOR CAMPBELL: And we're going to hear reports and the committee will...you're going to get a rough draft, probably in your box right now. But one of the things that I have particularly left open are the observations from the committee for us to discuss. And I will be proposing a bill that we continue the LB603 oversight, because we are just beginning to get into that phase now of what programs need to be put into place. And it would seem to me that we should just add this whole education component to the LB603 as a new focus, because they all come together. [LR533]

SENATOR MCGILL: Um-hum. Um-hum. [LR533]

SENATOR CAMPBELL: So you might want to be thinking about that for next Tuesday... [LR533]

SENATOR MCGILL: I think that sounds like a fabulous idea, Senator Campbell. [LR533]

SENATOR CAMPBELL: ...and an observation that we could add to our report to our colleagues as we come back to them. But this would be just an excellent start for that. [LR533]

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SENATOR MCGILL: Um-hum. Thank you. [LR533]

SENATOR CAMPBELL: Thank you for bringing it forward. [LR533]

SENATOR MCGILL: Um-hum. [LR533]

SENATOR CAMPBELL: And do join us again. [LR533]

SENATOR MCGILL: I will. [LR533]

SENATOR CAMPBELL: The testifier that I have listed today is Nancy Meese (phonetic). Is Nancy here? And I bet I'm not saying that last name right. [LR533]

NANCY MIZE: No, but (inaudible). [LR533]

SENATOR CAMPBELL: And Nancy is with Child Guidance Center here in Lincoln. She is the director of outpatient services, and so... [LR533]

NANCY MIZE: Oh, I do need my copy. Thank you. [LR533]

SENATOR CAMPBELL: ...and has her Ph.D. in this area and, I would like to add for the record, was so instrumental in helping us in terms of focusing and looking at individual children when we looked at LR37 when we did the whole child welfare, so I want to thank her for that help. And she is once again here to offer some guidance, so welcome. [LR533]

NANCY MIZE: (Exhibit 34) Thank you. Thank you, Senator Campbell, members of the Health and Human Services Committee. As Senator Campbell said, my name is Nancy, N-a-n-cy, Mize, M-i-z-e, and I am a clinical psychologist and the outpatient services

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director at the Child Guidance Center here in Lincoln. Today I am here representing both Child Guidance and the Nebraska Association of Behavioral Health Organizations in testimony on LR533. The latest research provides the most powerful argument yet that optimum mental health assessment and treatment must be available as early as possible. The discussion today regarding the provision of these services in schools is a critical step in meeting this goal. We now know that adverse childhood experiences influence health and well-being throughout the life span. School personnel may be the very first people to note a child's disrupted neurodevelopment resulting from the overuse of those parts of the brain that provide "flight or fight" options rather than a higher level of brain functioning. Each year that this child fails to have the treatment that he or she needs, the child falls further behind, and developmental milestones are either met late or not at all. These children, having experienced neglect, abuse, multiple transitions, domestic violence, and/or drug/alcohol abuse in their homes exhibit social, emotional, and cognitive impairment. The trajectory continues with the adoption of risk behaviors. These behaviors result in disease, disability, and social problems that exacerbate as they reach adulthood if they do not receive treatment. The Centers for Disease Control and Prevention reports that a traumatic childhood, untreated, reduces life expectancy by 20 years. This is not just a mental health issue. It is a healthcare system issue as well. Approximately seven years ago, Child Guidance joined with LPS, other community providers, DHHS, Probation, and the Lincoln Police Department to form the Immediate Needs committee to address the increasing episodes of aggressive incidents by students that were risky to peers, to school personnel and property, and to themselves. At that time, Child Guidance and other providers made a commitment to provide services in as many high-needs Lincoln schools as possible. Child Guidance currently provides services in 18 Lincoln public schools at no cost to schools. These services target children who would not otherwise receive services because their parents either cannot or will not provide transportation to a facility. Our presence in the schools also allows for optimal collaboration between the therapist, the supervising practitioner, and of course, school personnel. The proximity of the school also allows for a higher probability that parents may involve themselves in the process of treatment. We also

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provide pre-post outcome measures that are completed by the child, family, school personnel, and by our clinician; and the outcomes of these services and these assessments are consistently positive. For each year, we receive requests to add schools and to increase the hours in current schools, and each year we struggle to do so. We struggle to do so because we access Medicaid for reimbursement for the schools we provide. Insurance no longer provides reimbursement for treatment on school sites. Our reimbursement from Medicaid averages \$65 per treatment hour, and it costs us about \$100 a treatment hour to provide the service. The cost to provide the service is supplemented by other agency programs, by grants from local foundations, by United Way, and by small community donations, but these supplemental resources do not allow us to break even in this program. This is not the only barrier that we address in order to provide these services. In order to encounter the least fiscal risk, our clinicians must have full caseloads. Clients must be referred through the school, and the school makes the first contact with the parent to receive consent for the child to be seen. With the multiplicity of tasks facing school personnel at the beginning of each school year, referral of clients to the Child Guidance clinician often is low priority, and the clinician may not have a full caseload until mid-October or later. The result is additional fiscal risk and is always a factor when we review our capacity to continue and/or expand this program at the end of the budget year. The reality is that despite the importance of convenience for parents and the richness of collaboration with teachers and other school personnel, each year the fiscal risk increases for our agency and for other agencies that provide on-site school services. We commit to on-site treatment of these children who experience mental illness and trauma because this is the right thing to do. But it is also the smart thing to do in the long term, in terms of saving public dollars, mitigating human misery, and protecting human potential. For too many years the treatment of mental health issues congruent with adverse childhood experiences has been viewed as a luxury, or worse, as a very poor use of both private and public dollars. The collaboration between mental health providers and schools is more critical than ever before. The research is clear that treatment works and that the earlier that treatment is available the more effective our outcomes. But to sustain, and certainly to

