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Appropriations Committee
February 02, 2012

[LB1055 LB1065 LB1066 LB1089]

The Committee on Appropriations met at 1:30 p.m. on Thursday, February 2, 2012, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1055, LB1065, LB1066, and LB1089. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: Danielle Conrad.

SENATOR HEIDEMANN: Welcome to the Appropriations Committee. We're going to go ahead and get started. There's going to be one other person joining us a little bit later. And there's going to be some senators that are going to be in and out, they're introducing bills in other committees. Focus is on here, but every once in awhile we have some obligations in some other places. We're going to start now with self-introductions way over to my right.

SENATOR NORDQUIST: Jeremy Nordquist from District 7, downtown and south Omaha.

SENATOR HANSEN: I'm Tom Hansen, District 42, Lincoln County.

SENATOR HEIDEMANN: Sitting right to Senator Hansen's left is Senator Danielle Conrad. I'm not for sure if she will be with us today. Senator John Wightman, we was told he's on his way. So hopefully he'll be here shortly. He is from Lexington. Over to my right is Anne Fargen, she's the committee clerk. I am State Senator Lavon Heidemann, southeast Nebraska, District 1. To my left is Kathy Tenopir, a fiscal analyst for the university system. To her left is Senator John Harms from Scottsbluff. I believe he's introducing a bill at the present time. And over to his left is...

SENATOR NELSON: Senator John Nelson, District 6, Omaha, central Omaha.

SENATOR FULTON: Tony Fulton, District 29, here in Lincoln.

SENATOR HEIDEMANN: And to Senator Fulton's left is Senator Heath Mello from Omaha, who I believe is also introducing a bill at the present time. Senator John Wightman from Lexington just has arrived, and welcome him. Also, would like to let you know that our page for the day is Christina. She's always a great resource. If you need to have anything handed out you just put it up in the air and she'll come pick it up for you and give it to us. Also, want to let you know that testifier sheets are on the table or near the back doors. We ask that you would please fill them out completely and put them on the box on the table when you testify. At the beginning of your testimony we ask that you would please state and spell your name. Nontestifier sheets near the back doors, if you do not want to testify but would like to record your support or opposition,

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you only need to fill this out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of your testimony. We need 12 copies. If you don't have 12 copies we can make it work. We would appreciate 12 copies though. In the matter of time, this is going to be a longer day. We have four bills that we're going to hear today. There's a lot of people that want to get their opinion in support or opposition, neutral position, whatever we're going to hear today. There's a lot of people that want to get in. So to accommodate everybody we ask that you please keep your testimony concise and on topic. Because we do have a long afternoon in front of us we are going to use the light system. We don't normally do that in Appropriations except on very heavy days. And this is one of those days that looks like it could be a little bit more lengthy, because of that we will be using the light system. The principal introducers, which there will be four on the bills, will not have a time limit. We do urge even those to keep their testimony concise and on topic. All testifiers following will be given 3 minutes. On the light system sitting on the testifier table, which you will see right there, you will notice a green light when you start your testimony. When you have 1 minute left the light will turn yellow. When the red light turns on we ask that...you don't have to stop abruptly, but you can just please just kind of conclude your testimony at that time. Today we begin with the openings on all four bills. We do this every once in Appropriations, awhile in Appropriations, not very often. But today we're going to open on LB1055, LB1065, LB1066, and LB1089 all at the same time. After Senators Hadley, Fulton, Hansen, and Nelson open on their bills, we will take testimony first from proponents, then opponents, and then testimony in the neutral position. Testifiers may address all four bills or speak to just one. Please state your intentions at the beginning of your testimony. We are in what...this is Appropriations' small room. We try to always hold our days that we know there's going to be a lot of people in a big room, but that didn't happen today. So because of that we have an overflow room, it's in 1023. Please be cognizant of the fact that those seated in Room 1023 who may want to testify on their bills today will need to file into this room to present their testimony. We would appreciate it if you are done testifying and you see there are no empty seats in this room if you'd make your way to 1023 to accommodate those who are still wanting to testify. Additionally, we're going to try to keep that door open. Please keep your conversations in the hall to a minimum as we will leave the door open to accommodate the movement in between this room and 1023. With that, that should be everything I think that I need to announce. We are going to open at this time on LB1055, Galen Hadley; LB1065, Senator Fulton; LB1066, Senator Hansen; and LB1089, Senator Nelson. We will be starting with LB1055, Senator Galen Hadley from Kearney.

SENATOR HADLEY: (Exhibits 1-4) Chair Heidemann, members of the committee, I appreciate very much the opportunity to be here. And I will try to keep my testimony as concise and on target as I can. Good afternoon, Mr. Chairman and members of the Appropriations Committee. I am Senator Galen Hadley, that's G-a-l-e-n H-a-d-l-e-y, representing District 37. I'm here today to encourage you to join me in supporting

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legislation that advances two of the most important priorities we have in our state--jobs and education. The University of Nebraska's Build a Healthier Nebraska initiative includes four bills: LB1055, LB1065, LB1066, LB1089 that would provide increased capacity for nursing and allied health education, cancer research and care, and veterinary diagnostics. I am proud to partner with the university on this initiative and to sponsor one of the bills, LB1055. This bill would appropriate \$19 million to build an addition to the Bruner Hall of Science at the University of Nebraska at Kearney, a place close to my heart, a course for an expanded UNMC nursing division and a new UNK-based allied health professional program. You will hear more specifics of the building plan at UNK a bit later on. But let me speak to why I support this legislative package as a whole and the Kearney component in particular. I believe that collectively the Building a Healthier Nebraska projects will create good-paying jobs for our state, expand our healthcare work force, and provide more educational opportunities for our young people, especially in the rural area. We know that a strong healthcare work force is very important to the economic viability of small communities, but right now Nebraska isn't meeting all of the rural health needs. Twenty-four Nebraska counties have no physicians assistants, 25 counties have no physical therapists, and 74 of our 93 counties have fewer nurses than the national standards. These gaps will be increasingly problematic as our state's population ages. We need to train many more nurses and allied health workers if we are going to meet the demands of the future. Furthermore, we know that students who are educated in rural Nebraska are much more likely to stay in rural Nebraska after graduation. This is why expanded capacity at Kearney is so critical to the future health of rural Nebraska. I am very excited that UNMC and UNK are collaborating on this. The Medical Center prides itself on having a 500-mile campus and their outreach to the entire state has been extremely beneficial. This additional collaboration with UNK is a great way to get more of our best and brightest people back into the small communities to provide healthcare. I want to right now just take a second. We have a state to the south of us, Kansas, that's very similar to Nebraska. We have a state to the north of us, South Dakota, that is very similar to us. And when I say similar, they're states with small populations and large geographic areas. I would like to just say a couple quick things about both of those states as to what they're doing with this problem, because they're facing the same problem we are. Kansas has...this is a New York Times article, July 22, it's entitled "Small Town Doctors Made in a Small Kansas Town." And they say, on Friday, a new medical school campus opened here, Salina, Kansas, to provide a novel solution to a persistent problem. An inaugural class of eight aspiring doctors who will receive all their training in exactly the same kind of small community where officials hope they will remain and practice medicine. The new school, operated by the University of Kansas, is billed as the smallest in the nation to offer a full four-year medical education. More important, supporters say, that students will remain personally and professionally rooted in the agricultural center of the state, a three-hour drive from the university's state-of-the-art medical research facilities in Kansas City. Kearney is a three-hour drive from the University of Nebraska Medical Center. I think this is just an example of the kind of collaboration that we might look for in the future

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when we're looking with UNMC and the University of Nebraska at Kearney and outstate Nebraska. It's interesting, they said one of the reasons they did this is because they have five counties in Kansas that do not have a doctor, 4.7 percent of their counties do not have a doctor. Nebraska, we have 18 of 93, or 19.4 percent of the counties in Nebraska do not have a doctor in Nebraska. The other one, and it will just take a moment to mention that, is South Dakota. Governor Daugaard increased their state appropriation to their medical school in his budget message 12.1 percent this year, 12.1 percent. And he did it for two reasons: to increase their incoming class from 52 to 56 physicians and, secondly, to set up a track that the third-year medical students can take a track in rural medicine in South Dakota, where they go out and spend their third year in small towns in South Dakota, not Yankton, not Sioux Falls, not Rapid City but small towns. So they see the problems in the states south of us and north of us and they're acting to do something about it. Now I want to address an issue that has received a fair amount of attention, and I'm sure with this committee. And that is the use of our Cash Reserve Fund. We, as senators, must weigh any decision to use these reserves very carefully. But I believe this is the very type of initiative that is worthy of our support. The timing is very good. We have the funds available to make strategic investments on a one-time basis rather than adding ongoing obligations to our budget. The proposal is significant, yes, but the potential return on our investment in terms of job creation, healthcare and educational opportunities, not to mention millions of dollars added to our state's payroll is huge. This is the type of project in which the state of Nebraska should be a partner. Just as a note, we ask businesses all the time to come to Nebraska and invest in Nebraska. Maybe it's time the state of Nebraska invests in the state of Nebraska. I want to close by pointing out some facts. If you look at the history of the Cash Reserve Fund since 1984, on average it has represented about 5.6 percent of state revenues. At the end of this biennium the Cash Reserve is projected to be \$414 million, which is about 11 percent of current state revenues, nearly double the historic average. And even if we draw down \$91 million from the Cash Reserve to support the university's capital projects, the Reserve Fund would still be at a very healthy \$323 million, which represents 8.5 percent of state revenues, well above the historic averages. These are the facts. So I think it's clear that we're in a strong position to make this investment now to address critical needs in Nebraska, needs for a strong healthcare work force for outstanding cancer research and care for adequate capacity that allows our young people to pursue the career of their choice and for an accredited veterinary diagnostic center that effectively serves our state's livestock industry. These needs are not going away. Now is the time for us to act. I also have numerous letters of support that I would give the page to hand out. And I have also been instructed that the Nebraska Bankers did vote this morning to fully support all four of these proposals. With that, I would be happy to answer any questions you might have. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any questions for Senator Hadley? I have one. You talk very enthusiastic about every project that's going to be before us today. Are you on

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board with the other three? [LB1055 LB1065 LB1066 LB1089]

SENATOR HADLEY: Yes, I am. I'm on board... [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Wholeheartedly. [LB1055 LB1065 LB1066 LB1089]

SENATOR HADLEY: ...wholeheartedly all four of them. I would like to see the 49 green lights up on the board for all four projects. I think they're all important. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HADLEY: Thank you, Senator Heidemann. And I will waive closing because I've stayed until 6:30 the last three nights, so. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Fulton will now open on LB1065. Welcome. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Good afternoon, Mr. Chairman, members of this august committee. My name is Tony Fulton, T-o-n-y F-u-l-t-o-n, and I represent District 29 here in the Legislature. I bring to you LB1065, which appropriates \$17 million from the General Fund of the state of Nebraska to the university system to conduct the construction of the Lincoln division of the University of Nebraska Medical Center, College of Nursing. Presently, as we project into the future, which is something that we as senators are supposed to do, there will be a shortage of 3,800 nurses by the year 2020. And in a state with a rapidly aging population, that presents a bit of a problem. And so that is one thing I'd like you to bear in mind as you contemplate this as a proposal before you. In addition to that, we should recognize that presently the population in southeast Nebraska about 60 percent of potential nursing students are turned away at present by our College of Nursing. So these facts being as they are, this proposal comes to you. This is something that the university has had as its priority, one of its priorities, for a number of years. It is something that, as you my colleagues know, I have worked on for a number of years also. And I think the time to act is now when we can act. And so I ask for your favorable consideration of this proposal. And would entertain any questions, if indeed you have any. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any questions for Senator Fulton? You think I'm going to let you get away that easy? [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: I thought nothing like that, Senator. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: There are all kinds of ideas out there this year in the Legislature, Senator Fulton, to move the state forward. Do you think that this is a good way to move the state forward, these four bills? And is it a good investment in the state of Nebraska? [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Here is the way that I'm...I have come to look at this and here is how I will counsel my colleagues to look at these proposals. Each of these proposals have merit within themselves. But we senators need to prioritize that which is important. And if, indeed, one of these proposals or any of these proposals, not just the ones here before us but all proposals before the Appropriations Committee, if we neglect to fund that which is asked then we need to have good reason for not doing so. And it is pretty difficult I can...I'm only going to speak on my bill. It is pretty difficult to continue to neglect this problem. And I expect that can be said for a number of these bills. And that's what makes our job difficult. But they're all worthy of our consideration. And if there's a way that we can accomplish all of them we ought to. I am here asking you to accomplish LB1065 and have been for a number of years. So I'm not going to say that we can...I'm a member of the committee. I'm not going to say that we should sit here and fund all of them, but I am saying that if we choose not to, there better be good reason for choosing not to, because they are worthy...they are all worthy of our consideration. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Is there a concern for you seeing what we've gone through in our times, and you've spent a lot of time with me on Appropriations over the last four or six years, what we've gone through and one of the things, we did LB605, which was a good thing for infrastructure. But we've probably not done the amount of infrastructure that we probably should have because we didn't have the money. But it's my thought that we wouldn't want to get too far behind. And this is an effort not to do that, because once you get too far behind with infrastructure you can't...it's hard to catch up. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Indeed. The way I...another way to look at this is within the broader context of what's going on in our country. We in Nebraska have prudently budgeted and you, my colleagues, our committee, I think we're behind that. We've budgeted for our responsibilities in a prudent fashion. And in so doing we have been able to gratefully, mercifully put forward a Cash Reserve. Other states in the country aren't able to say that. And so while we have the ability and I guess the obligation due to our own prescience to look forward into the future and plan for our future, other states are simply treading water. And so, yes, to echo what you're saying, these are infrastructure considerations which were put off in past years. This is the third or fourth year now that I've been on this College of Nursing. And in years past I've understood that we don't have the money to do this. We need to be prudent because we don't know about what's coming. We need to budget to our priorities. And I was with the committee on that. And because we did this, we've put ourselves in a position to say yes when all

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these other states are not in a position to do so. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: So you see it as a way to move the state forward? [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Without question. In fact, I'll take it a step further and move this is not just...this is a policy decision we could make, but it's also something I think we have an obligation to do. If not the state of Nebraska then what? Do we not have an obligation to fund our university system? And is not the infrastructure of our university funded primarily through the state? [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: I will close also, Mr. Chairman, or I will waive closing. Sorry. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Okay. With that, we are going to open on LB1066, Senator Hansen from North Platte. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you. This is rapid fire today. Good afternoon, Chairman Heidemann and members of the Appropriations Committee and Senator Hadley. My name is Tom Hansen, T-o-m H-a-n-s-e-n. I represent District 42. Today, I am here to open a discussion on LB1066 as an integral part of the University of Nebraska's capital construction project. LB1066 would appropriate General Funds of \$5 million for planning and architectural design of a new veterinary diagnostic lab facility and related veterinary diagnostic center at the University of Nebraska. It would be located on the campus of the Institute of Agriculture and Natural Resources. Those who follow me will explain the problem with the impending loss of accreditation for the diagnostic lab and some of the 37-year-old...history of the 37-year-old facility. Since I am part of the industry that personally utilizes this facility, I want to let you know how important this diagnostic lab is to me. As a cattleman and part of a 134-year-old ranch operation, I can tell you that we have relied on this diagnostic facility several times for serious challenges to our herd health. In the 1970s we were a test herd in cooperation with the University of Nebraska and Norden Pharmaceuticals that developed a vaccine to prevent rota and coronavirus which cause calf scours in young calves. Dr. Gene White, an extension veterinarian in cooperation with the University of Nebraska Diagnostic Lab, was successful in the early 1970s to produce a modified live virus that we still use annually prior to the calving season. Just a side note, if the weather turns bad we're probably calving and we are. (Laughter) (Inaudible) ran for research on calf scours led to the construction of two satellite diagnostic labs in the university system, one in Scottsbluff in the Mitchell area, and one in North Platte. Both were closed in 2002. The Scottsbluff or Mitchell lab was cut during the budget cuts taken in 2002 in the regular session; and the North Platte lab,

