

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

[LB82 LB381 LB485 LB506]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 17, 2015, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB82, LB381, LB485, and LB506. Senators present: Heath Mello, Chairperson; Robert Hilkemann, Vice Chairperson; Kate Bolz; Ken Haar; Bill Kintner; John Kuehn; Jeremy Nordquist; John Stinner; and Dan Watermeier. Senators absent: None.

SENATOR NORDQUIST: Thank you. Are there any questions from the committee? Seeing none, thank you. Additional testifiers on Agency 25? Last call. All right, seeing none, the committee is going to...that will conclude the hearing on Agency 25. The committee is going to take a five-minute break and we'll start back up at 3:40. [AGENCY 25]

BREAK

SENATOR COOK: (Recorder malfunction)...Cook. That's spelled T-a-n-y-a C-o-o-k. I appear before you as the state senator representing Legislative District 13, as the introducer of LB82. The purpose and intent of LB82 is to, first, meet the increasing and unmet need for oral health services in Nebraska by using targeted investment in our existing public health infrastructure, increasing our General Fund appropriations to each of Nebraska's seven federally qualified health centers to \$150,000 per year. Thanks to previous targeted investments by the Legislature, federally qualified public health centers are established as dental homes for many uninsured Medicaid patients and the underinsured. However, while federally qualified public health centers are pillars of the dental care in our communities, the need for basic preventative dental care is unmet and growing, especially in children. Finding innovative ways to meet that growing demand is critical to drive down overall costs to the state for untreated care and increasing quality of life and productivity of Nebraska families that do not have a dental home. This is what LB82 seeks to achieve. When considering this investment, please recall that nationally only 26 percent of private dentists accept Medicaid patients. This population, along with the uninsured and underinsured, require preventative and acute dental care, just like the rest of us. However, with the lack of private dentists accepting uninsured and Medicaid patients, our public infrastructure can step up and meet that need. That's what LB82 hopes to achieve. Testifiers to follow will outline the need for dental services in our state and the role that our federally qualified health centers play and can play in meeting that need. Throughout Nebraska there is a severe lack of access to both preventative and acute dental care for low-income Nebraskans. I want to thank each of you for your attention and for your thoughtful consideration of LB82.

[LB82]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR MELLO: Thank you for your testimony this afternoon, Senator Cook. Are there any questions from the committee? Senator Haar. [LB82]

SENATOR HAAR: Senator Cook, you had a bill about a week ago or so that had to do with healthcare as well. Would that fit in with this or this is totally separate? [LB82]

SENATOR COOK: I wouldn't call any of it totally separate. I would distinguish the two proposals in that the bill that I introduced in partnership with Nebraska Medicine would provide, in addition to the expansion of service...the opportunity for expansion of service within federally qualified health centers, the education component for dental students. [LB82]

SENATOR HAAR: Okay. Thank you. [LB82]

SENATOR COOK: Thank you. [LB82]

SENATOR MELLO: Thank you, Senator Haar. Are there any other questions from the committee? Seeing none, thank you, Senator. We will first hear from proponents for LB82. [LB82]

KENNY McMORRIS: (Exhibit 1) Good afternoon, Mr. Chairman, members of the Appropriations Committee. My name is Kenny McMorris, K-e-n-n-y, McMorris, M-c-M-o-r-r-i-s, and I am the CEO of Charles Drew Health Center and I'm here today to testify on behalf of LB82 and the health center control...or the Health Center Association of Nebraska. First, we would like to thank Senator Tanya Cook for bringing this important bill to the Appropriations Committee. Nebraska's seven community health centers provide comprehensive primary preventative care, including medical, dental, behavioral health, pharmacy, and supportive services for over 65,000 people annually. We are the safety net providers and the healthcare homes for those who are underserved and need additional support. We are the safety net provider and we provide the most cost-effective, quality healthcare to this underserved population. Last year 64 percent of our patients lived at or below 100 percent of poverty. Over half of our patients are uninsured. Our patients are most often the working poor, many of which are residing within our communities. They are laborers, service workers, people who work multiple part-time jobs or have only seasonal employment. They pay for services for themselves and their children on a sliding fee scale. Our health centers serve 18,445 dental patients with 42,298 visits in 2013. Today we ask for help with an urgent problem. Our health centers are at capacity providing dental care services to our community. We see each day the growing demand and the long delays as people in our community look to us to find affordable dental services with available appointments. We appreciate the support of the Legislature in 2013 with the \$50,000 appropriations to each of the health centers for dental services. We ask you today to increase that

Appropriations Committee
March 17, 2015

amount to meet this tremendous need. We estimate that the \$150,000 would enable each health center to provide services to approximately 1,400 additional patients annually. Nebraska community health centers have worked hard to find grant and philanthropic support for this purpose, but we have reached the limit of what we can accomplish without a steady source of revenue for meaningful service expansion. We desperately need LB82 to make meaningful progress in meeting the oral healthcare needs of our communities across the state. Here's what we're seeing in our communities. Our patients are primarily low income and rarely can afford the rate of private dental practices. They go without and their children go without. In addition to the routine appointments with the preventative screening that you and I are accustomed to, our patients are also in dire need of pain-relieving and quality-of-life enhancement treatments, such as fillings, root canals, extractions, crowns, and dentures. There's a very high need for the pediatric and emergency oral health services for our patient population. In terms of dollars and cents, they add to uncompensated care in hospitals by the costs of the use of emergency room for dental issues. They contribute to higher Medicaid costs for treatment that could have been prevented. The inability of people in our communities to have access to care and the dental healthcare home impacts not only their own health but the strength of the work force and the success of their employment. We know from the patients we see every day that this impacts our Nebraska work force, we know this, as serious dental problems affect our patients' ability to work and support their families. Low-income and minority children are disproportionately affected by the lack of access to dental care. Children without good dental homes have lower school attendance rates and poor school performance. Children can't learn when they have unaddressed oral healthcare needs. We know the school nurses have ranked oral health concerns for children as one of the top conditions they see on a daily basis. Parents who don't have dental healthcare homes often go without the importance...or do not understand the importance of preventative care and not only for themselves but for their children. For example, I'd like to share with you a story that we have for one of our families that participate in our Healthy Start Program within Charles Drew Health Center. This young man was a four-year-old child and his mother and father had no dental insurance or no ability to pay for the costs of dental care. Through one of our screening programs, the child was able to be assessed, and determined that he had some serious dental...some dental issues. As follow-up for that particular child and part of that screening process, he was able to receive fillings, extractions, and two crowns as a result of us being able to identify those issues early for that young man, for that child. We know that this was a hard and painful experience for that little boy. We know this. And it's particularly disturbing because we know that these type of things can be prevented and can be avoided if we are able to expand capacity within our community health centers. Short end of the story, the child, things got taken care of and I can tell you today he's doing a lot better as it relates to being acclimated to school, and family life and things are going well for this young child. This story is only one of many that underscore the importance of expanding the community resources that we have as it relates to dental care. And we're here today to help and ask for your support to give us the extended resources that we need to take care of some of our most vulnerable populations in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

support of LB82. I'll entertain and answer any questions that you may have as it relates to this opportunity. [LB82]

SENATOR MELLO: Thank you for your testimony this afternoon, Mr. McMorris. Are there any questions from the committee? Senator Stinner. [LB82]

SENATOR STINNER: Thank you, Senator Mello. You're indicating \$150,000 would provide 1,400 additional patients. Do you have to also increase the equipment, the number of chairs, the size of the room, so on and so forth, to accommodate that? [LB82]

KENNY McMORRIS: Well, actually what we'll be looking for is that we will use...each health center will be using this funding to expand and have an additional dentist. And so in some cases it would be increasing some resources as it relates to that. But our hopes are is that we can take our current capacity and be able to take those opportunities and hire a dentist to be able to expand things out. [LB82]

SENATOR STINNER: Okay. [LB82]

SENATOR MELLO: Thank you, Senator Stinner. Senator Haar. [LB82]

SENATOR HAAR: I was just curious, how many GPs do you have at Charles Drew? [LB82]

KENNY McMORRIS: In terms of for dental care? [LB82]

SENATOR HAAR: No, no, just regular physicians. [LB82]

KENNY McMORRIS: Physicians? Currently in our operations we have nine... [LB82]

SENATOR HAAR: Nine. [LB82]

KENNY McMORRIS: ...general practice physicians in terms of our overall operations. [LB82]