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expand these programs to meet the need, the fiscal risk cannot continue to fall solely to providers. Thank you very much. [LR533]

SENATOR CAMPBELL: Thank you, Dr. Mize. Questions? Comments? Senator Gloor. [LR533]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Dr. Mize. This would help me, if you could explain Child Guidance, I mean, who Child Guidance is, what Child Guidance is. [LR533]

NANCY MIZE: Oh, that will take a little while. I'll hurry. [LR533]

SENATOR GLOOR: We have time. [LR533]

NANCY MIZE: All right. We opened in 1949. The Junior League of Lincoln initiated that process to treat nervous children. Since that time we have expanded. I supervise seven programs within the outpatient program, and we also have a residential program for adolescent males who have engaged in inappropriate sexual conduct, and we also provide treatment and assessment at the assessment center, in connection with the detention center. One of our programs is this school program that I'm referring to. We also do... [LR533]

SENATOR GLOOR: Are you a not-for-profit? [LR533]

NANCY MIZE: We are a not-for-profit. [LR533]

SENATOR MCGILL: Um-hum. [LR533]

SENATOR GLOOR: So you have a board of directors? [LR533]

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NANCY MIZE: We have a board of directors,... [LR533]

SENATOR GLOOR: Okay. [LR533]

NANCY MIZE: ...one of whom will be testifying later, because he's with LPS. [LR533]

SENATOR GLOOR: Okay, that helps. Thank you very much. [LR533]

NANCY MIZE: Okay. [LR533]

SENATOR CAMPBELL: In Lancaster County, both Child Guidance and the Lancaster Office of Mental Health predated much of the structure of regions. And so when the regions were put together in Region 5 for Lancaster County, Child Guidance handles all children and youth and the Lancaster office handles adults. So in some of the regions, you would know them as handling both, but because these agencies predated the regions, it's separated here. So Child Guidance is the agency in this county that addresses children's mental health issues. Would that be correct? [LR533]

NANCY MIZE: Right. And we never turn anyone away even if we have to treat them for nothing. [LR533]

SENATOR GLOOR: Under the same parameters as a community mental health center,... [LR533]

NANCY MIZE: Very much, very much the same. [LR533]

SENATOR GLOOR: ...as an example. Very much similar. [LR533]

SENATOR CAMPBELL: Yes, very similar. I mean it's just a foundation agency here. [LR533]

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SENATOR GLOOR: Yeah. [LR533]

NANCY MIZE: Yes, about 50 percent of our clients are...actually 70 percent, last fiscal year, are below the poverty level. [LR533]

SENATOR GLOOR: Are your sources of funding both donations as well as... [LR533]

NANCY MIZE: Medicaid. [LR533]

SENATOR GLOOR: Medicaid. [LR533]

NANCY MIZE: I write grants. [LR533]

SENATOR GLOOR: Block grants. [LR533]

NANCY MIZE: Region 5 provides some money, but not for this school program that we're talking about. [LR533]

SENATOR GLOOR: Are you a United Way agency? [LR533]

NANCY MIZE: United...we have some...about 4 percent of our budget is covered by United Way. [LR533]

SENATOR GLOOR: What a nice resource for this community. [LR533]

NANCY MIZE: Um-hum, it certainly is. [LR533]

SENATOR CAMPBELL: Are you still getting... [LR533]

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NANCY MIZE: But it's...we don't use all of that money for the schools. We have to use it in some of our other programs as well. [LR533]

SENATOR GLOOR: Sure, sure. [LR533]

SENATOR CAMPBELL: And you're still getting some county dollars? [LR533]

NANCY MIZE: We are. Thank you, Kit. Yes, we are. [LR533]

SENATOR CAMPBELL: Senator McGill. [LR533]

SENATOR MCGILL: Because, you know, the child and adult separation, how much are you able to work, if at all, with some of these kids on wraparound, like with the whole family, because I'm sure some of the problems are more family-based as well? [LR533]

NANCY MIZE: Absolutely. We believe that we cannot treat the child in a vacuum as well as we could treat the child in the family context; and so we make every effort to include the families. [LR533]

SENATOR MCGILL: I suppose that's the one... [LR533]

NANCY MIZE: That is in our purview as well. We see them, usually under the chart or under the auspices of treating the child, because the child will have Medicaid and they will not. We also have \$35,000 a year from Region 5 to help cover adult services... [LR533]

SENATOR MCGILL: Okay. [LR533]

NANCY MIZE: ...which means that when we have an adult in the family with unresolved trauma, we can see that. If they have a separate issue from the family issue or the child

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issue that is impacting on the child, we can see them individually. We can also do marital therapy with those same dollars should it be that there are problems in the marriage that are impacting negatively on the child. [LR533]

SENATOR MCGILL: I suppose one of the, perhaps, downfalls of a school-based clinic or program would be that the whole family isn't there? Or are you able to do some during an hour of the day that they can all be there? [LR533]

NANCY MIZE: We make every effort. And certainly all of our school therapists are available at least one evening a week... [LR533]