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due to budget cuts taken by the Legislature during the July and August special session. Both of these closures carried a promise to have one, state-of-the-art, topnotch diagnostic lab housed in Lincoln. Now ten years later we're facing the loss of accreditation of our one and only veterinary diagnostic lab. IANR has stated a two-plus-two program for homegrown veterinarians with the hope and promise to replace our aging food animal practitioners. The loss of this diagnostic lab will be critical for the future of this two-plus-two program. We have found the most compelling argument for the lab are those emphasizing that the lab is a basic function of state government. The testifiers that will follow me can answer any questions about the far-reaching use and utmost importance of this facility for the future of healthy and safety of Nebraskans. My motto here in this is not exactly the same as the university's, but it's healthy people, safe food. Thank you. Any questions? [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any questions for Senator Hansen? Is this a state issue or a university issue? [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Probably as much a state issue as it is a university. It's housed on the university, part of the university facilities. But it certainly is a state lab, so it's...I don't know what the percentage would be, how you would do that. But we pay fees when we use this lab as producers, whether you have poultry, swine, equine, companion animals or cows and calves, you do pay to use this lab. So it's a state-funded lab. And, hopefully, you don't use it for years and years and years or never use it. But when you need help this is the place we turn to, first your veterinarian and then to the diagnostic lab. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. Senator John Nelson from Omaha will now open on LB1089. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Good afternoon. Thank you, Chairman Heidemann and members of the Appropriations Committee. For the record, my name is John E. Nelson, spelled N-e-l-s-o-n, and I represent Legislative District 6 in Omaha. We read in Matthew 19:30, many who are first will be last, and many who are last will be first. I'm last today in my introduction of LB1089, but hopefully can become first in your minds regarding the importance of this bill to our citizens affected with cancer and the value to our economy. LB1089 provides for an appropriation of \$50 million in General Fund dollars to provide support for a new cancer research tower at the University of Nebraska Medical Center. This project will significantly enhance cancer research and care in Nebraska. This will result in at least 1,200 new jobs and an additional \$100 million per year in salary and benefits to Nebraska's economy. The tower project alone will add 50 researchers and 400 research staff working in 98 new labs. To this would be added 100 physicians and 650 nurses and patient-care technicians on the clinical side in the adjoining hospital and

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outpatient clinic. It is estimated that the average salary will be \$85,000 per year. And I'm told by Chancellor Maurer that this will increase grants from \$67 million to over \$110 million, and that the return from these is eightfold. The new research tower will position UNMC to build upon its strengths and expand into new areas like lymphoma, pancreatic cancer, breast and ovarian cancer, and lung cancer. All of UNMC's cancer researchers would be able to locate together in one facility, which creates important opportunities for collaboration, which will greatly benefit cancer patients who are in need of new and innovative treatments. Furthermore, the cancer center projects puts UNMC in a position to earn a prestigious Comprehensive Cancer Center designation from the National Cancer Institute. This designation would result in a stronger reputation, increased research funding and UNMC becoming more competitive for top talent. Currently, there are only 40 Comprehensive Cancer Centers in the country. I want to point out that most of the funding for this project will come from private donors, patient revenues and other sources. The university anticipates that a state investment of \$50 million would be leveraged with more than \$300 million from these other resources. This is exactly the type of public-private partnership that we need in order to best serve the people of Nebraska. The time is right to make a one-time investment in a promising project like this. This is a dynamic opportunity and I urge your full support of LB1089. I will answer any questions if you have any. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any questions for Senator Nelson? I have one. Do you consider this to be economic development to help the healthcare industry in this state or for research? [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Well, I think it's both. It certainly will be economic development in the amount of people that we will attract, and the salaries that I mentioned, to our economy. But it's also very important from enhancing the research that we already do. A neat thing about this is it's not just the tower itself but the hospital that will be built next door and then the clinic. And I think at the present time the Med Center probably 50 percent of their patients in the existing hospital deal with cancer and advanced types of cancer. And to have the research tower with cutting-edge research right there, right next door to where a lot of these patients with severe cases are, and then with the outpatient clinic really moves things forward. So it's both, research and helps our economy, Senator. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you. Are there any further questions? Seeing none, thank you. We will start with proponent support for LB1055, LB1065, LB1066, and LB1089. Proponents first. We are going to the light system. You can testify on all four bills or specify bill...which bill you are wanting to support or oppose or be in a neutral position eventually. We ask that you please state your intentions at the beginning of your testimony to help us out later on. Welcome. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: (Exhibit 5) Thank you, Chairman Heidemann, members of the

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Appropriations Committee. Good afternoon. My name is J.B., spelled just how it sounds, Milliken, M-i-l-l-i-k-e-n. I'm the president of the University of Nebraska. I'm here today to speak in support of all four bills, LB1055, LB1065, LB1066, and LB1089, that we refer to collectively as the Building a Healthier Nebraska. But if you support them all, I'll be happy to use Senator Hansen's name from now on. (Laughter) It's an exciting initiative, perhaps one of the most exciting that I have had the opportunity to be a part of in seven and a half years with the University of Nebraska. This addresses critical healthcare education and work force needs in Nebraska. It addresses a disease that one out of every two Nebraskans will be faced with, and it builds on an exciting record at the University Medical Center in cancer research and treatment. And it addresses one of the most important industries in the state or Nebraska where the state of Nebraska is number one in the nation in beef cattle and a number of elements, and number two and three in some of those others, as Senator Hansen reminds me of from time to time. So I want to thank Senators Hadley, Fulton, Hansen, and Nelson for their leadership and support in this initiative. I'm going to talk about all four of them. But I am going to say a word at the beginning about the timing of this in the short session of the Legislature. You know, we became aware of, acutely aware of nursing shortage over recent years. As Senator Fulton reminded the committee, in 2008 the Legislature supported planning for nursing in Lincoln. We haven't, because of the state's fiscal condition, been able to address that in past years. But in an interim study on nursing just this last fall, we learned that in 2020, if we do nothing, we're facing a shortage of almost 4,000 nurses in the state of Nebraska, and predominantly in rural areas, 74 out of 93 counties will be short of nurses. This is a situation that I believe the state's only public university has an obligation to address. And if I were you, if I were the policymakers, the leaders in the state of Nebraska and the university did not come forward with a proposed solution, I would wonder why not. I would wonder why the university is not an active participant, regardless of whether it's the long session or the short session, regardless of the timing. Obviously, this is something that you need to wrestle with and the capacity in the Cash Reserve, which Senator Hadley pointed out earlier. But I think it's our obligation to engage with you in a discussion about how to address critical issues in healthcare work force preparation, in cancer treatment and prevention and research in Nebraska, which is a leading element of our Medical Center and is one of the highest priorities of the University of Nebraska, and in the livestock industry in the state of Nebraska, which is so important to our future. So that's why we're here today. You know, I had a lot more than three minutes to say, so I didn't know how I was going to deal with this. And I decided not to start at the beginning and just go line by line, because I knew that I'd end up leaving off one of the four bills, which I didn't want to do. You know this is a, I'll go back where I started. It's a tremendous opportunity to meet some critically important needs in the state. This opportunity in Kearney, for instance, which you'll hear more about, to address the nursing shortage, but also allied health, physicians assistants and physical therapists, which more and more as healthcare evolves are going to be the important first contacts for patients in our state, and particularly the opportunity to expand the education in rural Nebraska. You know, last year we had over 400 nursing

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candidates we turned away in Nebraska, qualified applicants. So it's not that we don't have the interest in our young people to serve this profession, it's that we lack capacity. We're in what used to be a nice department store in downtown Lincoln, probably not, however, the place where you want to train the next generation of healthcare professionals. We're locked in, as Senator Hadley said, in the business school building in Kearney, in 8,000 square feet. So we lack capacity at the university, where we turn away about 50 percent of the qualified applicants in Kearney and Lincoln. And we lack the capacity to help produce the next generation of teachers. University of Nebraska is not the only place that offers nursing education, but we have five campuses. We are the only one that offers the Ph.D. And so to help with the other institutions in this state, to provide the faculty for them so we leverage our ability to graduate more nurses this is a very important element. Cancer research, I can't...it's hard to overestimate the importance of it. Over 50 percent of the research funds at the Medical Center come from cancer research. About 50 percent of the patient revenues come from cancer treatment. And that's about only 15 percent or so of the patients. So in economic terms it's critically important. I also mentioned that one out of every two Nebraskans is faced with cancer during their lifetime. We've had a clinical cancer center for three decades at the University of Nebraska Medical Center. This opportunity, because it's the number one element on the Med Center's private capital campaign, because our hospital partner supports it so strongly, the opportunity to become a Comprehensive Cancer Center, which there are only 40 in the United States, and you know these institutions, Sloan-Kettering, Mayo, M.D. Anderson, Johns Hopkins. These are places where they have a distinct competitive advantage, but also they offer a treatment advantage. They offer research with inpatient and outpatient activities from bench to bedside, which you'll hear more about, that is critically important in treating cancer in the future and provides us with a unique opportunity in Nebraska. Finally, I'd only echo what Senator Hansen said about the critical importance to the livestock industry, but also to Game and Parks and to our two-plus-two program with Iowa State where it will have a significant impact, even apart from serving important industry. In terms of the educational importance of it on the campus it continues to allow us to attract faculty who will attract great students in veterinary medicine who will then go on to Iowa State and finish and, hopefully, come back to Nebraska. So it addresses, yes, university priorities, but mainly state needs for Nebraska. And I encourage your support of this proposal. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Wightman. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, President Milliken, for being here. Thank you, Mr. Chairman. Obviously, we had these up, and I thought as I walked in the door someone said \$91 million, but my lower math only came to \$89, but I may be wrong. Whichever it is, it's a substantial amount. At any rate, is there any possibility of raising any of these funds, and maybe there are already funds being paid for by the University Foundation, probably are. Can you tell me a little bit about alternative sources of funds. [LB1055

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LB1065 LB1066 LB1089]

J.B. MILLIKEN: Sure. First of all, I would say that, you know, our proposal is for, for instance, in cancer for a \$50 million investment, which would be leveraged over seven times. We're talking about a \$370 million project, which would include \$120 million of debt issued by our hospital partner, and then \$200 million in private fund-raising. This is by far and away the most leverage we've ever proposed in a project where state money would leverage an additional investment, in this case \$320 million. So we believe we will have, you know, a significant challenge but one that we're confident we can meet in raising that \$200 million in private money. That's pretty significant. In nursing, you know, we have tried to raise private money with regard to Lincoln nursing. It is difficult I would say. We were fortunate in Omaha with a graduate of our program who was very generous. But nursing education, and Dean Sebastian can probably speak more directly to this, is probably not the...in terms of donor ability, may not be at the same place that the College of Medicine facility is, or the College of Law, Senator Wightman. But... [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: And I might argue that. But go ahead. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: But there are...it is going to be significantly leveraged. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: And I think every one of these are important. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: And as you know, just to speak to the foundation point just for a second, you know that the foundation has a significant level of assets. But I don't know whether the number is 97 or 98 percent, somewhere around there, that percentage of gifts are given for a particular purpose. So just like we're raising money for cancer and hope to attract it, that money will be given for this purpose, just like money was given for the ag entrepreneurship program or the Peter Kiewit Institute. And so we hope that we're successful in that, but it will be new money that we raise for that purpose. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: And I understand that much of that would be for designated purposes. I didn't know the percentage. The sources at both the Kearney and Lincoln nursing facilities probably are very small as far as acquiring grants and gifts. I gather that's your opinion from what you've said. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: It is. You know, if you look at the whole package and the \$90 million, we'll split the difference, to leverage an additional \$320 million of investment, if we look at it that way it's still the most significant leveraging of proposals that we've brought to

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the Legislature since I've been here. Six-oh-five and 1,100, we're dollar for dollar matches by the university. But I think this is a pretty extensive amount of leveraging in this. And we'll have, you know, we'll have a challenge to raise that money. But I do believe we'll be successful. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Now as far as the payout, obviously, we'd need to appropriate the money, if we're going to appropriate all of it at one time. As far as the payout how would you see it? Would it be over a period of two years or (inaudible). [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: It's different for each of the projects. And I think we may have submitted to the fiscal analyst a cash flow for the projects. It is different for each. Obviously, the Medical Center's is larger, more complex and would...first year would be only planning. Lincoln nursing has had some investment already in that activity. But it is a multiyear commitment in terms of the cash flow. The thing that I think is important on that regard is the commitment, because while the cash flow is over a period of years, and as a practical matter the needs could be satisfied over a period of time. And the cancer project, we're going to our partner hospital and asking them to issue a significant amount of debt to build new inpatient and outpatient facilities. And then we're going to a donor community and asking them to make a very significant commitment to the future of this cancer institute. Without the state's commitment up front, I think that will be a more difficult...considerably more difficult case to make. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, Dr. Milliken. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Put you on the spot just a little bit maybe. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: What a surprise. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: I can tell your enthusiasm for this. Last year we talked about Innovation Campus. Where does this rank with Innovation Campus? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: Well, Innovation Campus was exactly the right thing to do last year. And I could not be more pleased about that investment of \$25 million, which has now leveraged an \$80 million initial phase one. I think that we will see that investment repay itself many, many times over. So I think it was a terrific investment by the state of Nebraska. I'm very appreciative of the Governor's leadership on that and the Legislature's leadership on it. I think it was a tough thing to do. I think it was the right thing to do. And I think we will see...we already saw very early on the commitment from a private partner to invest significantly in it because of that investment. And I think over

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the course of these next months we will see other partners come in because of that commitment. So rather than an either/or, I think that's a great example of where the state has made an investment that is then leveraged private investment. It's a public-private partnership that I think is going to pay great dividends. I think this will too. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions? Senator Nordquist. [LB1055 LB1065 LB1066 LB1089]

SENATOR NORDQUIST: Thank you, Mr. Chairman. Thank you, President Milliken. What kind of ongoing operation costs will these incur to the system and potentially to the state? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: Well, for the biggest piece of this, the \$370 million investment, well, we're asking \$50 million, we're not asking for an O&M investment for that project. It does have the ability to generate indirect costs from federal research that can support the research functions in the tower. It has the ability to generate patient revenue that will support the high level of care there. In the nursing and allied health component there will be additional requirements in terms of faculty to expand the programs. That's a discussion for another day. I can't say exactly what that will be. With regard to kind of the O&M burden that comes with any new facility or expanded facility, I can't remember the last time the Legislature appropriated funds for that purpose. So like much of how we've been operating over the last few years, it's a reallocation of existing budget for that. And that's how we'd be prepared to address the O&M needs here. We've identified it as a priority. Obviously, we want to take on the obligation of maintaining it and operating it in a positive way. [LB1055 LB1065 LB1066 LB1089]

SENATOR NORDQUIST: In approving these projects I assume the Board of Regents...did they do any kind of prioritization of these projects individually or was it just as a package? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: No, they viewed this as I presented it, as a package to address a set of critical priorities in the state. You know, nursing in Lincoln has been our number one capital priority since 2008. And we're not backing away, of course, from that longstanding need. [LB1055 LB1065 LB1066 LB1089]