SENATOR HAAR: Okay. Thank you. [LB82]

SENATOR MELLO: Any other questions from the committee? Senator Hilkemann. [LB82]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR HILKEMANN: You said you're going to use...you're going to hire additional dentists for the \$150,000. [LB82]

KENNY McMORRIS: That's correct. [LB82]

SENATOR HILKEMANN: I don't think you're going to go very far. (Laughter) [LB82]

KENNY McMORRIS: You say...excuse me, I'm sorry, Senator, I didn't catch that. [LB82]

SENATOR HILKEMANN: I don't think you're going to get very many dentists at \$150,000 for seven clinics. [LB82]

KENNY McMORRIS: Sure. Well, each, I mean again I think we look at what our current capacities are and we try to do the best we can with the resources that we have. We're asking this committee for the consideration of the \$150,000 because this will serve as a launching pad and starting point for us here. [LB82]

SENATOR HILKEMANN: What would be the...your dentists that you presently have employed, how many patients would they be seeing on, say, on an average day in your clinic? [LB82]

KENNY McMORRIS: Typically, our general practice dentists try to see anywhere between eight and nine patients a day, as it relates to that. But then again, looking at the complexities and the type of work flow, we try to keep it at a reasonable amount to ensure that quality is maintained through, across the operations. [LB82]

SENATOR HILKEMANN: Okay. Thank you. [LB82]

SENATOR MELLO: Any other questions from the committee? Seeing none, thank you, Mr. McMorris. [LB82]

KENNY McMORRIS: Thank you. [LB82]

KATHY NORDBY: Hello. [LB82]

SENATOR MELLO: Hi. [LB82]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

KATHY NORDBY: (Exhibit 2) My name is Kathy Nordby, Kathy is K-a-t-h-y, Nordby, N-o-r-d-b-y. I'm the executive director of the Midtown Health Center in Norfolk. I'm here testifying today in support of LB82 on behalf of the Health Center Association of Nebraska. And a special thanks to Senator Cook for introducing this bill. I'm here today specifically to give you a rural perspective, and so I'm representing, as a whole, the clinics, the dental clinics in Gering, Chadron, Grand Island, Columbus, and Norfolk. And I want to talk about our rural needs that I believe are somewhat unique. And as I came today and I know that this is introduced somewhat as preventative care and we really want to focus on that, because to stop the rising issue of oral healthcare, we have to get on the front end with the kids. And so we take great pride in our sealant program. And, yes, I'm way off script. I apologize, because I've had too much drive time. But I came to the office this morning at 6:30 in the morning because I had a board meeting at 7:00, so I come in to get ready and when I come into the parking lot, there's a car there from 36 county. Madison County is 7 county. So I'm like just wondering, and there's a lady sitting in the car at 6:30 in the morning from 36 county. Our dental office is open from 7:00 in the morning till 6:00 at night and so after I got set up for the board meeting I peeked out and I did see my dental staff escorting her in for our first appointment of the day. Thirty-six county is Holt County, which serves O'Neill. O'Neill is 75 miles away from Norfolk, and so that woman was in the parking lot before I got there just a little after 6:30 this morning waiting for her 7:00 appointment. Those appointments are held for employed patients. Normally, I expect them to come out of Norfolk, but you could tell that I believe that her oral healthcare was so emergent or so critical that she needed to get there quickly and that she preserved the rest of her day for other things that were more important than her oral healthcare, so that she had her job. She wasn't on a zero slide. She wasn't unemployed. As far as we could tell, she had income. So I think that speaks more to the type of patients that we're seeing, that we have an uninsured population. Probably we're not far enough downstream to the preventative care. I serve...I'm open at 7:00 in the morning till 6:00 at night for the purpose of maximizing my dental chairs. I only have four. And so by hiring an extra dentist, we're able to be there. Even if I get this extra funding and able to expand dentists, I'm one that might need some more equipment. But I think I'll keep those hours because it does provide a service and allows people to maintain the income that they have while still getting their oral healthcare needs met. So again, I'm off topic here, but we did serve 1,500 patients. A lot of what we're seeing in growth population is our senior care. I just agreed to provide services one day a week at our vets' home and we go in and we provide dental care and screening care. If they have more services, and why they contacted us is because when they have a higher level of need that they have to go into our dental office, frequently those people are on a fixed income and so they need adjusted amounts of care. And after a lifetime of oral healthcare, it's no longer the single filling. We're talking about full dentures or bridges and those kind of things, which are beyond the average income of somebody that's living on Social Security. So those are the people that we're seeing and the pressure points that we have every day, and we juggle those and we arrange appointments around, focusing on making access for those that are employed, maximizing access during the day for our seniors, and 3:00 to 6:00 is for our children

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

services, almost, so that they can still stay in school while they're getting their care. So I think Kenny pointed out very well and I really want to emphasize that when I'm sitting back there thinking again, I think about this being my father that someday he could need this care. He was a farmer for 40 years and then he took a job running a feed center for a number of years. He's now 74 and he still has most of his teeth, but his income is somewhat limited too. And growing up in northeast Nebraska, he's not uncommon. And so I really think that we have to think of these people as people we...that served us coffee this morning, that took the change for our gas, that we gave them our credit card today. Those are the people that we're talking about, and they're also our moms, our dads, our grandparents and they have a human face and they deserve oral healthcare. And I thank you for your support and your time, and I'd welcome a question. [LB82]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Nordby. Are there any questions from the committee? Senator Haar. [LB82]

SENATOR HAAR: Just curious, what does it cost to hire a dentist? [LB82]

KATHY NORDBY: Well, I think the \$150,000 would just cover the cost of the dentist... [LB82]

SENATOR HAAR: Does that just cover? [LB82]

KATHY NORDBY: ...and so we would be relying, because these people are on sliding fee schedules so they don't...it's not free care, that they contribute to the care. [LB82]

SENATOR HAAR: Okay. [LB82]

KATHY NORDBY: And so we'd get their assistant and all of those things as part of that slide as well, so. [LB82]

SENATOR HAAR: Wow! What's the average age of needing...for old people needing false teeth (inaudible)? [LB82]

KATHY NORDBY: Well, (laugh) I have a story here and I should have given you this, that this one comes from Columbus, but it was a 99-year-old woman on Medicaid and she's living in assisted living. She still lives on her own but her housing lady called every dentist in town, trying to get them to be seen, and nobody would take the Medicaid patient. So I'm... [LB82]

SENATOR HAAR: Wow! [LB82]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

KATHY NORDBY: ...thinking that one is up for dentist...or for dentures this week, but I don't know that. She's not ours. But the dentures are still happening and, yeah, we see it too early in some but it's a frequent flier for our senior care. [LB82]

SENATOR HAAR: Good. Thank you very much for coming. [LB82]

KATHY NORDBY: All right. [LB82]

SENATOR MELLO: Thank you, Senator Haar. Are there any other questions from the committee? Senator Hilkemann. [LB82]

SENATOR HILKEMANN: How many dentists do you have in Norfolk at the present time in your facility? [LB82]

KATHY NORDBY: Great question. I have one full-time dentist. I have a half-time dentist. And I have Dr. Bob Smith, who's a retired oral surgeon. I have the only retired...only oral surgeon in the state and he pulls teeth for me every Wednesday morning for a very low cost. And he threatens to retire because he, too, is...he's like 74. But he's training our...my younger dentists to do the oral surgery part to pull the teeth. So we do probably more dentures than others because of the full mouth extraction, but he's a gift to us every day... [LB82]

SENATOR HILKEMANN: Thank you. [LB82]

KATHY NORDBY: ...well, every Wednesday, I should say. [LB82]

SENATOR MELLO: Thank you, Senator Hilkemann. Are there any other questions from the committee? Seeing none, thank you. [LB82]

DAVID O'DOHERTY: Good afternoon, Senators. My name is David O'Doherty, D-a-v-i-d O-'-D-o-h-e-r-t-y, and I'm the executive director of the Nebraska Dental Association, representing 75 percent of the dentists and testifying in support of LB82. Disparities in access to dental care are well documented and received national attention by government agencies, health profession organizations like ourselves, and researchers. Two national strategies used to address these disparities are public dental insurance--Medicaid, and the Dental Safety Net. Limitations on the dental Medicaid Program are well known. Most of the poor are not eligible, reimbursement are less than costs, and program administration is a barrier to dentist participation. Our current RAC audit is but one example of destroying Nebraska's current Medicaid dental provider base. As you heard, nationally only 26 percent of private practitioners provide care to Medicaid patients. The