SENATOR MCGILL: Okay. [LR533]

NANCY MIZE: ...if the parents are willing to come in either to the school or to our downtown agency. [LR533]

SENATOR MCGILL: How much do you struggle with parents who are resistant? Like my child doesn't really have a problem, or they don't have a problem because that would mean I did something wrong; how much is that a problem with these young kids that might be showing behavioral health problems? [LR533]

NANCY MIZE: It's a huge problem. It really requires great skill and great empathy. It requires the understanding that parents are experts on their children and we are experts in other areas, and we have to put that together. You know, I think too many times we see parents and we feel negatively toward them because of how they are treating their children. But if you look a little more deeply, you see that these are probably parents with unresolved trauma or who had no chance to learn how to be a parent because of how they were treated as children. And so we open our hearts and our expertise to these parents with the strong belief that 99.9 percent of parents want to be good parents. They would do it if they could, if they knew how. I will also say that one of the

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positives about the school program is that we make a huge number of CPS calls based on our interactions with children in the schools. We try to do that in a therapeutic way which means that we talk to the parents, and we say, we understand you're under difficult circumstances; if you will work with us in calling CPS, CPS may be able to give you some resources that will help you address the issues that are making it difficult in your family. So we try to keep parents as involved as possible and do it in a respectful way with the strong belief that if they know how, they'll be good parents. [LR533]

SENATOR CAMPBELL: Dr. Mize, we are becoming much more attuned on this committee to the effects of trauma. Boys Town did a daylong...brought in a speaker and a number of people to begin really looking at this topic. And one of the most interesting research projects that someone, and I believe that was the legal counsel who said you must read this, was the number of ACE indicators... [LR533]

NANCY MIZE: Yes. [LR533]

SENATOR CAMPBELL: ...that parents who are having neglected the children are abused, how high the number of ACE indicators were for those parents and how that trauma lives on and on and on and on; and you begin to wonder how you can really address the child in those situations with that high of indicator in the parent. Do you see that in your practice too? You mentioned the ACEs here. [LR533]

NANCY MIZE: I did. Absolutely. We also believe that there are mitigating factors, there are positive mitigating factors that can mitigate those adverse childhood experiences. And also, as I said before, if one can treat the parent, then the multigenerational issues begin to dissipate. You know, I wouldn't be in this field if I didn't believe in human beings having the capacity to be resilient. I just think that we need to be aware. They need to get the treatment and they need to access their own resiliency. Because sometimes, once one has been abused or mistreated or not cared for or moved from foster home to foster home too many times, a person may begin to give up and forget that they have

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the capacity to be resilient. I believe 99.9 percent of people have the capacity to be resilient. And as you can tell by looking at me, I'm not a baby to the field, so I'm not naive. [LR533]

SENATOR CAMPBELL: Thank you. Any other questions or comments from the senators? Thank you so much for your testimony today. [LR533]

NANCY MIZE: Thank you. [LR533]

SENATOR CAMPBELL: Are there others in the room who wish to testify on LR533? Yes. [LR533]

TONI PALMER: Good afternoon. [LR533]

SENATOR CAMPBELL: Good afternoon. [LR533]

TONI PALMER: Thank you. My name is Toni Palmer, T-o-n-i P-a-l-m-e-r. I don't want to make that same mistake of forgetting to spell my name. [LR533]

SENATOR CAMPBELL: Thank you. [LR533]

TONI PALMER: I am here representing Grand Island Public Schools, as well as the Nebraska Council of Special Education Administrators and Supervisors. And, you know, I had this letter drawn up with key points. And as I sat and listened to the session before, and then I listened to your comments and your questions, I might refocus a little bit some of my key points. So I'm not going to present the letter, but I might send a follow-up letter after this session. My experience: I've been in the field for about 21 years. I started as a teacher of students with significant behavior disabilities in Cedar Rapids, Iowa. I was in that field for about three years and then moved into just teaching some special education classes and then regular ed classes; moved to Grand Island,

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Nebraska, in the year of 2000; was a principal for eight years. So I've spent several hours working with kids that have significant disabilities in the areas of behavior, whether identified or not. I've spent many hours working with families and children. And as I think about, you know, the way that we approached, you know, my mind was always about this child; how do I help this child and how do I reach out to the families so that they feel comfortable working with us? And this is not a problem just for Grand Island Public Schools; it's a problem for all of our surrounding communities. It's an issue that we are constantly seeking answers for and support for. And just for example, the last two years we recognized...this is my third year in my new position. But the first year we spent a year just assessing where we were, working with our most difficult children and children that we struggled with, either internalizing behaviors or externalizing behaviors and how it affected their academics. And what we found was we just didn't have the right services in place. We didn't have the education; we didn't have the resources. We weren't able to reach out and...for consistency of supports with mental health practitioners. So we developed our own program that we call Skills Academy and it's a K-12 model. And, you know, we do have the wellness center at the high school. The wellness center does support students before they get to the point that their behaviors are so significant that they would require this program. This program is for our most significant students. These are identified students with behavioral or emotional disorders. It's a very restrictive program. It's based on research. We had outside consultants come in and work with us on how to use cognitive behavior therapy; how to develop a structured program that was a 5 to 1 student ratio; that we could work with the families. We hired three licensed mental health practitioners that work just within our program with these students. And what we have found is great success. I mean, although it's only been a year, the students and the families that have been a part of this program have developed a pretty bonding relationship, almost to the point that when it's time for students that have developed skills in order to transition back into classrooms, they don't want to go. They feel safe; they feel supported; the parents...it's the first time that parents have not been called every day to come get their child from school or with them complaining about their behaviors. And so when I look at that, I think, wow, we