SENATOR NORDQUIST: Sure. A colleague asked me when the last time we did a specific appropriation for UNO was. And I checked with the Fiscal Office and it was the CPACS building which was maybe a little over a decade ago or so, about 2002 or 2003 was the appropriation. Just kind of anything on the, just so I can relay this to colleague, anything on the radar for UNO right now on the drawing board? [LB1055 LB1065 LB1066 LB1089]

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J.B. MILLIKEN: Well, sure. I've been very, very involved with UNO development. It has experienced a tremendous physical growth. I led the purchase of 70 acres of property south of Center for expansion. And we're, as you read in the paper from time to time, we are meeting and planning for that. We have done a number of things recently with new residence halls. We are looking at plans for athletics. I would say that while CPACS was the last state funded, entirely state funded project to be done anywhere at the University of Nebraska, so it may have been a decade ago. But there...no other campuses had one. We have done 1,100 and 605. And I could never keep the chronology straight on this, 605 is the more recent one that we did in 2005 or '06, '06, and that included UNO projects along with the other campus projects. So while in this piece, and I talked to the Chancellor about this before we went forward. And this piece, these health issues and then the one that we became aware was vet diagnostics, they are not included in this. But we have great plans for UNO and particularly great plans to help them meet their enrollment goals over this decade and to integrate their new athletic plans and their new residence halls and continue to build there. [LB1055 LB1065 LB1066 LB1089]

SENATOR NORDQUIST: Last question. And Senator Heidemann kind of asked Senator Fulton. I'm not going to put you on the spot on any specific proposal. But we do have a number of different competing visions for going forward this session, including a couple measures to...the Governor's package to reduce revenue. Senator Mello, myself, others have introduced revenue reduction bills, there are many competing priorities in here. Just...can you say, dollar for dollar, that this investment is the best that we can make right now for economic development purposes and for meeting the needs of Nebraskans? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: You know, I would not only say that, but a number of other people have said that to me, businesspeople and others have stopped me to say what a tremendous proposal this is for the state of Nebraska, not only health but also economic. I think that's the reason that the Nebraska State Chamber, the Omaha Chamber, the Lincoln Chamber of Commerce, the Kearney Chamber of Commerce, the Nebraska Bankers have all endorsed this package, not just the proposals in their town or their location but the entire package. I think everybody is cognizant of the challenge that you all have and the fact that everyone is mindful of the legislative forecast that will come later in the month and that you will have to make some choices and sort some things, you and your other colleagues. You know, one of the advantages that we believe we have here is that it is a one-time investment, that it is leveraging the investment quite a bit, that it will not be a recurring obligation in the budget because of this investment. And we believe, as Senator Hadley laid out, that it can...we do have the opportunity to do it because of the good stewardship that you've provided and the Governor has provided. [LB1055 LB1065 LB1066 LB1089]

SENATOR NORDQUIST: Thank you. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Just a side note, I was in the Legislature when we did CPACS. And although it seems like a decade since I've been in the Legislature, it hasn't been quite. (Laugh) Senator Wightman. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: I have one other question, President Milliken. Obviously, we're coming in to a situation in this next year with regard to the national healthcare or Obamacare, I hesitate to call it that. It seems to me it polarizes the country more. But at any rate, do you see that, the implementation of that act, if in fact it is implemented, having any effect upon the medical facilities and revenues that you might expect to see from those facilities? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: You know, thanks, Senator. I'm a sort of an amateur observer of this. And there will be probably some people later in the day, including Ken Cowan and Dean Sebastian, who can answer that more specifically. But my sense is that as the healthcare financing model changes and we try to find more cost-effective ways of providing healthcare, that the importance of nurses, or physicians assistants and other non-M.D. healthcare providers only increases. And if we are short of providing those professions, we're going to be impacting healthcare significantly. With cancer, everybody that I listen to or read believes that cancer will be an ongoing problem no matter how well we do with research, but it will be a chronic disease that we treat, even if we're successful and people live with it over years. And so ultimately, I don't see the public's interest in addressing cancer, which is so prevalent, as diminishing. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: And I agree, generally, with that. I guess I've often sat around and wondered what the long-term effects would be if we came up with a miracle cure for cancer in the next few years. I've been here 70-some years and it hasn't happened yet and it probably won't. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: That would be a good problem to have if we came up with a miracle cure. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Well, it would be a good problem to have. But the facilities might...exactly what the facilities...the role of the facilities might be different in that case. But there would be a lot of problems with regard to the cure for cancer. While it sounds great, the whole economics of the country would change with regard to Medicare and length of time people live and Social Security and all sorts of issues. But I tend to agree with you that it certainly is important probably and particularly providing maybe more reasonable cost that could be passed onto the patients with the use of other personnel other than medical doctors. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: I think, Senator, if we were planning this project a decade or two ago the mix might be different--fewer outpatient, more inpatient space. But that's part of the

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change in healthcare delivery. And in fact, the way it's designed we would be able to increase beyond even what's proposed today, the outpatient treatment areas, because of the way healthcare is increasingly delivered. You know, suffice to say that these are inpatient, outpatient and research laboratories, which could be repurposed. I'm afraid I'm not going to put a lot of money on that bet that we get the miracle cure soon. And so I think this is the next best thing, being able to provide the highest level of cancer treatment for our patients. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Nelson. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you, Senator Heidemann. I listen to an Omaha oncologist on Sunday mornings who has made the statement, as I recall, that we're never going to find a cure for cancer. The best we can do is to prolong people's life for an additional number of years and maintain a good life for them, but not going to ever find a miracle in his estimation. Would you agree with that? [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: To the best of my ability, I agree with that. But I also have heard Dr. Cowan, Dr. Maurer and others express that same view. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for testifying today. [LB1055 LB1065 LB1066 LB1089]

J.B. MILLIKEN: Thank you very much. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: (Exhibit 6) Good afternoon, Mr. Chairman and members of the Appropriations Committee. My name is Jerry Deichert, that's J-e-r-r-y D-e-i-c-h-e-r-t. I am director of the Center for Public Affairs Research at the University of Nebraska at Omaha. And I was asked to put together an estimate of the economic impacts of the new construction activities, the operation of the new clinical and research facilities, and the expanded educational activities. And what is being passed out now is an executive summary. And I'll just highlight a few of those items on that executive summary. One thing to remember, this is for...impact is measured for the entire state of Nebraska and not just for an individual area in which the activity is located. And the study uses something called IMPLAN, which is an input/output model, which looks at the structure of the state of Nebraska. And it has inputs that we received from the UNMC as far as the assumptions of what the expenditures would be. And we ran the model and we

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came up with some multipliers. And what we looked at was employment, labor income, value-added, and output. And those are all on the tables 1 through 4. And we measured several different effects. But all I'm going to talk to you right now is about the total effect of these activities. You can read the definitions of direct, indirect and induced as we go along. But the first table or the first impact looks at the value of the new construction on the state. And it combines all four of the projects together. So I'm testifying in support of all four of the bills. If you look at all of the construction activities, it's estimated the total cost would be \$456 million. I have them separate for each activity or each construction project, but I'm going to summarize those in total. Four hundred and fifty-six million dollars, that would generate about 6,000 total jobs, not necessarily in one particular year but over the course of the building periods. It would be labor income of \$253 million, value-added of \$350 million, and total output, that's kind of gross state product, of \$730 million. And if we would apply average sales tax spending and income tax rates to that \$250-some million labor income, that would generate state income taxes and sales taxes of \$9.4 million. The next table looks at the ongoing activities that would be associated with the clinical and research functions. It was estimated that there would be about \$130 million in wages and salaries and operations during that first year of operations, whenever that begins. Plugging that into the model, it would generate about 4,500...over 4,500 jobs, total labor income of \$190 million, with a value-added of \$258 million and total output again of about a half billion dollars. And these would be ongoing every year, barring any increase or decrease in the specific activities. And that would generate annual sales of and income tax revenues of \$7 million. You're going to attract patients, and those patients are going to bring caregivers, and together we think of those as visitors because they're coming to the state or they would be prevented from leaving the state. Those impacts would be 107 jobs, \$2.5 million in labor income, \$4.3 million in value-added, and \$8 million in total output. Again, there will be a sales income tax impact of about \$92,000. Finally, we run the amount of money that's going to be spent on wages and salaries and operations for the education activities, and that's the last table in the executive summary. And that would generate about \$3.3 million in growth. That \$3.3 million in additional expenditures would result in 79 jobs, \$3.6 million in labor income, \$4.6 million in value-added, with total output to the state of \$5.6 million. And again, that has a much smaller sales and state income tax impact of about \$134,000. So if there any questions, you have the executive summary, and I think I tried to have a lot of the definitions in that report so you can understand what those measures are. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Wightman and then Senator Fulton. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, Mr. Chairman. Thank you, Mr. Deichert, for being here and testifying. And maybe somebody else can better answer this question. But do you have any idea how much of the patient load, how much of the money generated currently at the cancer center in Omaha would be from out of state residents? [LB1055

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LB1065 LB1066 LB1089]

JERRY DEICHERT: I do not know that, but I do know they know that. But on this one, what we assumed was that this...at this level of treatment there's somebody that comes into the state, people from outside of the area. But it also keeps people in Nebraska from going someplace else. So you might think of it as either attracting money into the state or keeping money from leaving the state. And so that's the way I looked at it in this case. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Well, I'm assuming that it's very likely that, if we really build up this research facility even considerably from where it is right now, that we might attract patients from across the nation. [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: Yes, and I don't... [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: ...maybe not the number one or number two, but certainly a high ranking. You would agree with that? [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: I would agree with that. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Fulton. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Thank you, Mr. Chairman. Thank you for being here to testify. You touched on that there's an input and output model, which... [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: Correct. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: ...the upshot of which we see here. [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: Right. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Is there any more depth, I'm divulging my own interests here, was there any depth that you can provide to the committee that...some of the assumptions that were made? [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: Well, the input/output model basically was developed by a group in Minnesota. And it takes the economic structure, it looks at how employment, one sector is related to employment. Another sector, products come from one sector to another sector. And it's a very comprehensive model of the state. And as far as the specific

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inner workings of the model, we don't see all of those activities. But basically, it looks at, for example, if in the construction project if you put in how much money you're going to be spending on a construction project, the model will generate how much goes in each specific sector, so how much is going to come from architecture firms, how much is going to come from another place, etcetera. I don't have that in here. This is kind of a summary of that. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Okay. Any further information that would buttress the outcomes would be appreciated and probably would help immensely. [LB1055 LB1065 LB1066 LB1089]

JERRY DEICHERT: Okay. I'll get a full report to you then Senator... [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. Welcome. [LB1055 LB1065 LB1066 LB1089]

JULIANN SEBASTIAN: (Exhibits 7 and 8) Thank you. Chairman Heidemann and members of the Appropriations Committee, thank you for the opportunity to provide testimony on LB1055 and LB1065. I am Juliann Sebastian, J-u-l-i-a-n-n S-e-b-a-s-t-i-a-n, Dean of the University of Nebraska Medical Center College of Nursing. The four bills in this legislative package are part of a forward-thinking initiative that will yield health and economic benefits for the state. I speak to the two bills that pertain directly to the College of Nursing. The health of Nebraskans is affected by a shortage of registered nurses and nurse practitioners. Research has shown us that both the ratio of registered nurses per patients, per number of patients and the proportionate mix of those nurses who are baccalaureate and higher degree prepared is related to real health outcomes such as mortality, hospital infections and falls. You have heard that the Nebraska Center for Nursing estimates nearly a 4,000 registered nurse shortage by the year 2020. We also need more nurse practitioners to provide primary care, particularly as demand increases with healthcare reform. This is an access to care issue, especially in light of the shortage of primary care physicians in our state. Close to half of Nebraska's counties are federally designated primary care shortage issues or areas. The shortage of nursing faculty members in Nebraska is acute. We will not be able to sustain the pipeline of education for future nurses without more faculty to teach them. And what about our rural areas? You can see from the map on page 2 of my testimony that the nursing shortage has a disproportionate impact on our rural areas. Roughly 80 percent of our counties have fewer registered nurses than the national average. In health planning areas 2 and 3, served both by our Kearney and our Lincoln campuses, less than 20 percent of registered nurses hold baccalaureate degrees. The Institute of Medicine recommends that 80 percent of registered nurses hold baccalaureate and

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higher degrees. This means that these rural areas not only need more registered nurses, but they also need more nurses with baccalaureate and higher degrees. LB1065 would appropriate funds for a new building for the Lincoln division of the UNMC College of Nursing. This would allow...give the program space to expand by 64 students with an emphasis on graduate programs, thereby allowing us to prepare more faculty for the future. I've included photos of our current Lincoln facility and what it could look like with the new building. And we have a student who will address that more fully. LB1055 would appropriate funds for a health sciences education addition to Bruner Hall on the Kearney campus for the Kearney division of the UNMC College of Nursing as well as the School of Allied Health Professions. We are also experiencing greater demand in that division in nursing than we can meet. And we've turned away, as an example, 48 percent of qualified applications to that division just this year. And again, we have a student who will talk about the real experience of studying in that current facility. These two expansions would allow the College of Nursing at UNMC to contribute substantially toward reducing the shortage in a significant manner both now and into the future. We are particularly able to provide leadership in this regard as the only school of nursing in the state preparing Ph.D. prepared nurses who can then serve as faculty for other schools throughout the state. In closing, I wish to thank Senators Hadley and Fulton for sponsoring these bills and your committee for allowing me to provide testimony about their importance. On behalf of our students, faculty and alumni and the patients they serve in Nebraska, I thank you for your concern about these issues and your support of the contributions we aim to make to the health of Nebraskans. I'd be pleased to take questions. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you. Are there any questions? You don't know what you're paying for the lease now on the Lincoln building, because you don't own the building that you're in right now, do you? [LB1055 LB1065 LB1066 LB1089]

JULIANN SEBASTIAN: We don't own that building. And I don't have the lease figures with me. I could certainly provide that. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: All right. Thank you. Are there any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JULIANN SEBASTIAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

CHUCK WILSON: (Exhibit 9) Mr. Chairman, Senators of the committee, my name is Chuck Wilson, C-h-u-c-k W-i-l-s-o-n. I'm a resident of Lincoln, Nebraska. I'm a cardiologist. I'm here to support the university's request that you provide funding for a new facility for the Lincoln division of the College of Nursing, which is LB1065. I've been involved in nursing education issues in Nebraska over a span of three decades as a

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member of the Nebraska Coordinating Commission for Postsecondary Education, and then as a member of the University of Nebraska Board of Regents. In addition, during 40 years of practicing cardiology in Nebraska, I worked with thousands of incredibly talented and dedicated nurses in Lincoln and in greater Nebraska. I cannot overemphasize the importance of well-educated and highly trained nurses in delivering quality patient care. I'm sure you've all had the contact with nurses in an outpatient setting, such as the nurse in your doctor's office. For those of you who have been hospitalized, I'm sure you were grateful for that nurse who responded to your call button in the middle of the night. But in addition to those typical scenarios for nurse contact, we should also consider the broader scope of modern nursing. Nurses also have specialized roles in intensive and coronary care units, burn units, operating rooms, cardiac catheterization and other procedural labs, and mobile emergency care units, air ambulance units. Nurses also provide patient care in nursing homes and in clinics for managing chronic conditions such as heart failure and diabetes, and serve as patient educators in wellness clinics and rehabilitation centers. And increasingly, advanced-practice nurses with master's degrees provide primary patient care in supervised settings. And these are just a few of the many examples of the key roles nurses play in delivering healthcare to Nebraskans. The need for nurses is projected to increase dramatically over the next decade and beyond. The aging population is probably the major factor behind this growing need for nurses. And another factor which was referred to by one of the senators is the implementation of the Affordable Care Act, so called Obamacare, which among other changes will bring 32 million newly insured Americans into the healthcare system, including many here in Nebraska. Work force studies have indicated we already have a shortage of at least 1,200 nurses in Nebraska. And projections are that shortfall will increase to 4,000 nurses by 2020. And that's not very far away. This is the most critical work force shortage facing our state and it must be addressed now. The College of Nursing has increased student enrollment substantially over the past decade, but that is not enough to meet the current and future demand for nurses. And yet about half of qualified applicants are being turned away because of lack of space and faculty. The Lincoln division of the College of Nursing is currently located off campus in a renovated store on O Street. The size of this space is inadequate to deal with the current student enrollment, let alone allow the needed growth. This facility also lacks the special features that are needed to provide the highest quality of modern, twenty-first century nursing education. A new facility for the Lincoln division of the College of Nursing has been at the top of the Board of Regents' capital construction priority list since 2008 and for good reason. And I strongly urge you to support funding for this important project. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