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

Dental Safety Net system comprises public and voluntary sector dental clinics that provide care to low-income populations. FQHC dental programs are the most important component of the Dental Safety Net. The oral health landscape has changed significantly over the past decade. The percentage of Americans with private dental benefits declined from 2000 through 2012 with more adults and children moving on to Medicaid or CHIP, accompanied by a significant decrease in dental care utilization. While dental care utilization is at its highest level among children, utilization among adults is in steady decline with only 35 percent of working-age adults visiting the dentist in 2012. There are various reasons why adults do not visit the dentist but the most apparent reason is financial barriers, with one study finding that one out of five individuals are unable to afford needed dental care. And the FQHCs, as you have heard, have a sliding fee scale based on income. LB82 will allow FQHCs to provide a safety net, providing capacity to provide care to underserved populations. Patient benefits because definitive treatment and quality care by dentists can be quickly and efficiently delivered, alleviating much of the backlog experienced by many healthcare dental programs. This committee has difficult decisions to make on where Nebraska's public funds should be directed. Oral health problems of low-income Nebraskans do not disappear. They present somewhere else, usually hospital emergency rooms, with much higher costs and without treating the underlying condition. Some of you are actually old enough to remember this commercial from FRAM oil: You pay me now or you pay me later. It's much less expensive to pay now with preventative healthcare. I'd be happy to answer any questions of the committee. [LB82]

SENATOR MELLO: Thank you for your testimony this afternoon, Mr. O'Doherty. Are there any questions from the committee? Senator Hilkemann. [LB82]

SENATOR HILKEMANN: Doctor, in a practice of dentistry, what would you say that the number of clients that our dentist, just average dentist, would see in their clinic in the course of a day? [LB82]

DAVID O'DOHERTY: In a day? [LB82]

SENATOR HILKEMANN: Yeah. [LB82]

DAVID O'DOHERTY: Depends on the procedure. Some procedures are quite complex. [LB82]

SENATOR HILKEMANN: Right. [LB82]

DAVID O'DOHERTY: I don't know. I mean based on what type of offices and what type of procedures they do that they would vary pretty widely. But I can get you that information. I do

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

have an answer. Probably earlier you asked about the \$150,000, would that buy a dentist, essentially. Yes, it would. As a related note, I'd like to thank this committee. Two years ago we came before this committee asking for the dental director for the state of Nebraska position to be funded, and this committee passed that. That was \$150,000 per year for that dentist. [LB82]

SENATOR MELLO: Any other questions from the committee? Seeing none, thank you. [LB82]

DAVID O'DOHERTY: Thank you. [LB82]

SENATOR MELLO: (Exhibits 3 and 4) Are there any other proponents for LB82? Seeing none, the committee received letters of support for LB82 from the Columbus Housing Authority and the Nebraska Hospital Association. Is there anyone in opposition to LB82? Seeing none, is there anyone here in the neutral capacity on LB82? Seeing none, Senator Cook, would you like to close? [LB82]

SENATOR COOK: Yes, Mr. Chair, very briefly. Thank you again for hearing testimony in support of LB82. A few years ago, in 2013 as a matter of fact, you supported LB147 and I wanted to tell some of the ways in which that money was invested. It is unique that that money was invested uniquely among the, at the time, six federally qualified health centers. There are now seven. It enabled centers to expand services, to extend outreach, address the needs of facility improvement and equipment. Centers used the funds for additional staffing in some cases, paying for x-rays, purchasing supplies, interpreter services for uninsured children or their parents, and offsetting overall expenses of uninsured patients and uncompensated care. So with that, I would ask that the committee consider advancing LB82. It would provide \$150,000 for each of the now seven federally qualified health centers in the state. Thank you. [LB82]

SENATOR MELLO: Thank you, Senator Cook. Are there any questions from the committee? Seeing none, that will close today's public hearing on LB82 and take us to our next public hearing of the day, LB381 from Senator Cook. [LB82]

SENATOR COOK: Thank you, Mr. Chair. I am still Senator Tanya Cook, as far as I know. I am still Senator Tanya Cook and that is spelled T-a-n-y-a C-o-o-k. I am introducing LB381. The purpose and intent of LB381 is to increase access to residential treatment for persons recovering from substance abuse disorders by appropriating \$200,000 to the DHHS Division of Behavioral Health. Importantly, this legislation will help establish and expand residential treatment for people recovering from substance abuse disorders in geographic areas of the state with demonstrable need. LB381 supports evidence-based practices that conform to nationally recognized standards for treating substance abuse disorders. Evidence-based practices is another way to say that these investments in our citizens work. Residential treatment for substance abuse

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

works. Testimony to follow will outline just how residential treatment for substance abuse disorders can transform individuals with an amazing amount of consistency. LB381 will expand this transformational treatment by supporting expansion and administration of the programs that work the best. This is the kind of investment in our state that will yield immediate and lasting good for communities across the state. Substance abuse disorder erodes not only the individual and their families and the family's full potential, but it also erodes the community at large. With this bill hope need not be lost for these individuals or their families. Residential treatment for substance abuse disorders, as you will hear, is an environment where personal responsibility, sense of self, and sense of community are each realized. Advancement of LB381 will provide the opportunity for expansion and support of residential treatment for Nebraskans who are ready to reestablish life with a solid grounding in sobriety and productivity. I thank each of you for your thoughtful consideration of LB381. [LB381]

SENATOR MELLO: Thank you for your testimony, Senator Cook. Are there any questions from the committee? Senator Haar. [LB381]

SENATOR HAAR: I am glad you are still Senator Tanya Cook. [LB381]

SENATOR COOK: Yes. [LB381]

SENATOR HAAR: (Laugh) Thank you. [LB381]

SENATOR COOK: And that I know that. [LB381]

SENATOR HAAR: That's just a statement, not a question. [LB381]

SENATOR COOK: Oh, all right. Me too. [LB381]

SENATOR MELLO: Any other questions from the committee? Senator Bolz. [LB381]

SENATOR BOLZ: Just briefly, I think you referenced targeting the resources to high-need communities. Could you just clarify that further? How would that work, in which communities? [LB381]

SENATOR COOK: Well, it's not determined, but the agency would look at where there's a need, let's say a hole, for this kind of supportive housing situation and direct the funds in much the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

same way we talked about with...when we were talking about aging, the Area Aging Offices.
[LB381]

SENATOR BOLZ: Sure. [LB381]

SENATOR COOK: That's the plan right now. [LB381]

SENATOR MELLO: Thank you, Senator Bolz. Are there any other questions from the committee? Seeing none, thank you, Senator Cook. We'll next hear from proponents for LB381.
[LB381]

KIRSTIN HALLBERG: (Exhibit 1) Good afternoon, Chairman Mello and members of the Appropriations Committee. My name is Kirstin Hallberg, K-i-r-s-t-i-n H-a-l-l-b-e-r-g, and I am the Nebraska outreach services staff for Oxford House, Inc., testifying as a proponent of LB381. I wish to thank all of you for your time and consideration, and Senator Cook especially for her leadership on this issue. Oxford House, Inc., is currently in its 40th year of existence. We have nearly 2,000 houses in 44 states, including Nebraska, as well as Canada, Australia, England, and as far away as Ghana. People often use the term "unique" loosely, but OHI, or Oxford House, Inc., is truly the only recovery concept of its kind, and it works, which is why new houses are opening every month in America and around the world. When I say that Oxford House works, here's what I mean. Oxford House has bridged the gap between first stopping the use of alcohol and learning how to actually live sober and maintain long-term recovery. Oxford Houses are not just a concept but real houses in good neighborhoods that are self-supported and self-governed by those living in the houses who are in recovery from addiction, and I would like to clarify that statement. All of our houses are not in good neighborhoods. We had a former outreach worker open a house in Omaha on 38th and Farnam, which is in proximity to like five bars and a crack hotel, and it's one of our most successful houses. In fact, they have...we just had chapter meetings on Sunday and they have in excess of \$3,000 in their account and they just bought a big-screen TV. So it's working well. Okay. Houses have no paid staff and they follow the Oxford House model of required eviction of anyone who uses drugs or drinks alcohol. Consequently, Oxford House residents are good neighbors and the houses themselves are affordable and cost-effective. I refer you to the one-page national profile I have handed out, but last year nearly 500 U.S. cities and villages...in nearly 500 U.S. cities and villages the average resident paid just \$107 per week. I want to mention, too, that we do not...Oxford House does not own any houses. All of the houses are leased by the residents and leases are written on behalf of Oxford House Farnam, for example, and then whoever is living in the house at that time is responsible for paying the lease payments. Here are just a few numbers that show how Oxford Houses really work. Last year only 16.7 percent of residents were expelled for relapse. That's nationwide. That's almost 2,000 houses or, I mean, 2,000 beds. I think the actual number is 1,844 beds nationwide.