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can do this. This is so retroactive because it's after the fact, that the problems have gotten so significant and so severe that we're providing these types of services for these students. And so I dug in a little bit more and found some additional research. We implement Response to Intervention model for our academics and for behavior in our district. And I pulled out some numbers. We have 95 students that are currently in our Response to Intervention program, which is a tiered model, identifying students early that might have behavioral concerns. And we bring teams together to help address those early, if they notice that these problems are interfering with their academics. Ninty-five students, K-12, are currently in our process. And we're school based. I mean, we're using our social workers; we're using our counselors, but they're not licensed mental health practitioners. We're providing supports, trying to connect with families. But it's very difficult and we don't have the knowledge and skills on how to really deal with mental illness. So, you know, the barriers that we've noticed, you know, as we try to connect with outside agencies, it comes down to funding; it comes down to access. Their caseloads are huge. And so they might...you know, I just...I thought about this one family that the parent called me and just said, we've got MST in the home and we called Region 3, we've got some supports; you know, we want to do school-based wraparound. Six weeks later she called and said they're dropping us now because of funding; they no longer can support our family. And the cycle started all over again for this child and his behaviors. So it proves to us that there has to be a comprehensive model to help support these students, that the school can't do it, the licensed mental health practitioners on their own can't do it. It has to be a comprehensive model. And what I don't want to see is the lack of funding to be the reason to deny a kid of services or to cease supports to families in order to make that happen. So I think...you know, I think in recommendations, you know, I talked to a lot of our social workers, I spent some time visiting with our consultants and our principals, and, you know, we really do believe that school-based mental health services would be a true benefit. We, however, don't feel like it would be in the best interest for our districts to take on that fiscal responsibility. It would be very taxing and very difficult to manage because we still need that family piece as part of that service. We think the school would be a place to host, to

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manage, and to connect with families. I read an article a couple days ago that said, you know, our kids with mental illness become very school dependent; and that just rang so true to me because it is a place where they feel safe. They come to school every day. I mean, they're there; they want that support. And in a way I think by parents sending their kids to us every day, they trust us. We have to work really hard for them to trust them to come into our realm and work with us to help their children. And I think that's just one option of how we can do that. [LR533]

SENATOR CAMPBELL: Could we kind of go to the question part, if the senators have some questions? [LR533]

TONI PALMER: Sure, absolutely. [LR533]

SENATOR CAMPBELL: Senator Gloor. [LR533]

SENATOR GLOOR: Thank you, Senator Campbell. Thanks for making the drive down here. [LR533]

SENATOR CAMPBELL: Thank you. [LR533]

TONI PALMER: You're welcome. [LR533]

SENATOR GLOOR: And you can educate me, but is the...so does the wellness center still have a behavioral health component to it? [LR533]

TONI PALMER: It does, and I really wanted to get some of that data to see how many kids are actually using it. There's a little stigma attached with a high school kid walking into the wellness center to receive services; and technically, they have to do it on their own. Well, that's hard because kids don't want to be seen as having issues or problems and don't reach out to solve those problems on their own. I really think it's part of our

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responsibility to help lead them to those services, to help provide that in an environment where they don't have to feel like they're walking in front of their classmates to walk into a counseling session. So it is there. I just don't know how frequently it's utilized and if it's utilized by kids that really... [LR533]

SENATOR GLOOR: Well, obviously, what the district has put in place, or the system has put in place has been a step beyond that and then some. I mean, clearly... [LR533]

TONI PALMER: Right. Very valued. Yes, absolutely. [LR533]

SENATOR GLOOR: Yeah, clearly it's going from, back when it first got started and there was nothing, now you've really transitioned to a much higher level. But are those services available K-12, or are they...? [LR533]

TONI PALMER: No, that's just at the high school. It does open up to middle school if we can make recommendations to families. [LR533]

SENATOR GLOOR: Like Walnut or Barr, both? [LR533]

TONI PALMER: Right. [LR533]

SENATOR GLOOR: Okay. [LR533]

TONI PALMER: Yes. [LR533]

SENATOR GLOOR: I think I have another question, but I can't recall it right now. And I can get ahold of her if I need to, so. [LR533]

TONI PALMER: Absolutely. [LR533]

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SENATOR CAMPBELL: Senator McGill. [LR533]

SENATOR MCGILL: I was just going to ask that you talk to my legislative aide, Amy Williams, when we're done. Amy, if you can raise your hand and wave, to make sure we collect as much information or work with you to gain more information and insight into what you guys are doing. I know one of my goals is to try to create a best practices Web site or, you know, a list of what everybody is doing and to see what common gaps are still there. You know, as you're saying, there are obviously there are still gaps. [LR533]

TONI PALMER: Right. There is a concern with bringing these programs back into our schools, but what we found is we (inaudible) students with serious mental illness to outsource them to other agencies wasn't effective. We weren't able to maintain communication. Academically we're still responsible for those students. And the treatment wasn't evidenced-based. And I think that's what is really important to us is that we're able to find some success in having the program within our school systems, so we really appreciate that. [LR533]

SENATOR MCGILL: About what age do they start in there? [LR533]