CHUCK WILSON: Okay. [LB1055 LB1065 LB1066 LB1089]

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NICOLE DEWIT: (Exhibit 10) Chairman Heidemann and members of the Appropriations Committee, thank you for this opportunity to provide testimony concerning the need for a new College of Nursing buildings in Lincoln, specifically LB1065. I am Nicole DeWit, N-i-c-o-l-e D-e-W-i-t, originally from Plainview, Nebraska, and a senior student at the University of Nebraska Medical Center College of Nursing, Lincoln Division. Today, I will share with you barriers associated with this campus and why it's imperative for Nebraska's future to have a new building. As a nursing student at the Lincoln division, I begin my day with a commute to campus. However, I do not simply pull into a designated parking lot near the building. I circle blocks downtown trying to find an open parking garage or search for the illusive open parking meter. Once I am finally inside I go downstairs to the computer lab to print notes, only to see it is occupied as other students are testing. Frustrated, I go to the third floor for lecture. As I walk through the hall I quickly realize that yet a different class is done with the test. The hall is packed with people and I step over numerous pairs of legs to get into the classroom. After lecture, I proceed back downstairs to start simulation. Unfortunately, the group ahead of me is not finished, so my group and I are forced to wait. Finally, my five classmates and I pack into the small room to begin simulation. I hope this story illustrates the crowded conditions at the Lincoln division. And unfortunately these very conditions create an environment that students want to escape instead of wanting to go to the college to study or meet with peers, remaining off campus is preferred due to the facilities. Granted, these circumstances are not encountered daily; however, when they do occur, it affects the education we as students are receiving. So what would a new building mean for future nursing students? It would mean being a part of an actual college campus, not the downtown atmosphere of businesses and bars and associated parking difficulties. It would mean adequate space for students to take electronic tests as well as utilize computers for homework. It would mean adequate space for students to have a lounge, as well as designated study areas. It would mean smaller simulation groups, thereby increasing the learning potential for each student. You may be wondering why would a student graduating in May be concerned about a new building? It won't affect her. My response is this, I want to advocate for the future nursing students so they don't encounter the same issues and so that they receive the best education possible. Furthermore, I plan to pursue my doctoral degree in nursing in the near future, and I want a college that is able to facilitate my research interests as well. A new nursing building in Lincoln is vital as it addresses the growing nursing shortage too. In its current state, the Lincoln division cannot accommodate anymore students. A new building would address this very issue by increasing enrollment rates. Furthermore, the education received by students could be greatly improved with sufficient space for study areas, simulation and research. Thank you for your time and consideration. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you coming in and testifying today. Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HANSEN: Thank you. Nicole, thank you for being here today. I understand your problems with getting around Lincoln and whatnot. But where is the new nursing school, in your opinion, going to be located at? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: East Campus by the UNMC College of Dentistry. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: And your undergrad background classes that you take would be scheduled where? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: That can be pretty much at any college that a student chooses. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: But your biology, zoology, some of your requirements to get through nursing school, where would those be held? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: The prerequisites are determined by the student where they start their course. That doesn't necessarily have to be UNL or a university system. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: But if it was on UNL campus, would it be downtown or would it be on East Campus? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: The prerequisites would be split probably between City Campus and East Campus. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: So there would be some traveling involved there too. But you think parking would be a big enough issue to change to warrant moving it to East Campus? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: I don't think parking is the primary issue, it's just one. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Okay. But lack of space. [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: Um-hum. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Where do you see yourself eventually settling in and doing your career at? [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: Eventually, I...like I stated, I'd like to get my doctoral degree and be in

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education. And where that takes me I don't know. I would like to teach at a UNMC College of Nursing facility, whether that be here or, for example, the northern division. I'm also looking into more community education as well, which I think would greatly improve rural health as well. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: That was my question about... [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: Um-hum. I definitely think it's a possibility. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: ...just where you're from. That's...I was just curious about that. [LB1055 LB1065 LB1066 LB1089]

NICOLE DEWIT: Um-hum, yeah. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JENNIFER HOWARD: (Exhibit 11) Senator Heidemann and members of the Appropriations Committee, my name is Jennifer, J-e-n-n-i-f-e-r Howard, H-o-w-a-r-d, and I'm the director of staffing and support services at Madonna Rehabilitation Hospital in Lincoln, Nebraska. Madonna is a 300-bed facility which employs over 1,400 people, with 271 of those being registered nurses. I am a registered nurse and I'm here to testify on behalf of Madonna Rehabilitation Hospital in support of LB1065. As was stated earlier, the Nebraska Center for Nursing estimates that by the year 2020 almost 4,000 nurses will be short here in Nebraska. Nursing shortages will increase hospital competition for recruiting and retaining qualified staff in Lincoln and throughout the state. Madonna Rehabilitation Hospital provides physical medicine and rehabilitation services to children and adults in Nebraska and throughout the nation. We rehabilitate those who have sustained injuries or disabling conditions so they can fully participate in life, lead research to improve outcomes, and prevent physical disabilities and promote wellness throughout community programs. Nursing is vital to the success of our mission. Our nurses provide care around the clock, seven days per week and are key members of our interdisciplinary team. Plans for a new University of Nebraska Medical Center College of Nursing, Lincoln division facility will be extremely important to the nursing shortage in Nebraska. The Lincoln division has reported that they currently enroll about 250 students, including students in the MSN, BSN, and Ph.D. programs. Currently, 60 percent of qualified applicants to this division are turned away as there is not enough space. Funding a new facility in Lincoln will allow for 64 additional students per year. In addition to increasing capacity, a new Lincoln division facility will attract talented, high-quality nursing students. In the last two years, 20 RNs or 20 percent of our RN hires have been UNMC graduates. Madonna depends on quality nursing

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programs such as the program at UNMC to help us fill open nursing positions with high-quality nurses who have excellent clinical skills and are enthusiastic about their opportunity to make the difference in the lives of our patients and families. A new facility with adequate space and excellent resources will better prepare our nurses needed for the future to care for our patients at Madonna and in other hospitals in Nebraska. Madonna strongly supports the UNMC nursing program and provides on-site clinical opportunities for nursing students throughout our hospital. If the Lincoln division facility is expanded, Madonna would continue to support the UNMC program in this capacity. We are pleased to provide clinical education experiences to UNMC nursing students as we have found them to be well prepared and able to think critically in order to make good clinical decisions. It has been Madonna's experience that UNMC nursing students exhibit professionalism, a caring approach, and respect for staff, patients and families. Rehabilitation means renewal. At Madonna, this means healing the whole person in mind, body and spirit. It is compassionate care that extends to the patient's families and friends, creating a circle of support that makes recovery a reality. Nurses are an important part of each patient's recovery and each patient's rehabilitation journey. Providing accessible quality academic opportunities for students who desire to make nursing their career will help build a strong work force in Nebraska. On behalf of Madonna Rehabilitation Hospital, I thank you for your time and your attention to this matter. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Wightman. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, Chairman Heidemann. And thank you for being here. Jennifer, as one of your last year's long-time residents in the Madonna care home, I wanted to express my appreciation for services I received there. [LB1055 LB1065 LB1066 LB1089]

JENNIFER HOWARD: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: It was kind of my home away from home some of last year. And that's really all I had. I don't have a question, but thank you. [LB1055 LB1065 LB1066 LB1089]

JENNIFER HOWARD: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions or even comments? (Laugh) Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JENNIFER HOWARD: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

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KYLE MEYER: (Exhibits 12 and 13) Thank you, it's a pleasure to be here. Chairman Heidemann and members of the Appropriations Committee, my name is Kyle Meyer, K-y-l-e M-e-y-e-r. I am the senior associate dean for the School of Allied Health Professions at the University of Nebraska Medical Center. I am here in support of the University of Nebraska's Building a Healthier Nebraska initiative, and in particular I would like to provide my support for LB1055. This legislation seeks funding for construction of a new 30,000 square foot addition on the UNK Bruner Hall of Science at the University of Nebraska at Kearney, to house the UNMC College of Nursing Kearney division and programs in the school. In support of this initiative, the school plans to expand five of its health professions education programs to the UNK campus, including physical therapy, physician assistant, clinical laboratory science, radiography, and diagnostic medical sonography. This enrollment increase would address current and projects allied health work force needs for rural Nebraska. A three year implementation would result in an eventual total enrollment of 46 allied health students at UNK and yield an annual graduation rate of 22 additional graduates. It has been estimated that as many as 60 percent of the healthcare work force is made up of allied health practitioners. Their services are critical to the success of healthcare delivery, particularly as we respond to an aging population. The population over 65 year of age in rural Nebraska is already greater than that of the U.S. average. And by 2030, this population is projected to increase an additional 62 percent. Work force demands are intimately tied to the aging of the population. Laboratory and imaging data are crucial for both determining a diagnosis and tracking the effectiveness of various treatment regimes. Practitioners who provide increased access to care and who are able to promote healthy aging, as well as provide care for persons with chronic conditions are critical. Older adults already account for almost one-third of visits to physician assistants. The Association of American Medical Colleges predicts a shortage of 45,000 primary care physicians over the next decade, and has called for more effective use of practitioners, such as nurse practitioners and physician assistants to deal with this impending crisis. The School of Allied Health Professions has educated healthcare professionals to serve Nebraska since 1972, with a significant focus on preparing professionals for rural practice. Four programs in the school have participated in the Rural Health Opportunities Program. Of the total allied health rural health graduates, 54 percent are currently practicing in rural Nebraska. The school's experience indicates that if students are interested in rural practice and are provided opportunities to obtain their education in rural communities, they have a greater likelihood of returning to those communities to practice after graduation. Expansion of the allied health education programs to the UNK campus is the next logical step in educating more allied health practitioners who are from rural Nebraska and who are most likely to choose a rural practice setting upon graduation. Student interest in the allied health professions is high and applications currently greatly exceed available positions. Currently, there are an average of three to four applicants for each available position in the school's programs. Forty percent of all Nebraska applicants to these programs over the past two years have been from rural designated Nebraska counties, and 52 percent of those applicants indicated a

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hometown within a 100 mile radius of UNK. Funding of LB1055 will position UNMC to address current and projected work force demands for healthcare providers, with an emphasis on meeting the needs of rural Nebraska. The intercampus partnership with UNK will allow students intent on providing healthcare in a rural setting the opportunity to obtain state-of-the-art health professions education without the necessity of relocating to Omaha. Collocating with the UNMC College of Nursing on the UNK campus would greatly enhance interprofessional education and the use of simulation to train healthcare professionals. In closing, healthcare delivery in the United States is currently confronted with a number of complex problems, many of which disproportionately affect rural areas. The need to expand access to primary care services, to serve an aging population, to increase the emphasis on prevention, wellness and care for those with chronic conditions, demands immediate steps to educate and retain more allied health practitioners in Nebraska. LB1055 represents a decisive step towards meeting these needs. And I strongly urge your support for the legislation. And thank you for allowing me to provide this testimony. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Senator Nelson. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you, Senator Heidemann. Thank you, Kyle Meyer. I'm interested in the allied professions, and physical therapy is part of that. Is it possible for someone entering the physical therapy program to begin at Kearney and finish there or would they have to start at Omaha for some of the more basic things? [LB1055 LB1065 LB1066 LB1089]

KYLE MEYER: All of the health professions part of the education for physical therapy could be done...is currently done at UNMC. It's a minimum of three years or 90 credit hours to apply to the program, and those can be done at any accredited university. About 65 percent of our applicants have a bachelor's degree when they apply so it's quite conceivable a student could enroll at UNK as a freshman, complete those 90 credit hours or a bachelor's degree, once admitted to PT school to stay at Kearney and complete their entire prerequisite, preprofessional and professional degrees. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you. [LB1055 LB1065 LB1066 LB1089]

KYLE MEYER: That is true, I might add, of most all of the professions. They have some prerequisite work that has to be done at an under...accredited undergraduate program and then apply to the professional program. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you. [LB1055 LB1065 LB1066 LB1089]

KYLE MEYER: Thank you, Senator. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for testifying. [LB1055 LB1065 LB1066 LB1089]

KYLE MEYER: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

CHARLIE BICAK: (Exhibit 14) Good afternoon and thank you, Mr. Chairman and members of the committee, for this opportunity to testify in support of LB1055, LB1066, LB1065, and LB1089. My name is Charlie Bicak, C-h-a-r-l-i-e B-i-c-a-k, and I am the senior vice chancellor for Academic and Student Affairs at the University of Nebraska at Kearney. The construction of a Kearney division facility for the University of Nebraska Medical Center College of Nursing and School of Allied Health Professions represents an important collaboration between UNMC and UNK. The collaboration will address the increasing demand for nurses, nursing instructors, and allied health professionals, including, as Dr. Meyer had indicated, physical therapy, physician assistant, clinical laboratory science, radiography and sonography. We know there is a shortage of healthcare professionals in rural Nebraska. We also know that many students who are educated in rural Nebraska are more likely to stay in rural Nebraska. The history of the Rural Education Network, RHEN, and the Kearney Health Opportunities Program, KHOP, support this. We have a long history of collaborative healthcare delivery with the presence of UNMC School of Nursing-Kearney Division on the UNK campus, and currently preprofessional students in nursing and allied health take significant coursework in the newly refurbished and remodeled Bruner Hall of Science on our campus. Only about 50 percent of the qualified students who apply to professional nursing schools are accepted and, as noted by Dr. Meyer, only 25 percent of those who apply to allied health professional programs are accepted. There are currently on our campus 180 declared prenursing students as undergraduates at UNK. The allied health preprofessional numbers in turn have also grown dramatically over the last ten years from 323 to 711. The growing student interest in health science careers mirrors need and demand, but resources currently fall short. There are two prominent benefits of this project for UNK students. The first is increased access and acceptance of qualified students to the professional programs; and second importantly are the enriched opportunities for undergraduate research and experiential learning. These opportunities come with the collocation or proximity of UNK and UNMC students and faculty, and a new and highly promising model really emerges in this part of the country in the Midwest. Good Samaritan Hospital in Kearney will be a critical partner in this collaboration, notably with increased opportunities for internships and clinical rotations, one of the key limiting factors with regard to placement of these professional health students. There is compelling evidence of this, and I'm pleased and honored that Mr. Robert Cunningham is in the room and with me today. Rob is the vice president of Ancillary and Support Services at Good Samaritan Hospital. He has oversight of all the

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allied health professions being discussed today and he has also committed the hospital to increased opportunities for the students in these professional fields. The UNK/UNMC collaborative goal is to better serve the healthcare needs of rural Nebraska by better serving the students who progress from the programs at UNK to the University of Nebraska Medical Center. Thank you for the opportunity to share these remarks with you. I'd entertain any questions. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you. In your written testimony, you just mention LB1055. Did you add the rest of them because Senator Hadley asked you to? [LB1055 LB1065 LB1066 LB1089]