Appropriations Committee
March 17, 2015

Academic research from DePaul University shows overall that 87 percent of people who live in an Oxford House achieve recovery without relapse. This figure is astonishing because usual findings are around 20 percent. Again, we had our chapter meeting on Sunday and chapter one, which has 12 houses and 88 beds in that chapter, had 100 percent recovery for the month of February. That's huge, you know, considering the fact that we have a lot of offenders, ex-offenders living in our homes. It's just...it's huge. I used to work in...well, I worked inpatient, outpatient, residential. None of those come anywhere near the recovery rate or the success rates that Oxford House has. Let's see. Oh, LB381 is important. The resources envisioned by this bill would allow Oxford House to expand the number of houses to other communities. We currently have 29 houses in Omaha, Fremont, Grand Island, and Kearney, with a total capacity of 228. Of the 29, 14 are for men and 15 are for women--the highest ratio of women to men in the entire worldwide network, of which we're very proud--and 8 of those 15 houses allow children to reside with their mothers. Additional resources would allow us to expand our network of houses to Lincoln, Columbus, Norfolk, North Platte, and other communities in central and western Nebraska. Experience has shown that the presence of outreach staff greatly increases the success of the houses. In the early 2000s, more than a dozen Oxford Houses were opened in Lincoln, Hastings, Norfolk, and Scottsbluff with funding from a Department of Defense grant. Unfortunately, once the grant money ran out, 100 percent of those houses, which were opened during the grant cycle, folded, primarily due to the lack of local outreach oversight. We didn't have an outreach worker out in that area. On another note though, 100 percent of the outstanding state start-up loans were repaid by the Omaha chapters. And I don't know if you're aware, but there's a state fund or a state loan fund set aside. I think it was from the 1988 Anti-Drug Abuse Act. Nebraska is...it started with \$100,000 and then, as a house starts up, they're given a \$4,000 loan, which is repaid back over a period of two years. That became optional at some point, but Nebraska is one of the very few states that kept that loan fund intact. In contrast, though, there's currently more than \$20,000 in unpaid loans that were received by non-Oxford House recovery homes. In order to qualify for that loan, you don't have to be an Oxford House. You just have to agree that you'll be self-governed and self-supporting. And there are a lot of houses that received loan money and never paid it back, but none of the Oxford Houses. I will close by sharing one of our many success stories. Diane (phonetic) moved into the Castelar Oxford House in Omaha in 2008 after graduating from the Nebraska Correctional Center for Women in York. She had little more than the clothes on her back and her \$100 gate fee. She was able to secure employment at Metro Community College, Fort Omaha Campus, doing clerical work in the admissions office. Diane and her Castelar roommates came back to the Castelar house every Christmas for several years with food and presents for all the women and children residing there. Not only has Diane retained her employment at Metro over the years, she was recently promoted to director of the Metro Reentry Program which received a \$1 million grant to provide college credit classes to offenders while they are still incarcerated. They then qualify for an additional two classes after they are released. Diane also helped organize an offender employment training class presented by U.S. Probation a few weeks ago at Metro, proof that as our founder Paul Molloy says, the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

inmates really can run the asylum. I'm happy to answer any questions, but I will be followed by my colleague from Texas, Chris McGuire, who can speak about how the increase in funding in the state of Texas helped, you know, how it helped expand the network down there. And keep in mind that Chris recently learned that Texas has closed three prisons. So anyway, I'm happy to answer any questions. I thank you for your time. [LB381]

SENATOR MELLO: Thank you for your testimony this afternoon, Ms. Hallberg. Are there any questions from the committee? Senator Hilkemann. [LB381]

SENATOR HILKEMANN: Thank you. It's interesting to learn about the Oxford Houses. What percentage of your money...you're a 501(c). What percentage of your money is donated of your budget? [LB381]

KIRSTIN HALLBERG: I have no idea. On that...I believe on that handout there should be...believe it's on the back of that first page, there should be a list of the states that contract with Oxford House, Inc. Right now, I can tell you right now the state of Nebraska has a contract with Oxford House, Inc. It's for \$40,000 and that covers the 29 houses and the 228 beds, and it's just normally when Oxford House, Inc., contracts with a state, the minimum is \$68,000 for an outreach worker. So I'm just working part-time...well, I'm getting paid for part-time but I'm working full-time. [LB381]

SENATOR HILKEMANN: So are you the...do you kind of oversee and coordinate the 29 houses there in Omaha then? [LB381]

KIRSTIN HALLBERG: Yes, in the state, and plus there's two in Council Bluffs and three in Sioux City that I also provide oversight for. [LB381]

SENATOR HILKEMANN: Now you also said that there's a national organization that kind of controls this. [LB381]

KIRSTIN HALLBERG: Yes, that's what the state...that's what DHS would contract with, would be the national organization. And then if we receive the funding, what we would do is hire three additional outreach workers to...oh, I forgot to mention that, didn't I? Yeah, we would hire three additional outreach workers to expand in Lincoln, Columbus, Norfolk, and North Platte. [LB381]

SENATOR HILKEMANN: Okay. And what percentage of the money that they raise is used for administration? [LB381]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

KIRSTIN HALLBERG: I don't do the budget so I couldn't tell you. I can find that out for you. [LB381]

SENATOR HILKEMANN: Thank you. [LB381]

KIRSTIN HALLBERG: I can find that out for you. You're Senator...? Okay. Okay. [LB381]

SENATOR HILKEMANN: Okay. [LB381]

KIRSTIN HALLBERG: I will find that out. [LB381]

SENATOR MELLO: Thank you, Senator Hilkemann. Are there any other questions from the committee? Seeing none, thank you, Ms. Hallberg. [LB381]

KIRSTIN HALLBERG: Thank you. [LB381]

SENATOR MELLO: Next proponent for LB381. [LB381]

KIRSTIN HALLBERG: This is Chris from Texas, and I told him do not wear an orange tie and don't say the word "longhorns." (Laughter) [LB381]

CHRIS MCGUIRE: It's an honor to be here and to speak to you all today. My name is Chris McGuire, C-h-r-i-s M-c-G-u-i-r-e. I'm the state outreach coordinator for Oxford Houses of Texas. I started in 2010 and was their first employee in the state. At that time, we only had 62 houses and I had a vision of all the major cities in the state, whether it be from Dallas, Houston, wherever, to bridge the gap between the prisons and also state-funded treatment centers. Since 2010, we are now at 144 houses within the state. As of last year the Department of State Health Services did an exceptional item of \$1.4 million. From what I did my research on the state of Nebraska, an average inmate in prison is about \$36,000 per year. Our return investment from that \$1.4 million was \$21 million just last year in the state of Texas. And how we break that down is we break it down to individuals not returning to prisons or to state-funded treatment centers. They get full-time jobs, which means they're getting their own health insurance. It's cutting down Medicare, Medicaid, things like that; not going back to prisons. Like I said or what Kristin was saying is by having divert courts and drug courts along with Oxford House, the state of Texas, who's well known for putting people in the slammer, closed three prisons last year with our help and the divert court and programs like that. You know, that also paid for seven outreach workers in the state. Now what she was saying is about \$60,000 goes to pay for an outreach worker. We

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

don't make \$60,000. Part of that goes towards help paying for our health insurance, mileage, expenses, and things like that. So that's all I've got to share right now. [LB381]

SENATOR MELLO: Well, thank you for your testimony this afternoon, Mr. McGuire. Are there any questions from the committee? Senator Hilkemann. [LB381]

SENATOR HILKEMANN: Yes, sir, thank you for being here today. Prison Entrepreneurship Program, are you familiar with it? [LB381]

CHRIS MCGUIRE: No, sir. [LB381]

SENATOR HILKEMANN: Okay. That's been a program in Texas for a long time. It also has been very good on cutting down the rate of recidivism in Texas and I wondered if that was...if you were coordinated with that program. That's all. [LB381]