TONI PALMER: Our model is K-12. [LR533]

SENATOR MCGILL: Okay, so it can be the young..."youngins". Great. [LR533]

TONI PALMER: Yes. And early intervention is key, I think. What we struggle with right now is we don't want it to be to the point that they're so significant that they have to require a more restrictive model. We would rather provide those services early when we know that there are some symptomatic things happening, some characteristic behavior, so. [LR533]

SENATOR MCGILL: And most teachers can identify that. [LR533]

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TONI PALMER: Absolutely, even in our preschool. [LR533]

SENATOR MCGILL: Yeah, exactly. [LR533]

TONI PALMER: Um-hum, absolutely. [LR533]

SENATOR CAMPBELL: At this point the district covers the entire cost? [LR533]

TONI PALMER: We are a co-op, so we...Central Nebraska Support Service Program, so we serve Grand Island plus six additional member districts... [LR533]

SENATOR CAMPBELL: Oh, okay. [LR533]

TONI PALMER: ...that help support the program. The cost...70 percent of the cost is from Grand Island Public Schools. [LR533]

SENATOR CAMPBELL: And the other 30 percent is covered by the other school districts, right? [LR533]

TONI PALMER: From our member districts, right. [LR533]

SENATOR CAMPBELL: Has the program worked with anyone or received any funds through the region? [LR533]

TONI PALMER: No. The region was part of our study team. We did bring in outside agencies when we were studying the model, and so they were a part of it. They do provide some wraparound services, but they don't provide funding. [LR533]

SENATOR CAMPBELL: We had utilized an existing program within the regions and

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added more money to it out of the LB603 effort. And that was the reason for the question, because we've channeled some funds there, but if that isn't necessarily a workable solution, then for Senator McGill we would have to look at maybe another way to do that, but...because you certainly have a strong regional presence in the behavioral health field in central Nebraska. [LR533]

TONI PALMER: Right. Absolutely. [LR533]

SENATOR CAMPBELL: One of the best, so. Any other questions? Thank you for coming today and sharing your program. [LR533]

TONI PALMER: Yes. Thank you very much for your time. [LR533]

SENATOR CAMPBELL: Very helpful. Others who wish to testify in the room on LR533? Oh, okay. [LR533]

SENATOR MCGILL: And whoever wants to go next could come and move to the front. [LR533]

SENATOR CAMPBELL: Yeah, that's...sure, just come forward and take a seat in the front row and...good afternoon. [LR533]

MARY BAHNEY: (Exhibit 35) Good afternoon. Senator Campbell and members of the Health and Human Services Committee, I'm Mary Bahney, M-a-r-y B-a-h-n-e-y. I'm a licensed clinical social worker in Nebraska. And until I retired in June of 2008, I was a school social worker employed by the Millard Public Schools for 12 years. I am a member of the School Social Work Association of Nebraska, SSWAN. This is a membership organization of approximately 60 professional social workers employed by school districts and educational-related organizations across the state of Nebraska. I'm also the president of the Nebraska Chapter of the National Association of Social

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Workers, NASW, a membership organization of over 500 professional social workers in Nebraska, and I am here to speak on behalf of both of those organizations. Both SSWAN and NASW strongly support the concept of LR533. The information that LR533 seeks to obtain directly relates to what school social workers do every day as they engage with students and their families. Social workers employed by school districts can provide solutions to many of the problems students and their families are facing. Social workers are licensed as mental health practitioners. We are trained extensively in mental health assessment, mental health treatment, and case management services. School social workers are usually the experts in community services for their individual schools and districts. Licensed independent clinical social workers can independently diagnose and treat major mental disorders. As employees of school districts, we work closely with teachers, educational specialists, school psychologists, and school counselors. Our training brings a different element to the typical team of school professionals. We are effective liaisons between the school, home, and community. Because of this relationship with the school, home, and community, school social workers are invaluable in understanding the students in their environments. School social workers also seek to obtain an understanding of the students' culture and the impact that bears on all aspects of their lives. Every school day, school social workers interact with students who are experiencing bullying, harassment, trauma, along with diagnosed and undiagnosed mental disorders. The goal of all school social workers is to ensure that students obtain the services they need in and out of school so that each student can be successful in their academic careers. The mission of LR533 is exactly the daily mission of school social workers, which is determining, understanding, and addressing the extent of environmental and mental health issues that affect students across the state of Nebraska. The School Social Work Association of Nebraska and the Nebraska Chapter of the National Association of Social Workers welcome this opportunity to work with the Health and Human Services Committee in the quest to determine the extent of these issues in our schools and the best way they can be addressed. Thank you, Senator McGill, for bringing this important topic up for study and discussion. And also thank you to the Health and Human Services Committee for this

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hearing so that we can all learn more about mental health needs of our Nebraska student population. [LR533]

SENATOR CAMPBELL: Thank you, Ms. Bahney. Any questions from the senators? Thank you. Very thorough testimony. [LR533]

MARY BAHNEY: Thank you. [LR533]

SENATOR CAMPBELL: Uh-huh. Our next testifier. [LR533]