CHARLIE BICAK: No. In fact, that was in my mind... [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Okay. [LB1055 LB1065 LB1066 LB1089]

CHARLIE BICAK: ...that I understand it to be the package, so... [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Do you at UNK, do you think you have a connection to agriculture? And I'll answer the question before you have a chance to answer. You do. And upstairs in the Rotunda every one of those senators has a connection to agriculture, even Senator Mello. We produce it; you eat it. Even if it's bean sprouts or beef, you're going to get it from Nebraska producers. Thank you. [LB1055 LB1065 LB1066 LB1089]

CHARLIE BICAK: I understand. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions or comments? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

CHARLIE BICAK: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

MIKE ALBERS: (Exhibit 15) Hi. My name is Mike Albers, M-i-k-e A-l-b-e-r-s, and I'm a student at the University of Nebraska Medical Center, the College of Nursing in the Kearney division. Chairman Heidemann and members of the Appropriations Committee, thank you for having me, letting me testify in support of LB1055. Right now I'm a senior in the bachelor of science nursing program at the Kearney campus and I'm also a second-generation graduate from the nursing program. My mother also graduated from

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the same school. Today I'm going to discuss, from a student's point of view, some of the key concerns regarding the Kearney campus and the needs of a nursing student. Two main concerns come to mind immediately. These concerns are adequate space in the classrooms and outdated technology in the skills and simulation labs. In order to meet the future needs of nursing, the university has greatly increased the number of students into the nursing program. Unfortunately, when the classrooms were designed in May of 2001, space for 56 students was never imagined. In order to accommodate the larger numbers of incoming students, classes have been divided up into smaller groups, utilizing more classrooms and staff than ever before. As a result, the College of Nursing has begun competing for classrooms in other areas of the campus. Once in the classroom, we generally sit three persons to a narrow five-foot table, just a little wider than this one. There's barely enough room for us to spread out our books and our classroom materials without invading our neighbor's space. During exams, it isn't even possible to keep one empty seat between students. Larger classrooms will accommodate the new large class size and allow the entire class to sit as a group during lecture. And the new curriculum also requires that the class be broken down into smaller learning groups so additional classrooms can make this possible. In addition, the learning environment will be more relaxed and comfortable for students. The technology in the current skills and simulation labs is severely limited. These labs are a crucial part of the nursing students' education. For example, nursing students use the labs to practice physical assessment, giving shots, and inserting catheters. These opportunities to practice these skills in controlled environments help students gain confidence. However, when we are working with simulation mannequins that have missing or broken parts or have been completely overused, the realism is lost. Our simulation lab is an area where improvements are desperately needed. In its current condition, there is no separate control room for the instructor to program the simulation mannequin and observe the students in a one-way mirror, the students' reaction to the change in health needs of the mannequin. With the increase of students accepted into the program, multiple simulation labs will be needed to meet the needs of the nursing students. A priority should be made to provide nursing students with the most up-to-date simulation equipment so they gain confidence needed to provide topnotch care to our patients. With the passage of LB1055, future nursing students will have an opportunity to learn in an environment that is up-to-date and with enough space to meet the needs of the new curriculum and the students. Now is the time to invest in our future. As the demand for nursing increases, it becomes more critical that nurses graduate confident and ready for the work force. I thank you for your time and consideration. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming and testifying today. Are there any questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

MIKE ALBERS: All right. Thank you. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Do you have a comment? Okay. Welcome. [LB1055 LB1065 LB1066 LB1089]

JEFF SHELTON: (Exhibit 16) Good afternoon, Chairman Heidemann, Vice Chairman Harms, and members of the committee. My name is Jeff Shelton, J-e-f-f S-h-e-l-t-o-n. I'm a respiratory therapist by trade and the chief executive officer of Harlan County Health System, a certified critical access hospital located in Alma, Nebraska. Alma is the location of Harlan County Reservoir, Nebraska's second largest lake just 60 miles southwest of Kearney. My testimony today is based on over 20 years of direct healthcare experience within large and rural communities, not only as a front-line caregiver but also as a healthcare executive. I come before you today to outline the value that the proposed expansion of the University of Nebraska-Kearney's allied health program will bring to the stakeholders of rural Nebraska. As mentioned in the statistics provided by the university, the demand for highly trained physicians, mid-levels, nurses, and allied health professionals is growing at an alarming rate, and the estimated demand far exceeds our state's current production abilities. As a result of the market demands, new graduates of many allied health programs within the state are often scooped up by larger, metropolitan healthcare organizations. These organizations have an advantage of continuous contact with the students during their training and the resources to recruit and retain these individuals, often before the education is complete. It is important to note that these organizations are not operating with questionable integrity. They are utilizing the resources made available to them to maximize their ability to meet their growing work force needs. Unfortunately, the reality of this is an ongoing trend where rural communities are losing their highly skilled young adults through out-migration. Crippling these same rural communities are the double-digit declines in population, increased resource limitations, and the growing lack of employment opportunities that when combined are driving many small towns to near extinction. Economic development is often the chant heard by many community leaders, but the ability to support economic development lie in the community's ability to remain solvent and have the core resources available, such as good schools and a reliable healthcare system. Many communities are falling short on their ability to maintain core services due to their lack of having a qualified labor force to support these systems. The work force challenges experienced by Harlan County and its hospital are no exception to these trends. The county's hospital is successful in meeting the needs of the rural community served, but its aging work force and limited labor pool is leading to the development of the perfect storm. Harlan County Health System is a 19-bed critical access hospital that is the county's second largest employer, employing 83 health professionals and support staff on a full- and part-time basis. The average age of the staff is 48, with 38 percent of the staff being between the age of 45 and 65, and 5 percent of the staff being greater than the age of 65. As a result, 43 percent of the organization's highly trained, highly skilled professionals are in the middle or nearing the end of their traditional health career. Due to the organization's rural location, the ability to recruit highly trained and skilled providers has always been a challenge, but due to

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the reduced number of professionals graduating from area programs and the competitive recruiting environment within the large metropolitan areas, the organization's ability to fill vacated positions is becoming nearly impossible. In the past five years, the area's two secondary schools of Alma and Southern Valley have reported graduation rates greater than 95 percent. Of these students, the average ACT scores were at or slightly higher than the state's average. Though these statistics are very promising, recent studies have found that nearly 67 percent of the Nebraska high school students surveyed felt that they had to leave their rural communities to find work. In addition, similar studies have revealed that students who receive their education in an urban or metropolitan area are 70 percent less likely to return to their rural communities to work. Our rural communities are desperately working to identify opportunities that can reduce the threat of losing the future leaders of our communities and improve the outlook of their communities' survival. Unfortunately, many of the allied health programs offered across the state have extremely long waiting lists to be accepted into the program. In addition, the competitiveness for the limited available openings is so great that programs, such as the UNK nursing program, deny an average of 50 percent of the qualified candidates that apply for the program. Another example of limited access is the School of Allied Health Professions at UNMC campus, where only 25 percent of its applicants are accepted. These barriers to education access are forcing well-qualified candidates to choose a different career path or seek their education from colleges that are even further away from their home. We have an opportunity to increase the access to allied healthcare education for the brightest of our rural students by supporting the UNK nursing and allied health expansion project. Through the expansion of these programs, rural communities will have the opportunity to work closer with these adults to recruit and retain their talents, helping to keep their communities thriving. The expansion of the UNK programs will increase the production of talented healthcare professionals by as much as 32 percent, which is desperately needed not only to address the current healthcare work force shortage but also to maintain the healthcare safety net within rural Nebraska. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JEFF SHELTON: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: (Exhibit 17) Thank you, Chairman Heidemann and the Appropriations Committee. I just want to start out by saying I appreciate the opportunity to be here. My name is Janae Nienhueser, J-a-n-a-e N-i-e-n-h-u-e-s-e-r. I am here today in support of the University of Nebraska's Building a Healthier Nebraska initiative, and in particular to advocate for LB1055. I would like to provide my perspective as both a student who attended UNK and a second-year student in the three-year doctor of

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physical therapy program at the University of Nebraska Medical Center. I grew up in York, Nebraska. York is a small town where I experienced the value of healthcare providers in a rural community. In York we were fortunate enough to have primary healthcare available locally, which meant we never had the concern of traveling great distances for any of our healthcare needs. This gave us a sense of well-being in our community. Upon graduation from York High School, I was intent on attending the University of Nebraska-Kearney. My brother was attending UNK at the time and I selected it because of its welcoming campus that offered that small-town, friendly feel that I had grown to cherish. Based on my recommendation, my younger sister is also a student at UNK currently. UNK gave me the educational foundation to prepare me for the academic challenges of physical therapy school. My academic advisors were fully aware of UNMC's admissions requirements and they guided my education accordingly. Also, during my time at UNK I was able to do a semester-long internship at a local physical therapy clinic, which gave me a deeper understanding of my future career. UNMC allows students to apply after three years of undergraduate education if all requirements are met. However, I chose to stay at UNK to complete my degree in exercise science. This decision provided me with additional opportunities that I otherwise would have missed. One of these opportunities included working with one of my exercise science professors in UNK's research program. We planned, completed, and published this research, which I believe significantly enhanced my application to physical therapy school. I was accepted into physical therapy school on my first attempt and I attribute much of my success at UNMC to the education I received at UNK. I have had a good experience at UNMC in Omaha, however, the opportunity to continue the professional component of my education at UNK would have been more affordable and would have allowed me to maintain my support system and local contacts. I would have chosen to stay at UNK to obtain my professional education, given it were an opportunity at that time. I appreciate the opportunity to share my thoughts on this issue with you today and encourage you to support LB1055. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any questions? Senator Nelson. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you, Senator Heidemann. I want to congratulate you on your admission to the physical therapy program... [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: ...at UNMC. [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: And my daughter is a physical therapist and... [LB1055 LB1065 LB1066 LB1089]

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JANAE NIENHUESER: Very neat. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: ...think you would follow in good footsteps there. Are you planning to stay in Nebraska? [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Absolutely. Absolutely. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Okay. It would have been more convenient for you to go out to Kearney and stay there and... [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Uh-huh, I would have stayed there in a heartbeat. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Do you like Kearney better than York then? [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Actually, Kearney, I hate to say this and if my mom heard this she would probably cry, but Kearney feels more like a hometown to me than York ever really did and I...it's just a really great community. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: All right. Thank you very much. [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Yeah. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Where do you see your career taking you in Nebraska? [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: I would love to end up back in Kearney, Nebraska. I actually have a clinical rotation there next fall at Good Samaritan Hospital. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Sounds good. [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: Uh-huh. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JANAE NIENHUESER: All right. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

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DARREN ROBINSON: (Exhibit 18) Hi. Thank you. Chairman Heidemann and members of the Appropriations Committee, thank you for your time today. My name is Darren Robinson, it's D-a-r-r-e-n R-o-b-i-n-s-o-n. I'm the president of the Economic Development Council in Buffalo County in Kearney, Nebraska. I've been at my job for two years. My first priority, of course, in the position was to visit with all of our major employers, and of course medical being one of those. I found that the attraction and retention of a skilled medical work force was the most prominent issue stated by hospital administrators when they listed the challenges limiting growth of their organizations. So we thought we would maybe try to help them in any way we could and so, in an effort to assist in recruitment, our office made significant attempts over the last two years through social media and direct mail, thousands of postcards, to attract medical alumni back to central Nebraska. Unfortunately, this effort was far from successful as most of the people we contacted were deeply rooted elsewhere. According to the Nebraska Hospital Association, we have less than a 3 percent probability of recruiting trained medical professionals back to central Nebraska once they have left the area for their education. I've met with hospital administrators in Dawson, Phelps, Buffalo, Hall, Adams, and Hamilton Counties, and all of the administrators recognized a concern for recruitment and retention. Lyle Davis, he's the administrator of the Cozad Memorial Health, he stated if we want these young people to practice in rural Nebraska then we have to educate them in rural Nebraska. I've included in your handout, on the last page, a chart showing the latest enrollment numbers for the University of Nebraska at Kearney health science programs. Just one program, physical therapy, grew from 41 to 129 students over the past 11 years. Enrollment in all preprofessional health science programs at UNK grew from 319 to 711 over the same period. All of the administrators with whom I've visited with were concerned that so many of these hundreds of students find that they must leave central Nebraska to continue their medical education. Just one example: A nurse in Cozad at the Memorial Hospital, she reported that her son tried but failed in his application for physical therapy school in Nebraska due to lack of space and competitiveness, and he is now attending physical therapy school in Des Moines. And I'm also aware of a number of candidates that have been turned away from UNMC in Kearney because of the space limitations. So we are losing some of Nebraska's brightest individuals in one of the most important professions to the health of Nebraska. Adding to the dilemma, talent recruited from other states are less likely to stay in Nebraska than our own home-trained workers. And so the rapid turnover of allied health personnel in Nebraska hospitals really only adds to the problem. The turnover raises the already high cost of medical care. It is imperative that we create training opportunities in rural Nebraska to keep Nebraska's talent local. To illustrate the problem of recruiting medical personnel in our own city, in the city of Kearney, at Good Samaritan Hospital, a neonatal nurse practitioner position has been open for 152 days, two certified occupational therapy assistant positions have been open for 209 and 298 days respectively, an occupational therapist position has been open for 456 days, a pharmacist position for 691 days, a physical therapist position for 224 days. A recent job listing showed a total of 105 vacant

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medical-related positions at the three hospitals combined in North Platte, Hastings, and Kearney. So in addition to hospitals, in Kearney alone there's over 50 additional medical speciality offices that are competing for the same work force, so I think it's fairly evident the demand is here today. In closing, if we want to create jobs in rural Nebraska, we need to start with creating educational opportunities in rural Nebraska to assist in filling the existing medical jobs that we have open. LB1055 is a long-term solution. I was asked to speak on LB1055 but I certainly support all of it put together because it's not just a rural health issue. I respectfully ask for your support on the bills and thank you for your time. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

DARREN ROBINSON: Great. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

KENNETH COWAN: (Exhibits 19-21) Thank you. Thank you, Mr. Chairman and distinguished members of the Appropriations Committee for giving me this opportunity to testify in support of LB1089. My name is Kenneth Cowan, K-e-n-n-e-t-h C-o-w-a-n. I am the director of the Eppley Cancer Center at the University of Nebraska Medical Center. I'm here today to testify in support of LB1089. Prior to my recruitment to the University of Nebraska Medical Center in 1999, I worked for 21 years at the National Cancer Institute in Bethesda, Maryland. LB1089 would have a tremendously positive impact on all Nebraskans. As you know, every Nebraskan has been touched by cancer. Medical discovery is the bedrock upon which patients can receive new treatments for devastating diseases and illness. Cancer research and care continues to change. Today we know that not all cancers are alike and cannot be treated the same, as we have been for the last 30 years. That's why hardworking scientists at the Eppley Cancer Center are working to develop the next generation of cancer therapies, therapies that are targeting specific molecular changes that cause each tumor to develop, resulting in treatment regimens that must be individualized for each patient based on detailed scientific analysis of each individual cancer. The proposed research cancer tower at UNMC would bring together world-class scientists under one roof. Currently, UNMC cancer researchers are housed in six different facilities across the campus. These scientists need to collaborate with physicians, nurses, pharmacists in translating the latest scientific discoveries into new cancer therapies. Nebraskans would directly benefit from this, receiving the latest, most innovative treatment for specific types of cancer. The planned research and patient care facilities will help Nebraskans secure NCI, National Cancer Institute, designation as a comprehensive cancer center. Already we are 1 of 66 NCI-designated cancer centers in the United States--the only cancer center in Nebraska with this designation. Our aspiration of becoming an NCI-designated comprehensive cancer center would place us among 40 cancer centers in the United