CHRIS MCGUIRE: No, I mean I'm coordinated with a lot of the divert courts and drugs, Judge Caruso, TORI, which is an organization, reentry organization in Texas. I'm a part of so many coalitions in Texas, it's like (laugh)...but I haven't heard of that one. [LB381]

SENATOR HILKEMANN: Okay. [LB381]

SENATOR MELLO: Any other questions from the committee? Senator Haar. [LB381]

SENATOR HAAR: Yes. And then I was wondering, do you ever have people that are released early from prison with the idea that they will be a part of Oxford House? [LB381]

CHRIS MCGUIRE: Yes, they are released early. So how that works is the houses or the outreach worker can coordinate through correspondence or actually go to the prison and do an interview with the inmate. And what would happen is the house would have, say, like a designated bed for someone that's being released. Now if they get out and that house is full, then we, once they get in that house, because they got to have an address, then we get them in a house where there's another bed. [LB381]

SENATOR HAAR: Okay. Thank you. [LB381]

CHRIS MCGUIRE: Last year our recidivism rate was 1 percent. Out of 144 houses, only two people committed a crime and went back to jail. [LB381]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR HAAR: Wow! [LB381]

CHRIS McGUIRE: That's what I said. (Laugh) [LB381]

SENATOR MELLO: Thank you, Senator Haar. Any other questions from the committee? Mr. McGuire, I have just a couple questions, more on some general background. How long does an individual normally stay at an Oxford House? When they, let's say postrelease, that individual leaves the Department of Corrections, moves into the Oxford House the next day. How long do you let them stay there? [LB381]

CHRIS McGUIRE: They can live there as long as they want, and that's one of the beautiful concepts, because most places are about making money: you know, let's get you out, get someone else in, and make some more money. You can live in Oxford House as long as you want, there's no time limit, as long as you don't drink or drug use, pay your equal share of rent, and no disruptive behavior. I lived in one for four years. There's a guy that's lived in one for 22 years that I know of. And it's built on for you to be comfortable enough in your sobriety to move on to that next step. Another problem is with individuals is it becomes their home because they had that felony, which makes it harder to get a decent place to live. [LB381]

SENATOR MELLO: Uh-huh. [LB381]

CHRIS McGUIRE: And we take pride in our houses because they're nice houses and it becomes their home. [LB381]

SENATOR MELLO: Do you see...and I probably should have asked Ms. Hallberg this question. If not, you can provide the committee afterwards. Do you see that there's...I mean is there a wait list in Texas, just for an example? And I would ask her if there was a wait list in Nebraska of people coming out of our Department of Corrections who may want to live in an Oxford House, same way it is in Texas. Is there a list of people who are trying to get in? You just don't have the... [LB381]

CHRIS McGUIRE: For us, we can't open enough houses in a month. We're averaging opening about three to four houses a month. As far as Nebraska, I can't answer that question. [LB381]

SENATOR MELLO: Okay. Okay. [LB381]

CHRIS McGUIRE: It wouldn't surprise me if there would be. [LB381]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR MELLO: Okay. Senator Hilkemann. [LB381]

SENATOR HILKEMANN: That prompted another question. So your program has been going on for a longer period of time. Do you have a lot of foundational or community support? Do you have fund-raisers and so forth? [LB381]

CHRIS McGUIRE: Oh, we have tons of fund-raisers. We do retreats. We go to Six Flags. We have the world convention. Every month we have chapter meetings so there's food and stuff like that. I mean there's a constant network of support, starting just from the house all the way up to the state association. [LB381]

SENATOR HILKEMANN: Okay. What percentage of the budget of your state association is raised with private funds? [LB381]

CHRIS McGUIRE: I want to say maybe 10 percent. [LB381]

SENATOR HILKEMANN: Okay. So the remain... [LB381]

CHRIS McGUIRE: Not positive. [LB381]

SENATOR HILKEMANN: Okay. Thank you. [LB381]

SENATOR MELLO: Any other questions from the committee? Seeing none, thank you, Mr. McGuire. [LB381]

CHRIS McGUIRE: Appreciate it. [LB381]

SENATOR MELLO: Are there any other proponents for LB381? Seeing none, is there any opponents to LB381? Seeing none, is there anyone here in the neutral capacity on LB381? Seeing none, Senator Cook, would you like to close? [LB381]

SENATOR COOK: Yes, Mr. Chair, very briefly. I want to get back to you, Senator Hilkemann, in terms of a breakout to the degree that we can in this region, which is called the...I think it's called the Northeast Region, how much is privately funded. And as you heard, there are varying kinds of donations. It might not come in a big chunk from foundation XYZ, but it comes. I'm thinking of a gentleman in my district who runs a business and is very supportive of people as they make their transition either out of prison back into the work force in support of helping to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

maintain their sobriety who's doing some of the work himself and donating his time and materials to refurbish and purpose a house within my legislative district. So that's the kind of thing that would be more difficult to quantify, but I'm happy to research in terms of private dollars or precisely how the Oxford Houses are funded. I was minding my own business one day at the Scooter's coffee shop in...on Mormon Bridge Road in Legislative District 13 and this gentleman arrived, a young woman who happens to reside in one of the Oxford Houses, and Ms. Hallberg sort of descended upon me and told me their story. So I think it's a fantastic opportunity to be a citizen legislator, especially in an environment where we're looking at prison reform, sentencing reform. I think the time is right for us to think laterally and making these kinds of investments. When I first heard somebody living 22 years in what I would consider as somebody who's middle class who happens to not be a substance abuser, I thought, well, why would you? But guess what? Just like he said, finding safe, affordable housing where you know you're going to be reinforced in your sobriety and the behaviors that are necessary for that, stay in that safe place as long as you can. And as you heard, each person that lives there is responsible for paying the rent every month. So thank you very much for your consideration. [LB381]

SENATOR MELLO: Thank you, Senator Cook. Are there any questions from the committee? Senator Haar. [LB381]

SENATOR HAAR: Yes. Are there any other groups that you know of that might get this, some of this money? [LB381]

SENATOR COOK: This is the one, as I said, that I learned about at Scooter's. [LB381]

SENATOR HAAR: Okay. [LB381]

SENATOR COOK: I'd imagine there would be. Ms. Hallberg made indirect reference to other groups that aren't as successful at the loan repayment, so they do exist in the world. But I don't know them by name. [LB381]

SENATOR HAAR: Okay. So right now this is probably where the money would go. [LB381]

SENATOR COOK: Right now. They're most teed up to take advantage of it, especially having, from the later testimony, identified where that geographic need is already and recognizing that Ms. Hallberg is working a part-time job at more than full-time. [LB381]

SENATOR HAAR: And the statement, the inmate is in charge of the asylum, feels a little familiar. [LB381]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR COOK: Why, it certainly does. [LB381]

SENATOR HAAR: (Laugh) Thank you. [LB381]

SENATOR MELLO: Thank you, Senator Haar. Senator Hilkemann. [LB381]

SENATOR HILKEMANN: Senator Cook, thank you for bringing this. This is the type of legislation that we need to look at. And I agree, we need to...it was like I mentioned and I've talked with other people about like the Prison Entrepreneurship Program they have in Texas, which has been extremely successful and it doesn't take excessive demands upon the public dollar and is people helping themselves and I'm all for that. Thank you for bringing this. [LB381]

SENATOR COOK: You're very welcome. It's my pleasure. [LB381]

SENATOR MELLO: Any other questions from the committee? Seeing none, thank you, Senator Cook. [LB381]

SENATOR COOK: Thank you. [LB381]

SENATOR MELLO: That will close this afternoon's public hearing on LB381 and take us to our next public hearing of the day, LB485 from Senator Stinner. [LB381]

SENATOR STINNER: (Exhibits 1, 2, and 3) Good afternoon, Senator Mello and members of the Appropriations Committee. My name is John, J-o-h-n S-t-i-n-n-e-r, Stinner. I thought I'd start with a little show and tell. And over here you have a handout that has 1 and 2 on it, and so I think this probably portrays what I'm going to talk about the best, and it's really about child abuse. And it probably was put together in 2008 or 2007 when they were talking about how we need to move forward on child abuse issues. And I'll just wait for everybody to have a copy. Does everybody have that? Anyhow, I've now lost my glasses of all crazy things. Now I can't see any... [LB485]