MARY YILK: Hi. I'm Mary Yilk, M-a-r-y, the two Marys must be talking at the same time, Yilk, Y-i-l-k. I am the elementary principal and special ed director for Doniphan-Trumbull Public School District. I've been in education for 30 years, so I've seen so much change in children. We used to have just behavior disordered kids. We were able to handle that in an educational setting with all the different strategies and bag of tricks that we have. The last probably five or six years, we're seeing mentally ill children. Right now I'm from...my school district is about 500 students, K-12; preschool, if you include them, there's another 12. So we're an average school district. Right now I have seven mentally ill children on an K-12 basis. Under that umbrella, where I have a senior girl going through right now school phobia, can be hid pretty well through, you know, the parents contacting the counselor, but not in special ed, so she is...we're tracking her through other means; two full-blown kindergarten, fourth grade, seventh grade students that we've needed assistance. Educators went in to educate. We are not medical at all. We don't have that background and most of us educators really don't want to go into the medical field because we went into the educational field. But what we're finding is that there has to be a merge to try and educate. We are responsible for educating these students, but sometimes it's impossible. There's one student that can't pay attention for longer than four or five seconds. So you might say, write an "A"; write an "A". Their minds are so foggy that they can't manage to learn. Doniphan-Trumbull, in case you don't know, is right in between Hastings and Grand Island. So Donna Moss and Toni

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Palmer are my good friends, and I call and say, hey, how about your program? They're full. They are taking care of their children. Doniphan-Trumbull doesn't have a hospital that they can co-op with. It doesn't have the psychologists, or we don't even have social workers. Our counselors do those things. It's a puzzle and I am so glad that you are looking into this. It is a huge, huge need. And I just think that we really don't have answers. But Senator McGill at least is taking that step, a first step, and then try and figure that out. I did want to bring up, if we bring up to parents that we suspect that they have mental health issues, their child, the school is liable. That means we have to pay for their mental illness health...or their doctors. So we're very touchy. And when we bring up to a kindergarten parent or a first-grade parent what we suspect, we kind of have to just lead them along until they finally say, maybe I should go to the doctor. Yeah, that's what you should do, because I can't afford to pay for them for their, you know, years of being in our school district. The safe haven did change some things. We have had parents that have worked so hard with their children and they're at wit's end. They don't know what to do any more. You know, they've tried suicide...the children have tried suicide, not the parents. But, you know, they tried to run away. This one parent said, would you please give this message to the senators; her son had tried to commit suicide a couple of times and then he had run away and a lot of different things happening at home. She had him in a truck with her husband to take him somewhere for help. This was two weeks ago. He is 13 and under. There are no places to take 13-year-olds, especially if they're aggressive. And she made many calls that night to say, help, I don't know what to do, I can't handle him anymore. He's mentally ill. The parents have worked and are fine parents. Of course, he had history with...he has a stepdad. The father, he saw abuse before the age of two, and I think that has put him in this spiral. There are many parents out there that don't know what to do. But I just want you to remember when you go through this, the educators aren't medical, and it is a medical problem, a biological problem. And I'm out of time. Any questions? [LR533]

SENATOR CAMPBELL: Senator Bloomfield. [LR533]

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SENATOR BLOOMFIELD: Thank you, Senator Campbell. How much are we jeopardizing, do you think, the, quote, normal kids by having these other... [LR533]

MARY YILK: In the classroom? [LR533]

SENATOR BLOOMFIELD: Yeah. [LR533]

MARY YILK: It's of very much concern. So I have seven, but then you times that in the classroom, they're either hitting, throwing a chair, biting a teacher, they're affecting six or eight other students that are traumatized. I had one little boy who hit a teacher, and 10-15 minutes later a student was...are you okay, are you okay? You know, it's traumatizing to the normal. So when it gets that bad, we do a...it's called a least restrictive environment. We may pull them into a smaller class or a smaller room with just a couple of other students. There is, right now, one student that the parent was upset with me and pulled him out of school. And so now we're homebounding at this point. So, sometimes it's hard for parents to trust us too. [LR533]

SENATOR CAMPBELL: Senator Gloor. [LR533]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Mary, for making the drive in there. Explain to me what we've done to ourselves or how we've put ourselves in a position of the school is now responsible for the care of bringing...is it just behavioral health, or is it also a physical health issues, when you bring it to the attention of the parents that they have a...? [LR533]

MARY YILK: It can be physical. [LR533]

SENATOR GLOOR: It can also be physical. [LR533]

MARY YILK: Um-hum. Um-hum. The vision and hearing screening, we have

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screenings... [LR533]

SENATOR GLOOR: Sure. [LR533]

MARY YILK: ...and then we do let them know if they need vision or hearing to go further with the doctor, so that hasn't been our responsibility. I have had parents ask, now are you going to pay for this? So, you know, some of the parents are expecting the school to be all, do all. And our society, there are mentally ill parents that we talked about, are raising children that are mentally ill. I don't know who we work first: the parents, get them well; or the children? But they are in our education system around children that we have to make sure they're safe, the other normal kids. [LR533]

SENATOR GLOOR: But is it the state...? [LR533]

MARY YILK: This is statewide. [LR533]

SENATOR GLOOR: I mean, does the Board of Education require it? I mean, how is it that the... [LR533]

MARY YILK: It's...I would have to refer, I don't know that for sure if it's Rule 51 or if it's the feds. Toni or Donna, do you know? [LR533]

DONNA MOSS: Brian (phonetic) just left, so... [LR533]

MARY YILK: Oh, darn. Okay. [LR533]

SENATOR CAMPBELL: We can get that information. [LR533]

SENATOR GLOOR: Yeah, we'll find out. [LR533]