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States having attained that designation thus far. Achieving this goal means more than strengthening our regional and national reputation. It would increase our research funding and make the Eppley Cancer Center even more competitive in recruiting the very best and brightest researchers and healthcare providers to Nebraska. I want to assure you that our mission is truly statewide. Nebraskans deserve access to the best and latest cancer care and treatments without traveling out of state or far from home. To do this, the Eppley Cancer Center partners with hospitals across the state to provide access to clinical trials directly to patients in their local communities. Medical advances in the planned research tower and multidisciplinary outpatient clinic would benefit patients and hospitals across the state. Later, you'll hear from one oncologist from Grand Island whose patients have benefited from our relationship and our partnership. All of us want the best for Nebraskans. A dozen years ago I chose to leave a career at the National Cancer Institute because of the tremendous opportunity I saw in Nebraska and at UNMC. I may have been born in New York City, but Nebraska is my home. And after 21 years, I've gotten used to this warm weather that we have every winter. But it's where my wife and I raise our two daughters; it's where we have hundreds of friends and colleagues for whom we want nothing but the best. Through our relationship with the Cattlemen's Ball of Nebraska, a major fund-raiser for the Eppley Cancer Center, I have also had the opportunity to meet cancer patients from all parts of Nebraska every year. This research tower will become a linchpin for making the best cancer treatments available to all Nebraskans. To be sure, this cancer research is a major economic initiative. Currently at UNMC, our researchers attract about \$70 million annually in grants from outside the state of Nebraska. This would create hundreds of new jobs here in Nebraska at UNMC and the surrounding communities, jobs that will make our community better but also provide revenue to the state through expanded tax base. In addition to my testimony, I have support letters from two prominent Nebraska business leaders: Mr. Robert Krohn, vice president of business development, Pitney Bowes; and Duane Acklie, chairman of Crete Carrier Corporation. Both of these distinguished business leaders understand the importance of cutting-edge cancer research to Nebraska and tremendous economic benefit of the cancer center that would provide the state. I want to thank you for this opportunity. I'd be happy to answer any questions. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Wightman. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, Mr. Chairman. Thank you, Dr. Cowan, for being here. You talked about, I think, 61 cancer centers that have that NCI designation. How many of those are located in surrounding states? [LB1055 LB1065 LB1066 LB1089]

KENNETH COWAN: Yeah, so actually there are 60...about 65 NCI-designated cancer centers. Only 40 of them are comprehensive. The Eppley Cancer Center has actually been an NCI-designated cancer center since 1984. When I came here in 1999, we were the only state in our entire region from Nebraska. From North Dakota all the way down

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to Texas, there are no other cancer centers currently. When I came here, Iowa and Missouri didn't have one as well. So all the states surrounding us, except for Colorado, didn't have one. In 2001 and '02, Iowa did get one and University of Missouri got one in 2002 as well, I should say Washington University in Missouri. And I know this year Kansas did apply for an NCI designation. They got tremendous state support to help them put forward an application. I know that Oklahoma is planning to apply for one in a couple years and they also got about \$90 million from their state to actually help them start a cancer center development program at their state. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Nelson. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Yeah, thank you, Senator Heidemann. I think the question was asked earlier about the number of patients from outside of Nebraska, my recollection, 15 percent or so. [LB1055 LB1065 LB1066 LB1089]

KENNETH COWAN: It's almost...I think it's almost 20 percent. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Twenty percent? [LB1055 LB1065 LB1066 LB1089]

KENNETH COWAN: Yeah. Our bone marrow transplant program over the years has actually seen patients from all 50 states and about 20 foreign countries, and we estimate that with a facility like this and with the research that would be cutting-edge in developing new therapies we would increase the number of out of patient (sic) by at least 5 percent over the next year. So we think we could attract many more patients to Nebraska to at least get care and at least a diagnosis and an idea of what their treatment regimen should be. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming in today. [LB1055 LB1065 LB1066 LB1089]

KENNETH COWAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: (Exhibit 22) Thank you, Mr. Chairman and the members of the Appropriations Committee, for giving me this opportunity to speak in favor of LB1089. My name is Haley Peters, H-a-l-e-y P-e-t-e-r-s, and I'm a doctoral graduate student at

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the cancer research graduate program in the Eppley Institute for Research in Cancer at the University of Nebraska Medical Center. I'm originally from a farm outside of Milligan, Nebraska, and obtained my bachelor's degree in chemistry from the Nebraska Wesleyan University here in Lincoln. During my time at UNMC I have served several positions on campus, received an award in Queensland, Australia, and been a student leader for conferences held in Tokyo, Japan, and Shanghai, China. The cancer research graduate program at the Eppley Institute is one of only a few programs in the United States that offers a graduate program in cancer research that is funded by the National Institute of Health. This program attracts future scientists, such as me, from all over the country and the world to Nebraska. Students begin the program by rotating through different labs, training in both basic and translational research, with a heavy emphasis on the molecular basis of cancer. I chose the cancer research program at UNMC for graduate school because I wanted to stay close to home. After entering the program, I joined the laboratory of Dr. Joyce Solheim, an outstanding scientist who fosters an environment of learning and collaboration with other cancer scientists. As a student of cancer research, I cannot emphasize enough to the committee the importance of these collaborations. I am very excited when I think about what the new cancer center will mean for students--a center dedicated exclusively to cancer, housing all students, scientists, and clinicians on the UNMC campus in one integrated facility. This integration is essential to provide a better understanding of the causes of cancer, the development of innovative methods for earlier detection of malignancies, and the design of new targeted therapies for cancer. In addition, a state-of-the-art facility like the proposed research tower would be an important beacon for the recruitment of high-quality graduate students and postdoctoral fellows at the cancer center at UNMC. Ideas and theories discussed by UNMC cancer research faculty are first tested in the laboratory. Important discoveries in the laboratory are then discussed with clinicians and brought to patients in the clinic. I can share a personal perspective on this. In 1989, when I was four years old, my mother was diagnosed with non-Hodgkin's lymphoma. She underwent an autologous stem cell transplant in 1990 at UNMC. This procedure, that saved my mother's life and the lives of so many others, was facilitated by scientists and physicians working together at UNMC. As a result, my mother is alive and well today and giving back to Nebraska as an emergency room physician. Because of the advances in research generated by collaborations between scientists and physicians, my mother was able to join the lives of my brother and me and will attend my graduation from the graduate...the cancer research graduate program this year. Thank you very much for your time, and I would be happy to answer any questions. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? So where do you see your career taking you? [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: I would love to stay in academics. It's definitely a field that I think

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when you ask some basic questions you never know where those answers can take you, and I think that's going to be a lot of what will help advance cancer research as well and other diseases. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: How you say that, it sounds a little bit like appropriations. When you ask a question, you never know what you're going to get. (Laughter) [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: Exactly, yes, it sounds very similar. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming and testifying today. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Did you have a question? Just a second. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: Oh. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you very much. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Sorry. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: Thank you. I'd appreciate the opportunity to visit with you afterwards because Geneva and Milligan are very familiar to me because I grew up between Geneva and Milligan. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: Yeah, it's a good stretch. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: So I'm not going to go into details but I'm sure Geneva would welcome you if you'd like to move back there when you're finished with your research. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: That would be fun. [LB1055 LB1065 LB1066 LB1089]

SENATOR NELSON: All right. Thank you for coming in today. [LB1055 LB1065 LB1066 LB1089]

HALEY PETERS: Yes. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you. Welcome. [LB1055 LB1065 LB1066 LB1089]

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MEHMET SITKI COPUR: (Exhibit 23) Thank you, Mr. Chairman and distinguished members of the Appropriations Committee. Thank you very much for the opportunity to testify in support of the LB1089. My name is Mehmet Sitki Copur. I'm an oncologist and I am the medical director of St. Francis Cancer Center in Grand Island and Hastings. I received my medical degree in Turkey and then I came to Chicago and did my internal medicine residency, then I did do a three-year medical oncology fellowship at the National Cancer Institute and specialized in cancer research and cancer care. Then I moved to Grand Island, Nebraska, and I established the St. Francis Cancer Treatment Center and I have been serving as the medical director of that place since 1995. I met Dr. Ken Cowan while we were working at the National Cancer Institute. Then...first I found out that he was accepting the position at Eppley Cancer Center in 1999. I was very excited and enthusiastic to have the opportunity to work with him again. Eppley Cancer Center, as you know, is the only NCI-designated cancer center in the state of Nebraska and one of the missions of Eppley Cancer Center is to promote and facilitate clinical research, as well as the basic research, across the state. In accomplishing this goal, Eppley Cancer Center reaches out to local hospitals and the physicians across the state, not only in Omaha or Lincoln or Kearney. And thanks to our affiliation with the Eppley Cancer Center in Grand Island, Nebraska, and Hastings, we have had the opportunity to have the infrastructure to provide clinical trials to our patient population so they don't have to leave home to go to big cities to receive comprehensive cancer care. Now the cancer care is basically, as of today, clinical trials. Clinical trials are the main player of cancer care. They bring the cutting edge solutions to many incurable conditions and help patients live longer and better quality lives. However, to be able to conduct the clinical trials, a great infrastructure and support system is required. And in the majority of the United States the cancer patients, 85 percent, diagnosed and treated in rural communities like ours in Grand Island, central Nebraska, where the clinical trials and the comprehensive cancer care is most needed. To accomplish the best cancer care to the rural communities, you have to have an infrastructure or a connection with a place who can enable you to have the infrastructure. Thanks to Dr. Cowan and the Eppley Cancer Center and University of Nebraska Medical Center, over the past ten years at St. Francis, Grand Island, we have been able to enroll hundreds of patients on clinical trials and then we have had more than 50 clinical trials run at our site and our patients had the opportunity to participate, national priority, high-quality clinical trials over the past ten years without having to move to big cities, and their care, in my mind, was as good, even better because everything is a lot easier to do at home. And St. Francis Cancer Center is a member of Catholic Health Initiatives, which has hospitals across the United States. In 2007, part of the National Cancer Institute National Community Cancer Centers Program pilot project, we applied and were granted NCCCP grant. This is now a 30-hospital in 22 states network, and the goal of this grant, National Community Cancer Centers Program, is to provide basic clinical and population-based research across the cancer care continuum, which includes prevention, screening, diagnosis, treatment, survivorship, and to the end of life care. To

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be able to get this grant and continue on it, you have to have the infrastructure as a community-based oncology service, so you would have to have the NCI-designated cancer connection. The Eppley Cancer Center has been tremendous help in that setting for our community. The Eppley Cancer Center is characterized by strong, organizational capabilities, institutional commitment, transdisciplinary cancer-focused science, experienced scientific and administrative leadership and team, and then state-of-the-art cancer research and patient care facilities. The ability for me to work with the Eppley Cancer Center is an essential and indispensable component of our partnership with NCI National Cancer...Community Cancer Program project. I am here today to show my full support for LB1089. I truly believe that providing a state-of-the-art cancer research tower at the University of Nebraska Eppley Cancer Center will greatly enhance and will lead to the development of novel, effective therapies available to all patients across Nebraska, not only in Omaha, Kearney, it's all over. And Grand Island, Hastings, and the surrounding communities will be benefiting from this great project and it is long overdue to have a National Cancer Institute approved comprehensive cancer center in Nebraska, and this is the great opportunity to have it and I fully support it. Thank you. If you have any questions, I would be happy. [LB1055 LB1065 LB1066 LB1089]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, thank you very much. [LB1055 LB1065 LB1066 LB1089]

MEHMET SITKI COPUR: Thank you. [LB1055 LB1065 LB1066 LB1089]

RONNIE GREEN: (Exhibit 24) Good afternoon, members of the Appropriations Committee. My name is Ronnie Green, R-o-n-n-i-e G-r-e-e-n, and I have the privilege of serving as the vice president of the University of Nebraska for Agriculture and Natural Resources and the vice chancellor of the Institute of Agriculture and Natural Resources at UNL. I'm here today in support of all four of these bills, for Building a Healthier Nebraska, but specifically in my testimony I'm here to address LB1066 and the request for \$5 million of planning and design money for the construction of a new Veterinary Diagnostic Center on the UNL East Campus. You'll hear from a number of folks later in the testimony this afternoon about the importance of the animal industries to Nebraska, across a wide spectrum. We are currently the number one leading commercial red meat production state in the U.S., which makes us one of the leaders in the epicenter in the world, so to speak, in that arena, a \$23 billion agricultural industry of which \$8.4 billion this past year was in red meat production. The other portions of the animal industries often that get left out of the equation, however, that you'll hear about this afternoon are our wildlife populations, our zoo populations, and our companion animal populations, which are also served by the Veterinary Diagnostic Center. The Veterinary Diagnostic Center has a long history at the University of Nebraska in serving the state. It is a state laboratory, as you heard earlier from some of the earlier testifiers in the hearing this afternoon, where it serves as a warning signal, if you will, for disease surveillance in Nebraska to protect our animal populations. It's part of the national surveillance network

where we report what comes out of the Veterinary Diagnostic Center to federal agencies and certainly is a component of our state agency system with the Nebraska Department of Agriculture, the Game and Parks Commission, the Nebraska Department of Health and Human Services who all use the lab in that warning type of approach. It's important to point out that the Veterinary Diagnostic Center not only serves animal diseases of importance in the animal populations, things like bovine respiratory disease for the beef industry or porcine reproductive and respiratory disease for the swine industry as key economic examples. It also serves the critically important role of zoonotic disease, diseases that can jump from animal populations to human populations, things like West Nile disease, things like rabies, things like H1N1 or avian influenza that we've heard so much about in the press in recent years. So it has a human connection as well, making it a fitting part of this package of bills that you're looking at this afternoon. At issue here is the fact that our veterinary diagnostic lab on the campus that is 38 years old, it was constructed in 1975, is under review by our accrediting agency, the American Association of Veterinary Laboratory Diagnosticians, who in 2007 in a review gave us provisional accreditation on two concerns: one being quality control of samples, a people issue; the other being the facility and the facility's age, the air and ventilation systems in the facility, the space that is there that contributes to the opportunity for incorrect diagnoses, cross-contamination of samples, as well as worker safety concerns in the facility. We have had a recent visit from the accrediting body in October of 2011, was the scheduled review of the facility. They gave us full accreditation in 2008 after we addressed the quality control considerations but a shorter three-year accreditation. They came back this fall and have kind of put us on warning again that we've addressed the people issue and that's working well, the building issue remains and they are concerned about that for our future accreditation. You'll hear people today talk about the importance of this program, as President Milliken did earlier, to our two-plus-two veterinary program with Iowa State University. The School of Veterinary Medicine and Biomedical Sciences made that investment in the university about five years ago, if you'll recall; moved from Kansas State as the relationship in a veterinary program to Iowa State. We've just graduated our first class of students from Iowa State this past May where nine of those students are coming back to Nebraska to practice in rural Nebraska and benefiting our state. The loss of an accredited lab, of the only accredited state veterinary diagnostic lab in Nebraska, would jeopardize this program, in our two-plus-two program, to have the quality of faculty that we need to continue it. One of the hallmarks that our Iowa State colleagues told us this year was the fact that five of the top seven students in the graduating class of students at Iowa State were from Nebraska and from the Nebraska two-plus-two program, a credit to our faculty. So I hope that you will give this bill your due consideration. I know you have a lot of considerations on your plate. This is a critical issue for the state. It is a state issue, which is why we're bringing it to you to help us address this need. And I know you'll hear from a number of our stakeholders that we appreciate being here subsequently. I'll be happy to answer any questions, Mr. Chairman. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Thank you for coming and testifying today. Are there any questions? Good job. Thank you. [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: Good afternoon. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: (Exhibit 25) Good afternoon, Chairman Heidemann, members of the Appropriations Committee. My name is Marshall Hill, M-a-r-s-h-a-l-l H-i-l-l. I'm executive director of the Nebraska Coordinating Commission for Postsecondary Education. I'm going to provide a little variety to the testimony you've heard today. First off, I'd like to start by addressing LB1065, the proposal for an expanded College of Nursing facility here in Lincoln. As you know, the Nebraska Constitution and statutes require the Coordinating Commission to review higher education construction projects funded by tax dollars, and we reviewed this project in 2009. We found that it achieved compliance with the state's Comprehensive Plan for Postsecondary Education, a requirement that we have under the constitution. University's initial request was for a \$17.5 million facility. After some consultation with them, that amount was lowered to \$15.1 million. The dollar amount requested in this bill reflects the appropriate inflation of construction costs since that 2009 approval date. I have been involved with nursing education issues, frankly, for more than 15 years here in Nebraska and 11 years in Texas where part of my purview was to deal with Texas' nine health science centers, nine "UNMCs." Everything you've heard today about the shortage of nursing, about changes in the profession, about the need for faculty is all true. They make a strong case for that and we support it. Consequently, if the Legislature and the Governor believe there's sufficient funding at this time, the Coordinating Commission reaffirms its previous recommendation for approval of that project. I'd next like to talk a bit about LB1055, LB1066, and LB1089. I might sound a bit like the Grinch who's trying to steal Christmas or might be as popular as President Obama in a Newt Gingrich rally here, but that's not the case. It might sound like I'm against motherhood, nurses and apple pie. I love my mother, my mother-in-law is a nurse, and I love apple pie. It might sound as if I'm stressing a bureaucratic point. If I am, it's a bureaucratic process that has logic and sense behind it, and it's the one that you directed us to apply and develop. The Coordinating Commission has reviewed only two of the six projects that are before you with requests for appropriations. Because they have not gone through our process, you are robbed of the ability of seeing where they fit on a prioritized list of projects important to the institutions. Some of those prioritized projects are fire/life safety issues, \$10 million of those; \$17 million worth of deferred maintenance. Nothing that the university is proposing here today is without merit. It's all important to do. But it's also important to do some of the other things that Nebraska institutions need and the normal process would put these issues in front of you within that context; this process doesn't. That's our concern. We would, I think in all likelihood, yield positive reviews of these proposed projects. Had they been presented to us, we would have been pleased to expedite a