SENATOR HAAR: They're right over here. [LB485]

SENATOR STINNER: Where are they? Thank you. There we go. That's what happens when you go over 60, right? [LB485]

Appropriations Committee
March 17, 2015

SENATOR HAAR: That's what friends are for. [LB485]

SENATOR STINNER: Anyhow, the first page, number one, it starts, Robin, a typical case, Robin, age five years old, tells a teacher she's being hurt at home. And as you follow this around the circle, you can see how many people that she talks to. She talks to her teacher, her principal, a nurse, who then calls the hot line. And she gets to talk to the police. And then she goes, of course, to a doctor, so she gets to talk to a nurse, a social worker, a doctor, who then forwards her on to a detective, and then the child protective investigator and a lawyer. And about the time that she's finished...and of course you can see her in the middle: Why do I have to talk to so many people? That's 15 people by now. Let's compare and contrast where we're at today with the child abuse centers, and it's on the reverse side. Now Robin and her mom enter a child advocacy center. Her mom talks to an advocate to help her understand the system. She talks to a doctor for an examination. They try to make her at ease. It's a child-friendly place. She then is interviewed by a forensic interviewer and a team of people that are sitting away from her in a very safe...she's in a safe environment. They're watching either on camera or TV or it's being filmed. So there's only one interview that's being conducted. The trauma goes down significantly. Then, based on that interview, she could be referred to a counselor or a doctor. So anyhow, that's how the state of Nebraska wanted to proceed in 2008 when they made the law about child advocacy centers. So Nebraska has moved to a child-focused system and according to the state statutes, the purpose of child advocacy center is to provide a child-focused response to support the physical, emotional, and psychological needs of children who are victims of abuse and neglect. The law recognizes child abuse is a community problem and created a child abuse and neglect multidisciplinary investigative team in each county or continuous group of counties. To ensure the protection of the child and the quality of investigation, each child advocacy center is required to be accredited by the National Children's Alliance. To address crimes involving children, three issues must be addressed: helping the child heal from the trauma; hold the offenders accountable; assume a proactive approach to child abuse prevention through education, training, and networking. Child advocacy centers, or CACs, play a key role in addressing these issues. As you can see, there is a map we also distributed to you. On this map are located the child advocacy centers in the state of Nebraska. The one I'm most familiar with, of course, is in the Panhandle. And we were fortunate in the Panhandle that they did set up three satellites, so CAPstone is housed in Gering, Nebraska. It has an office in Sidney, which is...I believe it's Cheyenne County. Box Butte County has Alliance and, of course, Chadron has a satellite as well. Interestingly, there is only one forensic interviewer that covers all of these and last year this one full-time, certified forensic interviewer worked 302 interviews and they also did 93 hair follicle tests, for a total of 382 cases. And these referrals generally come from, and almost always come from, the hot line of Health and Human Services, they come from the law enforcement, and district attorneys. And some of these cases have to be worked immediately. Some of them you may have a little bit of time. But this interviewer works...is available 24 hours, 7 days a week. And the other thing I did want to add is Lincoln does have the satellite system too. It's in York. And I believe Nebraska City is the other

Appropriations Committee
March 17, 2015

one. Omaha has participated in the program, but that's Sarpy and Douglas. And then I think they have 16 Iowa or something along those lines. So my takeaways are that the child advocacy centers put the child first to help them heal, and number two is to use the CACs has the result in increasing successful prosecutions of child abuse perpetrators. LB485 was introduced to fund an unfunded mandate imposed upon county government. Section 28-728 mandates that each county attorney or county attorney representing a contiguous group of counties is responsible for convening a child abuse and negligent (sic--neglect) investigation team. Each team shall include protocols and procedures for, and I quote: Arrange for a video-recorded forensic interview at a child advocacy center for children who are 3 to 18 years of age and alleged to be victims of child...or sexual abuse or serious physical abuse or neglect, have witnessed a violent crime, are found in a drug-endangered environment, or have been recovering from a kidnapping. LB485 will provide funding for this state-imposed mandate by appropriating funds for CACs to operate accredited satellite offices so video-recorded forensic interviews will be provided that are accessible to children, their families, and law enforcement. The need for this funding is well documented. The Nebraska Alliance of CACs has conducted a statewide needs assessment that identified areas where children were not interviewed, as required by the mandate. The survey discovered that only 60 to 70 percent of the children whose allegations fell within the statutory mandate were interviewed as required by law. This leaves up to 3,000 across this state that do not have access to a CAC in a time of trauma. And the reasons for the failure? Limited resources, such as time and distance for the first responders who are child protective service and law enforcement, and limited resources for family to travel to the current sites of the CAC. The answer is to provide satellite locations closer to the victims' homes and to provide a statewide outreach coordinator. LB485 will provide the funding for satellite offices and the statewide coordinator to meet the needs of Nebraska. The CACs in Nebraska have identified nine areas where satellite offices would dramatically provide more access to Nebraska's existing nationally accredited CACs. The benefit of the CACs' satellites are: satellites are a cost-effective means to provide a CAC child-friendly interview room and trained interviewers; satellites would reduce the drive time for children and their families; satellites will save time and money, not only for family but also reduce the cost of professionals conducting investigations, such as law enforcement and the Department of Health and Human Services. National data shows service delivered models...national data shows that service delivery models saves court, child protection, and investigative dollars, averaging \$1,000 per child abuse case, compared to non-CAC communities. A study done by CAC...by the CAC in Lincoln shows the cost savings for opening a satellite center in York, and I do have their detail here if you want to take a look at it. It was \$23,444 for that one location. York is 45 miles away. I will submit to you, Chadron is a two-hour drive, so there's probably, if we put those numbers together, you could take that times two or three. The statewide coordinator would fulfill the role of the liaison between the various CACs to get the right services to the right places at the right times to provide effective care for the child and evidence for any prosecution across the state. This role would be performed under contract with the private sector to include the performance of staff functions and monitoring the outcomes

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

of CACs statewide. The statewide coordinator will support the proactive approach to child abuse prevention through education, training, and networking. Questions were raised about the language of LB485. In order to clarify the intent, the Bill Drafter's Office has prepared AM584 that references the existing definitions of a child advocacy center. I would urge the Appropriations Committee to adopt the provisions of AM584 as an amendment to the mainline budget bill. The state of Nebraska should fund the unfunded mandates to help heal children who have experienced trauma and hold the perpetrators accountable. Thank you. [LB485]

SENATOR MELLO: Thank you for your testimony this afternoon, Senator Stinner. Are there any questions from the committee? Senator Haar. [LB485]

SENATOR HAAR: Yes. It's not quite clear to me. Are these already set up or...? [LB485]

SENATOR STINNER: Five are already set up. [LB485]

SENATOR HAAR: Okay, and this would expand it. [LB485]

SENATOR STINNER: And I believe that's right, and this would include four more. [LB485]

SENATOR HAAR: Okay. And who's supporting them right now? Is it just the counties? [LB485]

SENATOR STINNER: Right now we're stretched. At least I know in the Panhandle we have a lot of fund-raisers. We get some grants and we're stretching dollars. Like I said, we have one forensic interviewer right now that's full-time, and a full-time coordinator. And that's...it's a pretty low-budget place. But if you ever wanted to spend two hours in a really bad space, you know, that would be it--really tough situations. [LB485]

SENATOR HAAR: Good. Thank you. [LB485]

SENATOR MELLO: Thank you, Senator Haar. Are there any other questions from the committee? Seeing none, thank you, Senator Stinner. [LB485]

SENATOR STINNER: Thank you. [LB485]

SENATOR MELLO: We will first hear proponents for LB485. Can I just get a show of hands how many people are going to testify on LB485? Okay. Thank you. [LB485]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