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MARY YILK: Yeah, I think it's state, don't you? [LR533]

SENATOR CAMPBELL: We're going to lose you on the transcript so, sorry, we don't want to lose you. [LR533]

MARY YILK: Okay. Oh sorry, all right. I'm not positive, but... [LR533]

SENATOR GLOOR: We'll nose around and find out. I'm just trying to understand why that's required in the scope of what's required (inaudible). [LR533]

MARY YILK: And that's what we need to look at. [LR533]

SENATOR CAMPBELL: It was very helpful to our office, we had a parent call on a particular problem involving the Lincoln Public Schools and we had that person come in. We also had the legal counsel to the Education Committee sit in with us, and we also had the person from the Department of Education sit in on that meeting with us; and that was particularly helpful because Rule 51 or whatever the particular is, the Department of Education was able to explain that to the parent. So you and Amy may want to take a look; and we'll be glad to give you the names of the people that we talked to. The other thing is, if we do not have your address, if you could leave it for us, I would be glad to send out to you the help line number which was established through LB603. And we have found that helpful for parents across the state who are that mother you were talking about--I can't take it, I need to talk to somebody. The help line is run out of Boys Town with licensed people who are visiting with them. And they can also link them with peer support, navigators as they're called, and we have found that particularly helpful to parents. We are trying to reach more people in the central and western part of the state, because we believe there are a lot of parents out there that need help. But those numbers are not getting to the help line. So we're going to send you all kinds of information. [LR533]

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MARY YILK: Great. She did call the help line. [LR533]

SENATOR CAMPBELL: Good. [LR533]

MARY YILK: And they did tell her that a navigator would talk with her. [LR533]

SENATOR CAMPBELL: Call her...did she call? [LR533]

MARY YILK: I haven't talked to her the last four or five days, so I don't know. And I did have one other parent, two years ago, that wanted me to call the police to come take her son, 13 and under, nowhere for them to take him. And Social Services gave her a navigator, but cognitively there's a lot of paperwork when it comes to the navigation, and she cognitively... [LR533]

SENATOR CAMPBELL: Just couldn't handle that. [LR533]

MARY YILK: ...it was very hard. So they kind of walked her through that. So there's those barriers for some of those parents too. [LR533]

SENATOR CAMPBELL: One the things... [LR533]

MARY YILK: But the navigators are...it was a good idea to help them through the system. [LR533]

SENATOR CAMPBELL: One of the things that we're seeing in a pilot program in Omaha is where a call comes in and an intensive crisis unit goes to the home right away. And then the pilot is that for the next two weeks there is intensive therapy that goes on with the family. Now we kept saying, okay, this is the metropolitan area, but Region 3 has a similar type of program. And I know Beth Baxter has left, but that might be a resource for you to visit with. [LR533]

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MARY YILK: Okay. That would be good, because I'm not aware of that. [LR533]

SENATOR CAMPBELL: Correct. [LR533]

MARY YILK: I am not. [LR533]

SENATOR CAMPBELL: Yeah. In central Nebraska, with region...and they've been doing some really good things on crisis response to kids. [LR533]

MARY YILK: Region 3 has treated us very well when we call. [LR533]

SENATOR CAMPBELL: Yeah. So you might want to talk to Beth because I know that they're developing that. Thank you for coming today. [LR533]

MARY YILK: Well, I really appreciate. This is a step...and I know this is going...the more you get into this, the bigger this is going to get. But it is a huge, huge need that we need to start addressing and just take one chunk at a time. So thank you for your time. [LR533]

SENATOR CAMPBELL: Thank you for coming and for caring for your students. [LR533]

MARY YILK: Well, thank you for caring for all students...or all children. [LR533]

SENATOR CAMPBELL: And our last testifier, I think. And we don't mean to imply our last important there. I mean, we want to emphasize that what you have to say is just as important as the first person. [LR533]

RUSS UHING: Well, it could be...it could be good to be last or it could be bad to be last. [LR533]

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SENATOR CAMPBELL: Oh, it's always good to be last, sir. [LR533]

RUSS UHING: My name is Russ, R-u-s-s, Uhing, U-h-i-n-g, and I'm the director of student services for Lincoln Public Schools. Prior to that time I spent 20 years at Lincoln High School as a teacher and administrator prior to taking my current position. Thank you, first of all, for the opportunity to speak and also for addressing the issue of mental health with our youth. Public schools are committed to educating all children and helping them prepare for the next stage in their lives. At times, significant barriers in a child's life makes this education very difficult, and one of the increasing barriers that we see is mental health. Issues such as oppositional and aggressive behavior, depression, high anxiety, and trauma are not left at the classroom door when the child enters. While we can't provide ongoing mental healthcare to children and their families, we have an obligation as professionals to work with children every day to be aware of signs of mental illness and to assist them and their families in accessing the available resources to address those needs. A few statistics here: The National Federation of Families for Children's Mental Health states that 1 in 5 young people have one or more mental, emotional, or behavioral challenges; 1 in 10 have challenges severe enough to impair how they function at home, school, or in the community. And despite those high rates, 4 out of 5 children ages 6 to 17 do not receive any help and the majority of these students are minority children. The Suicide Prevention Coalition states that people with serious mental illness are between 6 and 12 times more likely to commit suicide. National suicide is the third leading cause of death of young people, behind accidents and homicides. And of people who die by suicide, 90 percent have untreated mental health issues; and of those, 60 percent show signs of depression. The statistics from Nebraska Suicide Prevention Coalition project relate...mirrors these trends...Nebraska is...suicide is the second leading cause of death of young people between the ages of 15 and 19; and suicide rates in Nebraska between the ages of 10 and 24 exceeds the national rate. And I say those to, again, to thank you in addressing these and to kind of highlight the seriousness and the increase of these issues. In Lincoln Public Schools, we have