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review of them and provide you that expanded background. That wasn't the case, for whatever reason, so it's for that reason that I'm testifying neutral on those three. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: You will be listed as testifying in support of, because that's what we're doing right now. [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: Oh, I misunderstood, Senator. I would request that I be listed as in support... [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Right now we are taking testifiers in support. We announced that when we started. [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: I apologize. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Okay. Are there any questions? Senator Harms. [LB1055 LB1065 LB1066 LB1089]

SENATOR HARMS: Could you tell me, I believe you were talking about other projects taking...what are the other projects you would be referring to then? [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: They are contained in the document we send you every biennium. The first is for fire and life safety, class I request, \$10 million; the second, Carhart Science Building renovation at Wayne State, \$7 million; the third for deferred repair, class I request at all, virtually all institutions; and it goes on down from that. The Armstrong Physical Education Building request you heard the other day is on this list and prioritized at number five, and the College of Nursing facility to be built here in Lincoln is on the list also. [LB1055 LB1065 LB1066 LB1089]

SENATOR HARMS: Thank you very much. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: We are still taking testimony in support of, by the way. [LB1055 LB1065 LB1066 LB1089]

ROGER WEHRBEIN: (Exhibit 26) Thank you. Roger Wehrbein representing Ag Builders of Nebraska, R-o-g-e-r W-e-h-r-b-e-i-n, and I think you appreciate some brevity and I'm going to be brief. I'm representing the Ag Builders of Nebraska and I'm supporting all of

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the four bills that have been presented. First, I want to emphasize that I am here to support the entire package. We need to recognize the importance of the interface between animal and human health and all work together on that end. We need to maintain an accreditation for a diagnostic laboratory in Nebraska, not only for the livestock industry but as an outstanding faculty attraction for the state Department of Agriculture as part of its disease surveillance mission. As you would know, early detection and confirmation of disease that affects both animals and humans, as represented by President Green, should not be only for Nebraska citizens but as part of a larger nationwide public service. Who else in Nebraska is going to provide that service? Because of Nebraska's leadership in production agriculture, a strong diagnostic and research program that provides a rapid and accurate response to a disease problem is a must and a Nebraska laboratory will provide that need. Once again, who else will do that? Our present diagnostic center, as you've heard, is badly out of date and needs more space, more improved air handling capabilities, and improved traffic patterns. With sound biosecurity so critical in the United States today, it is absolutely necessary to have this facet of our accreditation attended to. And with our veterinary program with Iowa State University off to a very satisfactory beginning, it is incumbent upon Nebraska to have a strong School of Veterinary Medicine and Biomedical Sciences with a very reputable faculty and modern diagnostic equipment. Our livestock industry is on the cutting edge and it should be this School of Veterinary Medicine and Biomedical Sciences also. And an example of that is the recent \$25 million grant from USDA for E. coli research. It is absolutely necessary that we maintain our leadership in this area of animal agriculture. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for testifying today. Are there any questions? Would you say that agriculture has been one of the reasons or probably maybe the main reason that we've weathered the economy in the economic downturn? [LB1055 LB1065 LB1066 LB1089]

ROGER WEHRBEIN: From my humble experience as a farmer, I definitely think so. I'm not a sophisticated economist but we know it's probably 25 percent of our economy today in Nebraska, including the jobs that are involved in ag processing. So, yes, the answer is yes. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Is it time for the state of Nebraska to give back a little bit then? [LB1055 LB1065 LB1066 LB1089]

ROGER WEHRBEIN: I would think so. I mean I truly do think this is a state of Nebraska responsibility. It happens to be on east campus in this case, but I don't really see, if you were going to support Nebraska agriculture as a state and be the center of the United States if not the world in animal agriculture, this has to be at least one of the priorities that you're facing. And I know you have a lot of them, believe me, I know you do. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Thank you. Are there any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

ROGER WEHRBEIN: Thank you. [LB1055 LB1065 LB1066 LB1089]

ROB CUNNINGHAM: I'm a proponent. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

ROB CUNNINGHAM: Thank you. I'm here in support of LB1055. My name is Rob Cunningham, R-o-b C-u-n-n-i-n-g-h-a-m. I'm the vice president of Ancillary and Support Services at Good Samaritan Hospital in Kearney. I've been with Good Sam for most of seven years. The proposal before you is near and dear to my heart in regards to the expansion of programming, what it would bring to our region. I try, many times in desperation, to hire the individuals that would be educated and trained by this expansion. I see many benefits to this expansion. One of the things that folks haven't talked much about was from the construction aspect. I know little bits of...I know a few things about building as well. As you may know, Good Sam is about three-quarters of the way through a 160,000-square-foot addition to its campus. Building material costs have not increased the way that they had expected to. Contractors nationally and locally are looking for projects and submitting reasonable bids. It's obvious to me, with the number of cranes in the air in downtown Lincoln, that it's a good time to build. From an allied health shortage aspect, as we sit here today, Good Samaritan Hospital is looking for three occupational therapists with an average time to fill of 456 days, two physical therapists with an average time to fill of 133 days. The average ages of our physical therapists is 41.3 years; our OTs, 43.3 years; our medical technologists have an average age of 45.2 years. So why are the ages and open positions relevant to programming located in Kearney? UNMC, in conjunction with UNK, has a longstanding excellent nursing program located in Kearney. What we find at Good Sam is that our average age of nurses is significantly lower than state and national averages. We're able to hire individuals directly from the nursing programs. This has continued to help reduce the effects of the nursing shortage being seen in the nation. We hope to see the same result for allied health. The benefits gained from having these programs locally is not only of benefit to Good Samaritan Hospital but of benefit to the local school systems that employ occupational and physical therapists, local therapy businesses and clinics that hire physical therapists, medical technologists, rad techs, and PAs. Regionally, there are many critical access hospitals that also have a difficult time recruiting these individuals. The shortages for these allied health staff is currently severe, without much relief in sight without the approval of this project. Having a program locally would help train more healthcare workers closer to where they call home and where they are likely to stay. The added benefits to adding these departments is that existing experienced staff are available to assist in the learning process of these students, and vice versa;

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exposure for existing staff to new techniques, technologies and processes when students have internships and rounds at these hospitals or clinics; exposure for students to see their craft in action and the ability for the students to see the work environment, create relationships, and view potential jobs. Physical therapy and occupational therapy, you guessed it, is physical work. The demands of that work is very different in a hospital environment than in a clinic or in a school setting. We do not take nights or weekends or holidays off. The patients these people treat may be hours out of surgery. Many are not able to walk or handle the weight of their own bodies. Because of how, when, and where the therapy is delivered, puts hospitals at a competitive disadvantage in the recruitment of these individuals. So to have regional students trained regionally, doing internships regionally will certainly help bridge some of the competitive disadvantage. One last final point: Is the need for these programs just a flash in the pan? What about population growth or decline? GSH currently works with a national forecasting group called Sg2. Sg2 is showing that in Good Samaritan's primary, secondary, and tertiary service area that our population will remain flat through 2020. However, the population in and around Kearney will continue to grow. From a healthcare standpoint, the one service line that will continue to see growth through 2020 on both an inpatient and outpatient basis is orthopedics. Orthopedic growth means additional need for physical and occupational therapists. In the month of January alone, Good Samaritan Hospital physical therapists performed 3,208 procedures, Good Samaritan Hospital med techs performed over 36,761 lab tests, our sonographers performed over 1,242 noninvasive cardiology procedures, our rad techs produced over 4,278 procedures and assisted with 515 radiation therapy procedures. Fully support this endeavor and believe that the benefits it will bring not only to Kearney and to Good Sam but Grand Island, Hastings, North Platte, Valentine, Alma, McCook, Imperial, and all points in between. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming and testifying today. Are there any questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

ROB CUNNINGHAM: Thank you. [LB1055 LB1065 LB1066 LB1089]

RICHARD COCKERILL: Good afternoon. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

RICHARD COCKERILL: (Exhibit 27) I am here in support of all the bills in front of us today, specifically I'll speak towards LB1066. Senator Heidemann and members of the Appropriations Committee, my name is Dr. Richard Cockerill, C-o-c-k-e-r-i-l-l. I am a practicing veterinarian from Albion, Nebraska. I am immediate past-president of the Nebraska Veterinary Medical Association. Because Nebraska is a leading beef and swine state, industry leaders deem having progressive and comprehensive veterinary diagnostic facilities essential. In my brief testimony today I will outline the reasons for

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this support. First, the Nebraska Veterinary Diagnostic Center, or VDC, has the diagnostic capabilities of infectious disease that directly affect the positive health status of both human and animal health. While the veterinary diagnostic lab is housed at the university, is not solely a university program. The diagnostic lab serves an important and legitimate state interest that must continue to be fulfilled. There are real and devastating impacts if our state's diagnostic lab is no longer accredited. It is a fundamental underpinning of animal and human health, and it is the only one. The VDC serves state government and all the citizens of Nebraska. The mission is to protect human and animal health. Biosecurity of our food sources must be cutting edge and result-oriented in the twenty-first century. Second, the VDC is the underpinning of the research, teaching, and extension programs of the School of Veterinary Medicine and Biomedical Sciences at UNL. Within the veterinary community, diagnostics and disciplines represented are considered foundational. Other programs, such as the school of infectious disease research, the professional program in veterinary medicine, and the assistance provided veterinarians and their clients and others responsible for animal and public health in the detection, prevention and understanding of disease, would struggle with faculty retention and recruitment in its absence. The center works closely with the animal health industry, such as Pfizer, Merck, and LI-COR, to develop preventive strategies such as new vaccines, as doctor...Senator Hansen mentioned. You would be a doctor maybe but...(laughter). Finally, as we look at Building a Healthier Nebraska and bringing new businesses into Nebraska based on renewable energy, people, food, water, and other natural resources, it is imperative that Nebraska shows its commitment to support the agriculture industry in the state, an industry in which livestock accounts for 46 percent of the \$17 billion that agriculture contributes to the state economy annually. Given the impact a strong agriculture sector has on the economy of Nebraska, a new Nebraska Diagnostic Center building is a wise investment in support of Nebraska's leading industry and future. As we consider the many important requests for state funding this year, we must consider the importance of this project to our state, keeping in mind that the protection of our animal industry and ultimately our citizens. The threat of devastating animal disease is real but our solution is obvious. Thank you for your time and your support of LB1066. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Senator, Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you. Yes. I graduated from UNL with a B.S. in BS and that's as far as I got so...how many veterinarians does NVMA represent? [LB1055 LB1065 LB1066 LB1089]

RICHARD COCKERILL: I think the number is in the fours, 400. I don't have an exact number. I should have that but I don't. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Do they all use this lab, other labs? [LB1055 LB1065 LB1066

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LB1089]

RICHARD COCKERILL: A bigger share use this lab. We use other labs. They're specialty positions. But this lab is used frequently. I have some numbers, there's like 230 cases they handle a year, so they have a significant amount. This lab developed the PI testing for BVD disease in bovine, you know, so there's a lot of good things that we're cutting edge on at this lab. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Okay. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

RICHARD COCKERILL: Thank you for your time. [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: Thank you for seeing me. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: (Exhibit 28) And I'm here in support. I'm Dr. Lee Simmons, it's L-e-e S-i-m-m-o-n-s, and I'm currently chairman of the Omaha Zoo Foundation but I've been engaged in practicing exotic animal medicine in Nebraska for 45 years. For 39 of those years, I was also executive director of Omaha's Henry Doorly Zoo. The zoo currently has about 1.4-plus somewhere annually, over 1.4-plus million visitors per year with an average annual economic impact on Omaha of between \$100 million and \$110 million and on the state of Nebraska, from people out of the state, of about \$75 million to \$80 million. We get more people from Kansas who come to Nebraska to see our zoo than go to the Kansas City Zoo, and the same holds true for Des Moines, Sioux City, Sioux Falls, and a number of others. During this time, we've made extensive use of the Veterinary Diagnostic Center at UNL. The zoo has currently approximately 120,000 animals and 1,288 species. I cheated a little bit and threw in the fish and the reptiles, but we have them and we have to take care of them. And, you know, we're responsible for the health and welfare of these animals. And I would say that having the ability to get an answer rapidly, and expert advice and answer rapidly is really important. We don't send fish and reptile necropsies to this laboratory because those are mostly postmortems and they're after the fact. You know, it's academic. But when we talk about large mammals and birds and some of our critical species, this is the place that we depend upon, not only to give us back pathology on tissue but when we have something that we deem is over our heads that we need a really, really expert, critical eye on, we simply put it in the truck and we bring it, we bring it to Lincoln, and it's very important to us. I'm also past-president of the American Association of Zoo Veterinarians. This is a very specialized and highly communicative organization that has been specifically recognized by the Department of Agriculture as a critical sentinel line of defense in