IVY SVOBODA: (Exhibits 4 and 5) Senator Mello and committee members, my name is Ivy Svoboda, spelled I-v-y S-v-o-b-o-d-a. I'm the executive director of the Nebraska Alliance of Child Advocacy Centers. Thank you, Senator Stinner, for bringing this initiative forth and your thorough understanding of the child advocacy center model. Over the last 15 years this Legislature has adopted policies that ensure a coordinated approach to child abuse investigations. We all know that multiple agencies respond best when they work together. Today a clear and deliberate policy drives the child abuse investigation process for law enforcement, child protective services, prosecutors, and child advocacy centers. Nebraska has seven nationally accredited child advocacy centers that are mandated through the Nebraska Legislature to be involved with the child and family during the investigation of a child abuse and neglect allegation. These centers support law enforcement and child protective services, provide forensic interviews, medical exams, and support to child victims and their families during this process. In 2014, the center served more than 5,100 children in Nebraska. Under..40 percent of those children were under the age of six. Sexual abuse, serious injury, and neglect were the most common forms of abuse investigated. Even though all of our 93 counties are assigned to a child advocacy center, we continue to see that about 30 to 40 percent of the children that should be seen at the center, according to state statute, are not getting there. As Senator Stinner mentioned, it's because of all the reasons in statute in (28-)728 that children might not be there: the serious physical abuse or neglect, allegations of sexual abuse, children who have witnessed a violent crime, possibly those found in drug-endangered environments, and those required from kidnapping. Why are we missing these children? Simply put, it's due to access. In some of the areas in the state, a family has to drive two to four hours to the center. A law enforcement officer, who is the only protecting agency for that entire county, is taken away from their duties for an entire day to drive to the center and participate in the coordinated investigation response. We support Senator Stinner's solution to this issue--create satellite locations to offer support. Satellite centers will be connected to existing accredited centers and assisted by a statewide outreach coordinator. This is the most efficient and effective way to deliver investigative services for children and families throughout our entire state. Our issue in Nebraska is no different from others across the United States. In fact, our national accrediting body of child advocacy centers in Washington, D.C., recognizes that satellites accomplish three things: One, satellites improve efficiency of child abuse investigations; two, they improve the access to services for victims of child abuse; and three, most importantly, satellites improve the quality of service to ensure that each child gets the best care and service during a child abuse investigation, regardless of where they live. We intend to use the national accrediting guidelines for the creation of satellite centers with your support. On behalf of the Nebraska Alliance of Child Advocacy Centers, I'd like to thank the Appropriations Committee for putting the needs of our most valuable...vulnerable children--and they're most valuable--citizens at the forefront. I also have letters of support on behalf of others dedicated to this initiative. I have one from the Attorney General's Office, the Nebraska County Attorneys Association, Voices for Children, Nebraska Coalition for Victims of Crime. I have seven letters from local police departments, and I have 105 signatures from

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

multidisciplinary team members across the state, and letters from all seven CACs and from their various board members. I also wanted to address the question. Both the Gering center and the Lincoln center received a \$50,000 start-up fund for those satellite offices from our national accrediting body. And the Lincoln Child Advocacy Center has our two first accredited satellites in the nation for us, so we're kind of proud of Nebraska and proud of the services that are being provided. [LB485]

SENATOR HILKEMANN: Thank you, Ms. Svoboda. Do we have questions of the committee? Senator Bolz. [LB485]

SENATOR BOLZ: Good afternoon. How many kids are being provided through centers versus how many kids are being provided services in communities without centers? Can you just split it apart a little bit for me? [LB485]

IVY SVOBODA: Right now we don't...of the 5,100, we had probably about I'd say 200 or 300 of those, 200 to 250 were served at the satellite locations. [LB485]

SENATOR BOLZ: You...I guess what I'm trying to get at is that one of your letters of support says that as a result of the coordinated response of child advocacy centers, communities with a center save, on average, \$1,000 per child abuse case. So does that mean that we would save \$200,000 a year if we were able to ramp up in other satellites or would you split the numbers out differently? [LB485]

IVY SVOBODA: I would say that of the children that are not being seen, so if we're not seeing the 30 to 40 percent that were not being seen at the centers, that's where we would be saving those dollars there. That \$1,000 per child is for the child advocacy center model across the nation, so it would pertain to kids being seen anywhere, from the satellites or the centers. [LB485]

SENATOR BOLZ: Okay. Thank you. [LB485]

SENATOR HILKEMANN: Are there additional questions from the committee members? Seeing none, thank you very much for coming, Ms. Svoboda. Additional proponents? [LB485]

BRENT LOTTMAN: Good afternoon, committee members. I'm Brent Lottman, B-r-e-n-t L-o-t-t-m-a-n, and I'm the Nemaha County Sheriff from down in Auburn, and I'm here to testify in support of LB485. And to give you a brief history, when the law was changed, changing the requirements as to when we need to have the 3- to 18-year-olds see forensic interviewers to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

follow up on not only crimes where they were victims or placed in drug-endangered environments, but also this includes a lot of the domestic assault type of crimes where the kids aren't directly involved as victims or suspects, as the criminal justice system sees them, but as viewers of that activity. It did increase the need for us to have these youngsters interviewed. We were using...we started with Project Harmony in Omaha a long, long time ago, and then we've been using the child advocacy center in Lincoln for a long time. When we would do these, we would take child protection workers out of typically Nebraska City or Falls City. They would drive to Lincoln. I would have to pull a deputy away and spend an hour and a half driving each way, not to mention the time of the interview, and have them unavailable to deal with the business we usually deal with. And so when the idea of satellite came to be here probably a little over a year ago, actually it's been a year and a half ago I think, I was for it. It's been put in place in Nebraska City and it is much, much easier for us to do that. It cuts down on the amount of time and mileage that Nemaha County spends paying salaries and wear and tear, things like that. It also cuts down on...I'm assuming with the Department of Health and Human Services, seeing sending their people around driving back and forth from Nebraska City and Falls City to Lincoln instead of ten minutes down the road to the CAC satellite center. I think a question was asked by one of the senators regarding payment. Just to let you know, we do actually pay in. When the satellite model came in, Nemaha County pays \$1,800 a year toward that out of county funds. And we saw it as a cost savings. Both the county attorney, myself went to the commissioners and asked them to do that because it was a savings to us and the county both in terms of just spend it that way instead of gas and manpower. So...and that's the convenience for myself and my office. What probably is a bigger issue that we see, and I've worked some of these cases myself, is the benefit to the child and to the child's family, as Senator Stinner indicated. What we see is these children are victimized, so we try to minimize the influence we have with them and just have one single interview, as you saw on the illustration there, and then that seems to work pretty well. We then would have to go to Lincoln. Finding transportation sometimes was not the easiest situation. Many of these families are not typical people who would drive to Lincoln for the day or whatever, of limited means, things like that. We would make arrangements when possible. That was not always easy, as law enforcement vehicles are set up for a specific purpose, and hauling families is typically not the purpose of that. Probably be best if it was; that's not the situation. And so there were always logistics issues going to Nebraska City. People see that and they don't think anything about it because that's a place they go to shop and things like that. The child doesn't have that unknown drive. They know where they're going but they don't know what for. It's a half-hour drive versus an hour-and-a-half drive. They get there, they feel closer to home, they're not scared by the big city sometimes. And so the impact on the child is much less this way. And prosecutor is going to talk here next, but I think it also is helpful for the prosecution side of it. They don't have that additional stress. They get a good interview where both law enforcement and CPS are available to assist with that forensic interviewer via CCTV typically. So I guess what I would do is I'd just suggest, if nothing else, while we appreciate the funding to minimize the effects on our offices, I can tell you that my experience has been children victims

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

do appreciate having these satellite centers available to them to minimize the additional trauma that they've already gone through. [LB485]

SENATOR HILKEMANN: Thank you very much for your testimony. Are there questions of the committee? [LB485]

BRENT LOTTMAN: Thank you. [LB485]

SENATOR HILKEMANN: Thank you, Officer. [LB485]