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assigned social workers who are licensed mental health practitioners and certified master-level social workers. They are present in the schools between a half a day and two days at most of the schools; and three of our high schools through a grant have social workers for four days. Last year, out of our total population, 12 percent of the students were referred to social workers for various reasons. Of those reasons, mental illness, behavior, and family issues were the top three. LPS social workers conduct mental health screenings to those students referred by staff when there are mental health concerns. These assessments consist of interviews, data gathering, and periodically various specific screening tools. School social workers and counselors do not diagnose for mental illness. We do not currently have a data collection method to diagnose the number of students with a mental health disorder or those being treated for mental health or the number of those that lack insurance or have other barriers to getting mental health treatment. We do, however, collect information about students who do show signs of self-injury or suicidal ideation as we move to connect them and their families with mental health professionals in the community. There are some diagnoses indicated in 504 Plans or special education records, but frequently that information is not shared per parent decision. We have several processes in place when our staff are concerned about mental health with a child. Among those are the student assistance process which uses a student-family concerns checklist to try to identify early indicators of mental health issues. We have a school community intervention program which is a partnership between Lincoln Public Schools and the Lincoln Medical Educational Partnership, and it offers training and procedures for identification, data gathering, and referrals, for free; drug, alcohol and/or mental health screenings for students by participating community agencies. We have a Signs of Suicide program which we present in our middle school and high school health classes. This is an opportunity to indicate students' desire for a counselor or social worker to respond to a suicide risk or a concern for themselves or someone else should that arise. Earlier you heard from Dr. Mize from Child Guidance, and we are very fortunate in Lincoln to have several community partners including Child Guidance, Family Services, and UNL clinical programs who provide mental health services in some Lincoln Public Schools.

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These programs have various eligibility requirements such as Medicaid, and you heard that information. They're not available to all of our students and are not able to be in all of our schools because of their own funding limitations. A major advantage, and I think you had heard this earlier as well, of having the partnerships between the schools and mental health agencies in the schools is that it allows students to receive the services at school without the problems of transportation and scheduling with the families. The question of should there be a statewide mental health assessment to determine the number of children diagnosed with a mental health disorder, the number receiving treatment or barriers; you've heard a lot of data today and a lot of anecdotal evidence related to that there is a significant percentage of our youth who are faced with mental health issues. We would make the following recommendations: one, to be able to strengthen early intervention by ensuring all students are able to have services of counseling and social workers available to them. Again, you've heard many times today preventing mental illness and intervening at an early age teaches students coping strategies and provides support means fewer difficulties later. Additional mental health services in the schools to allow for mental health screening and follow-up has increased mental health treatment and referrals. Having, you know, for instance, the partnerships that we have to where we can have the therapists in the school is a huge benefit to us, and strategies to address additional barriers of families' lack of financial and insurance resources, transportation, language, cultural issues, social stigma, and parental follow through. I know it's past my time and I appreciate that. I do have a specific story of a student that it would take me a minute or two to share, is that okay if I do this? [LR533]

SENATOR CAMPBELL: Sure, that's fine. [LR533]

RUSS UHING: This was shared by one of our social workers with me this last week. It is a student--and I'll call him Marcos--who, last year in the fall, staff had some real concerns about him. He was drawing a number of pictures depicting death and death-related pictures that he was drawing. He was also becoming extremely unresponsive with staff, falling behind in his academic work, very low academic

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achievement and motivation. Marcos' mother speaks only Spanish and the school worked with the interpreter to provide counseling. Child Guidance was full at the time so we weren't able to access the Child Guidance services. So we pursued counseling through SCIP. Nearly had the process completed and at that time Marcos' mother shared with the interpreter that he had been sexually abused by a relative. He was then referred to the Child Advocacy Center where the issue was investigated. Marcos' behavior continued to decline and as did the threats of suicide. After a short period of time, Child Guidance had an opening and Marcos was able to start counseling there. It wasn't long, and his behavior, attitude, and grades started to improve. Marcos finished the year on a very positive note. This year he's still doing well, but the therapist is no longer able to be at the school. Worked with Marcos and his family to try to get services at Child Guidance, but because of various family issues, that hasn't been able to take place as of yet. And I think this kind of mirrors some of the things that we had talked about. One is the impact of mental health on academic achievement. It shows some of the barriers that families face, including the cultural barriers. It speaks to the limited resources and the therapies...you know, having therapies available at school. But it also gives us hope that when those things are there, it makes a huge impact on students and not only their mental lives, but academic lives, etcetera. So I thought that was a very good story to kind of share with a lot of issues that not only our school but you've heard from other school district face as well. [LR533]

SENATOR CAMPBELL: Exactly. Any questions or comments from the senators? Thank you, excellent testimony to conclude. Senator McGill, did you wish to make any other comments? [LR533]

SENATOR MCGILL: No, just thank you all for coming. [LR533]

SENATOR CAMPBELL: Yes, thank you very much. Some of you have been with us all day. So with that, we will close the hearing on LR533 and please drive safely as you go home. [LR533]

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