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protecting the country's need to prevent zoonoses and foreign animal diseases. Zoonoses are, of course, diseases which affect both man and animals, and it's been, as you've already heard, estimated that some 80 percent of the infectious diseases that affect humans have either an animal origin or an animal crossover. And of course the foreign animal diseases could completely devastate our livestock industry. In addition to that, one of the things that the USDA has charged us with as an organization, the zoo veterinarians scattered all around the country, is looking at biosecurity and potential agroterrorism. The individual veterinarians in the zoos depend very, very heavily upon their state diagnostic laboratories to do this work and do this job, and an example that I think everybody will recognize is West Nile virus. West Nile virus was first recognized and diagnosed by the veterinarians at the Bronx Zoo working with their state diagnostic laboratory and got the word out in the country much, much more rapidly than it would have otherwise, and the result was that we did a much better job at not preventing it but at least combating it and developing a vaccine for it. And you know, this, you know, West Nile not only hit wildlife and domestic animals but it hit a lot of people too. And lastly, no zoo or humane society or practitioner can afford the type of expertise that we get, that we are served with from the diagnostic laboratory. Two zoos that attempted but don't even come close, the Smithsonian Institution, that's our national zoo and it's our taxpayer dollars that are paying for that, and San Diego, and even they can't afford the same kind of expertise that we get from the Nebraska laboratory. So thank you very much and I would very much support this bill. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: I got a... [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: Oh, I'm sorry. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: ...just curiosity more than any...you stated that there's more people from Kansas go to Henry Doorly than they do to the zoo... [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: To the Kansas City Zoo. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: That's impressive just to me anyway. [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: Yep. Well, we count them and they count them so... [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you, Dr. Simmons, for being here today and welcome to our "zoo." (Laughter) This must be an extremely interesting job where you wake up and you don't know what kind of species you're going to be working on during the course of

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the day. [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: That's absolutely the case. Every morning it's a big surprise or it can be. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Every morning is an adventure, an adventure. [LB1055 LB1065 LB1066 LB1089]

LEE SIMMONS: Yeah. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you for coming down. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

JUDY VARNER: Thank you. Judy Varner. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

JUDY VARNER: (Exhibit 29) J-u-d-y V-a-r-n-e-r, president, CEO of the Nebraska Humane Society. I am not going to read my testimony. I just wanted to be on record as being in support of LB1066. This is a very important piece of legislation and I hope that this goes through. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you very much. Are there any questions? Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: I will ask one. What do you...why do you use the diagnostic lab in the Humane Society? [LB1055 LB1065 LB1066 LB1089]

JUDY VARNER: We take care of 20,000 animals. We have three full-time veterinarians. We use it frequently, as do most of the veterinarians in the state. We also have an externship program for vet students with Iowa State, primarily Iowa State, and we work with some of the two-plus-two students. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Okay. Thank you. [LB1055 LB1065 LB1066 LB1089]

JUDY VARNER: So we don't want to lose our vet school. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming and

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testifying today. [LB1055 LB1065 LB1066 LB1089]

JUDY VARNER: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

TANYA STORER: Hello, Senator Heidemann and members of the Appropriations Committee. I'm not used to being in this small room. They give you guys far less space than the Education Committee, which is where I find myself often. My name is Tanya Storer, that's T-a-n-y-a S-t-o-r-e-r. My husband Eric and I are Farm Bureau members in Cherry County where we own and operate a cow-calf operation, where we ranch. I currently serve on the Nebraska Farm Bureau board of directors and I'm here today on behalf of Nebraska Farm Bureau in support of LB1066. Farm Bureau policy, of course we're a policy-driven organization, and our policy supports the construction of new facilities for the Vet Diagnostic Center for many of the same reasons that you have already heard here from previous testifiers. Perhaps most importantly our members believe a new facility is needed to continue to assist the Department of Agriculture in its disease surveillance responsibilities in regards to the early detection and curtailment of livestock disease in Nebraska. Nationally, most of you are aware that Nebraska ranks high in several measurements of livestock production. We're number one in commercial red meat production, cattle slaughter, cattle on feed, cash receipts from all livestock end products, and hogs and pigs on farms I believe we rank ninth. If our livestock industry were to experience a disease outbreak and a rapid response was hampered because of the lack of understanding of the disease, it could be devastating to the state and, therefore, to the agricultural economy. The Vet Diagnostic Center continues to help safeguard Nebraska's economy and the nation as a whole, and we would like to see that very important function continue. Thank you for the opportunity to present my comments and I would certainly be happy to answer any questions that you might have. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any questions? Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you, Tanya, for being here. Heard any weather? [LB1055 LB1065 LB1066 LB1089]

TANYA STORER: I'm anxious to get home. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Yes, I'll bet you are. [LB1055 LB1065 LB1066 LB1089]

TANYA STORER: Yeah. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Thank you very much for coming down, the farm representing

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Farm Bureau. [LB1055 LB1065 LB1066 LB1089]

TANYA STORER: I appreciate the opportunity. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

TANYA STORER: Thankfully, we're not calving yet, however, Senator Hansen, so I don't envy you. [LB1055 LB1065 LB1066 LB1089]

SENATOR FULTON: Hansen is always calving. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Welcome. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: (Exhibits 30 and 31) Hello. I am entering some written testimony on behalf of the Nebraska State Dairy Association and then written testimony from the Nebraska Cattlemen as well. I am Kristen Eggerling and I'm currently on the board of directors of the Nebraska Cattlemen. I'm the education committee chair and am here today excited to support the entire UNL capital construction package. We know that healthy animals produce safe and wholesome and nutritious food and we see a big connection between all portions of this package. I am speaking, however, specifically to LB1066, as that is what our membership has their focus on. First of all, I'd just like to say that as a Cattlemen member, as a farmer-rancher from Martell, I myself have a great deal of pride in producing products for people to eat, for consumers to eat that are safe and wholesome and nutritious, and so do others of us who are engaged in food production. I think that's a very important reason why I'm here today. I also want to share that the Nebraska Cattlemen as an organization has a lot of pride in our relationship with the University of Nebraska-Lincoln and we are very supportive of their efforts to maintain their strength in all areas of programming. One thing that has not been mentioned, some things in my testimony obviously already have, but one thing that we have not talked about today is that many animal products are exported from Nebraska to other countries. This is extremely important to LB1066 in that regulatory testing for these exports is done at Veterinary Diagnostic Center on the university campus. If this were to disappear, if the accreditation were gone from that facility, what would happen to those exports? We know they are a very important part of the economy of our state. We know our Governor himself has worked hard to increase exports for our state of these agricultural products. So that's a question that certainly would need to be answered and much revenue is at stake for both producers in the state as well as Nebraska in general. The other thing I will share with you is a personal example of something that happened on my ranch. In 2002 we were in the middle of calving season and all of a sudden had two calves, three calves that were stillborn. They were from healthy mothers, full-term pregnancy. The calves appeared to be normal other than their legs were curled up towards their bodies. We, after seeing three

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of these such incidences, decided that we wanted to find out what was going on. If it was something we were doing, obviously, we needed to get it handled because, as you know, that's our income for the year. That's our livelihood. Every calf we have is what pays our bills for that year. So we brought the animals into the Veterinary Diagnostic Center here in Lincoln and Dr. Steffen began a process of researching what was happening to these calves. Through his research, through his testing it was discovered that it was a genetic disease called Curly Calf Syndrome. That's from the common term for it. It's a big fancy scientific term as well. But okay, I don't...okay. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: No, you're good. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Like, whoa, it's going to blow up. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: You're good. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Anyway, that was in 2002 and by 2008 enough research and testing and tracking of bloodlines have been done to show that what we were experiencing was in fact related to certain genetics within our Angus cattle in our herd, and the reason this is so important is two reasons. One reason is it allows us to mitigate our losses, because by preventing certain matings you can prevent this from happening at all. You can prevent the loss of animals from Curly Calf. The second most important thing that happened from this is that Dr. Steffen is now recognized as a national and nationally and world, on the world scene as being someone who is an expert in genetics. That's the kind of person that we have working for us at the Veterinary Diagnostic Center. If it were to lose accreditation there would probably be some big questions as to whether or not that would in fact continue to happen. And in conclusion, in my opinion and in the opinion of the membership of the Nebraska Cattlemen, the failure by the state to provide the services that the Veterinary Diagnostic Center provides would compromise the integrity of the livestock industry. Any questions? [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Senator Wightman. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you, Chairman Heidemann. Thank you for being here today. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Uh-huh. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Did you find out how common this is, is it something, this Curling Calf disease, to Nebraska or... [LB1055 LB1065 LB1066 LB1089]

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KRISTEN EGGERLING: Well, it's traced back to a certain bloodline in genetics of the Angus breed. Many breeds have certain sorts of genetic abnormalities that would show up, but this in fact...this particular Curly Calf Syndrome could result in death in 25 percent of the cases of the animals that would carry the disease. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: And that was my next question, that approximately 25 percent of those probably would die? [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Yes. If you had every mating in your herd mated and they were both carriers of the disease, you could potentially lose one-fourth of your calf crop, which is a huge loss. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: But those that did come down with this syndrome that that was exhibited in, how many of those...did they all die or...? [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Oh yes. Yes. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: They did. Okay. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: If you can...there can be carriers of the disease and they, you know, like the mother cow was a carrier, the bull was a carrier. If you mate two carriers then you get a dead calf, you get a stillborn calf. [LB1055 LB1065 LB1066 LB1089]

SENATOR WIGHTMAN: Thank you. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: Uh-huh. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Any other questions? Thank you for your interesting testimony. [LB1055 LB1065 LB1066 LB1089]

KRISTEN EGGERLING: You guys are too easy. Thank you. [LB1055 LB1065 LB1066 LB1089]

BILL BEVANS: (Exhibit 32) My name is Bill Bevans, B-i-l-l B-e-v-a-n-s, and I'm here representing the Nebraska Poultry Industries and the Nebraska Turkey Federation. I'm here to speak in support of LB1066. What I just provided you was a resolution adopted by the Nebraska Poultry Industries simply stating its support for the construction of new Veterinary Diagnostic Center facilities, and you will note when you look at it that it's dated February of 2009. So the recognition of the need for facilities at that center is not new. I guess the one thing I wanted to drive home is the importance of the Veterinary

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Diagnostic Center in monitoring. You know, it's our front-line monitoring mechanism for avian influenza. It's part of the system that interacts with the USDA and APHIS in putting a lid on any outbreak of avian influenza. We have had an avian influenza break in the state. I believe, and I didn't check the date, but it was somewhere around 2007, so it can happen. And the unfortunate part about that avian influenza is not so much the devastating effect it might have on the birds, because oftentimes they don't even display any symptoms, but it's we have two large egg processing companies in the state and when we have avian influenza creep out in the state, exports are cut off, and exports are incredibly important to their business. And so it had a devastating effect on their business and it could happen again. Then I'd just like to share with you my personal experience with the diagnostic lab. I'm a turkey producer out by Waverly, and while the large animal people will tell you that they are concerned about getting veterinarians to work with their animals in the large animal arena, I can tell you that there are no poultry veterinarians practicing in the state other than those that are directly employed by the egg industry and working for those companies. So we have to do our own veterinary work, so to speak, and I rely heavily on the diagnostic lab. There probably isn't a month goes by when I don't take birds or specimens or samples into the diagnostic lab for culture and diagnostic work. And just for an example, this summer I've been raising turkeys for over 40 years and I had a large flock of tom turkeys that absolutely was the...I saw the most devastating effect on those birds that I've ever seen in my experience raising turkeys, and it was not a usual situation. And even though we don't have a poultry specialist at the diagnostic lab, we have a very talented and able group of veterinarians working there, and through the good work of several of those people, and in particular Dr. Brodersen, we were able to track down the source of the problem in these birds who were...quite simply, they were having skeletal problems and they were...their immune system was affected and susceptible to all kinds of viral infections. And it turned out that it was a nutritional problem, something that, you know, I never would have suspected had we not had the ability to work with the diagnostic lab. So it's very important to me and the poultry industry, and I urge you to support LB1066. Are there any questions? [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any questions? Did they ever get the packing plant in Gibbon back going again? [LB1055 LB1065 LB1066 LB1089]

BILL BEVANS: There is a new owner at Gibbon and they are processing some turkeys on a limited basis, but most of the turkeys in the state are being processed out of state, either in Minnesota or Iowa. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Has that hurt the industry? [LB1055 LB1065 LB1066 LB1089]

BILL BEVANS: Yes, the Nebraska industry certainly has been hurt. [LB1055 LB1065 LB1066 LB1089]

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SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB1055 LB1065 LB1066 LB1089]

BILL BEVANS: Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Does anybody else wish to testify in support of LB1055, LB1065, LB1066, or LB1089? (See also Exhibits 33-38) Does anybody else wish to testify in support of? If there's anybody in the overflow room, you'll have to make your way down this way if you want to testify. Seeing no one wishing to testify in support, is there anyone who wishes to testify in opposition on LB1055, LB1065, LB1066, or LB1089? Seeing no one, is anyone wishing to testify in the neutral position on LB1055, LB1065, LB1066, or LB1089? Welcome. [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: (Exhibit 39) Thank you. Good afternoon, Mr. Chairman, members of the committee. My name is Scott Taylor, S-c-o-t T-a-y-l-o-r. I'm an assistant division administrator with the Nebraska Game and Parks Commission, and the commission is testifying in a neutral position on LB1066 but we didn't want to let an opportunity go by to tell you how important the vet diagnostic lab is to our operations with regard to our wildlife disease surveillance operations. Often, these operations involve both ag interests as well as wildlife interests, and it's very important to work at a state team to coordinate those surveillance efforts and those response efforts. And the vet diagnostic lab has been a very important and integral part of our state team in dealing with those issues. And the written testimony that we've prepared goes into a little more detail on the level of cooperation we've had with the vet diagnostic lab and I invite you to take a look at that. And with that, I again appreciate the opportunity to testify. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Just out of curiosity, I just scanned over this. This is the most positive neutral testimony I've ever seen. (Laughter) [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: Yes. We typically don't take a position on appropriations bills that don't directly affect our agency, but in this case we have a very strong, indirect link to this particular appropriation, so... [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Thank you for testifying. Senator Hansen. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: I think I found it in the last paragraph. That's pretty...is that a comprehensive list of what Game and Parks would be looking for (inaudible)? [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: That's just a partial list... [LB1055 LB1065 LB1066 LB1089]

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SENATOR HANSEN: That's just a partial list. [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: ...of the diseases that we deal with. Those are the...the ones that are listed are probably the most relevant to both livestock and wildlife interests. But we have all sorts of things that we use the diagnostic lab to help us figure out. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Two of them specifically then, the swine brucellosis, is that why we don't have any...is that why we don't want feral hogs in the state? [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: That is certainly one reason. There are a host of reasons why we don't and we have been working on an eradication effort for a number of years and I think we are, knock on wood, pretty close to saying that we have no feral hogs in the state at this time. [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Good. Good going for that. And then the next one, porcine reproductive and respiratory syndrome that's in the same, feral pigs, is that something we've had porcine...some type of a syndrome anyway in our horses? Is that anything that's similar? Do you know if it's... [LB1055 LB1065 LB1066 LB1089]

SCOTT TAYLOR: I'm not familiar with that particular disease and how widely it's... [LB1055 LB1065 LB1066 LB1089]

SENATOR HANSEN: Okay. I know we're saying porcine but we have this porcine disease in our horses so I need to get one down to the lab I guess. Thank you. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. Is there anyone else wishing to testify in a neutral position? [LB1055 LB1065 LB1066 LB1089]

MARSHALL HILL: (Exhibit 40) Senator Heidemann, I won't take any of your time. I just want to make clear that the remarks I offered earlier relevant to LB1055, LB1066, and LB1089 were intended to be neutral testimony. I apologize for my misunderstanding of today's slightly different process. I thought it was maybe a little more different than it indeed was. [LB1055 LB1065 LB1066 LB1089]

SENATOR HEIDEMANN: All right. Thank you. Is anyone else wishing to testify in the neutral position on LB1055, LB1065, LB1066, and LB1089? Seeing none, we're going to close up the public hearing on LB1055, LB1065, LB1066, and LB1089. [LB1055 LB1065 LB1066 LB1089]