JOE KELLY: Members of the committee, my name is Joe Kelly, K-e-l-l-y. I'm the Lancaster County Attorney. I'm also a board member on the CAC located here in Lincoln for southeast Nebraska. The discussion of CACs for prosecutors always begins in "the way it used to be." There's been allusions to that already. The child was no different than any other witness and so often was giving that initial police interview in a smoke-filled detectives' room with gray metal desks, a totally unfitting setting for a child and not productive to that extent as well. The emphasis of the CACs and the system that we utilize today talks about a trained forensic interviewer conducting the interview in a child-friendly, child safety environment, a safe child environment. It is night and day from what I described. It also produces that single forensic interview that leads to more successful prosecution. In the early days of the CAC here in town, experienced prosecutor...or, excuse me, experienced investigators would often say, I think I know how to interview this child. And if they didn't have that sort of training and experience, they didn't have that much luck, they weren't that successful. And many of them in later years came to me and said: I never knew how to interview a child; watching these trained forensic experts at the CAC is really something to behold. So it is an entirely different skill and skill set. Of course, at the CAC, like Project Harmony in Omaha, Lincoln here, the medical exam quite often follows the forensic interview depending on the type of the case. So we're reducing the trauma to the child in this terrible situation, trying to lead to a successful prosecution. The disciplines are all working together. The role of the satellites, as has already been said, of course reduces the stress for the family and the child having to come, in our case, York, from York or Nebraska City and, rather, being able to do that forensic interview in those communities. But I should also add and want to add, it improves the investigation. For the smaller agencies, one or two officers making the trip to Lincoln means probably nobody is back there working with the county attorney on the search warrants and the things that you need to do initially in that investigation. Even if it's a delayed report of the child abuse, there could be valuable evidence that is there that may not be there as soon as the perpetrator learns that the child has gone forward and talked to the police. So the fact that you can continue that investigation or at least have part of your office continuing the investigation is very helpful. And with all violent crimes, that 24 hours, the first 24 hours of the investigation, is quite often the most important in the investigation. If those officers remain in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

town, often with the prosecutor, it improves immensely the work product that you end up with, so it is a more humane way to do it. It leads to more successful prosecutions. My attorneys are able to, often, watch live those interviews and go from there and talk to the investigator so that they can get right on the case, and ultimately we have an interview that allows the child to tell his or her story in a way that we can put together and use for the prosecution. [LB485]

SENATOR HILKEMANN: Thank you very much, Mr. Kelly. Are there questions from the members of the committee? [LB485]

JOE KELLY: Thank you. [LB485]

SENATOR HILKEMANN: Seeing none, thank you very much. Are there other proponents? Okay. [LB485]

JAMIE VETTER: Good afternoon, committee. My name is Jamie Vetter, spelled J-a-m-i-e, last name Vetter, V-e-t-t-e-r. I'm the executive director of the Family Advocacy Network in Kearney. We are one of the seven nationally accredited child advocacy centers across the state of Nebraska. We serve central Nebraska and south-central Nebraska, so a large portion of our area is the more rural area. I want to thank Senator Stinner for introducing LB485 and those senators have signed on and those that have testified and written letters of support. As I prepared to testify today, I kept thinking of my 9th grade government teacher, Mr. Daytis (phonetic). I couldn't decide if he would be terrified that I was up here in front of you all or be excited that I was here today. I wanted to share my passion of serving victims, specifically the most vulnerable citizens of Nebraska, which are our children. As with many issues in Nebraska, the rural versus urban challenge is real. It's my belief that every child, whether they reside in Omaha or in Bertrand, they should have access to the same quality of services, that law enforcement should have the resources assisting them investigating some of the hardest cases and the most emotionally draining cases they will encounter in their career. In our rural area, agencies are not afforded the luxury of having specialized investigative units, making the model of a multidisciplinary team approach very important. Child victims and their families desperately need the support during time of disclosure, the investigation, court, and then following. Most counties in Nebraska do not have victim witness units. The advocacy is very important and will be provided through the advocacy centers. Those who work within rural areas are no stranger to doing more with less, working the long hours and making the best with what we have. The CACs that serve in the rural areas have three to four full-time employees who operate 24 hours a day, 7 days a week, which that would include FAN. We wear many different hats to ensure that services are provided to our team members and to the families that we serve. We continue to work within our parameters, but we need to ensure we're reaching the children in all of our areas. The idea of satellite locations is not a new concept. The specialized medical care has been using this method for years, so the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

cardiologists, the E&T doctors, those that travel out to their satellite locations in Cambridge, Nebraska, or Indianola, Nebraska. It's the most cost-effective solution to the challenges in serving rural areas. I mentioned earlier that we're one of the seven nationally accredited child advocacy centers in the state. The National Children's Alliance is the accrediting body out of Washington, D.C. There are ten standards that we have to adhere to, to be accredited. We have site reviewers that come out every five years and literally go from top to bottom of our centers in looking at policies, procedures, meeting with team members, meeting with our board members, meeting with our staff to ensure that we are meeting all of those standards. I had the opportunity yesterday, just yesterday, to meet with Matthew Sandusky. He was a victim of his adoptive father, Jerry Sandusky, if you recall the Penn. State scandal a couple years ago. He spoke at length of the role and responsibility of adults to every child, just not your child but every child. Childhood sexual abuse is not owned by the child. It is owned by all of us, and we need to do something about it. Our work is not done or our responsibility forgiven until a five-year-old little girl can go to bed without the fear of Mom's boyfriend coming to her room, or the ten-year-old girl who has been forced to perform oral sex since she was eight, or the four-year-old little boy who was whipped for vomiting on the table because he was force-fed. I'm not well versed on politics nor in government, but I am asking that we protect the very basic right of these kids, and that is of safety. We are fortunate in Nebraska. We've had the support of the Legislature and the leaders of Nebraska. We are asking the Legislature and leaders support LB485 to further our work in the rural areas, reaching all children. On behalf of the thousands of kids that have crossed the threshold of the child advocacy centers in Nebraska, thank you. Any questions? [LB485]

SENATOR HILKEMANN: Thank you, Ms. Vetter. Are there questions from the committee? Thank you for driving in today. [LB485]

JAMIE VETTER: Yes, thank you. [LB485]

SENATOR HILKEMANN: (Exhibit 6) Are there other proponents for LB485? Seeing none, we have letters of support from the Nebraska County Attorneys Association and also from Attorney General Doug Peterson. Are there opponents to LB485? Thank you very much, Senator. We have several other proponents who have proposed for this are Bryan Seck from the Nebraska Child's Alliance...Children's Alliance, Monica Bartling from CAPstone board of directors, the Office of the Sarpy County Attorney, the Office of the York County Attorney, and the Platte County Sheriff's Office. Are there...seeing no opponents, are there anyone who wants to testify in the neutral? Seeing none, Senator Stinner, would you like to close? [LB485]

SENATOR STINNER: Think I'll waive because it's St. Patrick's Day. [LB485]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR HILKEMANN: Senator Stinner waives closing. He must be getting ready for some corned beef here. (Laughter) All right. Senator Krist. [LB485]

SENATOR KRIST: (Exhibit 1) Good afternoon. I think I'm the last thing standing between you and a green beverage, so I'm going to be... [LB506]

SENATOR HILKEMANN: Well, the other thing is at least...I know you've been here about three hours today, but yesterday it was about 107 degrees in here, so at least it's better that way. [LB506]

SENATOR KRIST: Yeah, that's fantastic. Well, good afternoon and happy St. Patrick's Day. My name is Bob Krist, B-o-b K-r-i-s-t. I represent the 10th Legislative District in northwest Omaha, along with a north-central portion of Douglas County, which includes the city of Bennington. And I appear before you today in introduction and support of LB506. LB506 recognizes a need for updating rates for community-based providers of developmental disability services. In recent years, DHHS has developed a rate-based study by...based on a study by Navigant to more closely find the actual cost of those services that are provided across the state, community-based services. This Appropriations Committee and the Legislature as a whole has been very supportive and generous of this goal. However, the new rate methodology is based upon a cost-data analysis done in 2010 and updated in 2012. These rates do not reflect current costs in 2015. There's been no adjustment since 2012. Providers of disability-related services rely almost exclusively on state funding for services. Most of you understand the DD community is not a community that is, as individuals, are capable of drawing upon other funds. Most of these funds are state provided in their capacity or federally augmented within the Medicaid structure. In order to bring rates current, all factors--wage rates, benefits factors, or nondirect costs--should all be updated using an inflation rate of 6 percent based upon the study in 2010 and then the rate that was implemented three years ago. LB506 proposes to phase in the increase in rates paid to providers of community-based developmental disability services by 3 percent in 2015 through '16, 3 percent in '16-17. Governor Ricketts has already increased 2 percent in each of those fiscal years for the DHHS service providers. And I'm sure you have all seen the Governor's budget and the 2 percent proposed. The last direct rate increase for community-based development, again, was 2.25 (percent) and that was in the '13-14 time frame. I want to talk just a little bit about this fact sheet because I think...and I certainly don't know my way around numbers like this committee does but numbers speak very loudly and clearly. The General Fund dollars in '15-16, '16-17, the proposed fiscal impact of a 3 percent increase in community-based DD providers is your top line, that shows you the next...sorry, the next category, Governor Ricketts has already proposed a 2 percent. And then it shows General Funds increase over the Governor's, or the delta between what he's already proposed and what I would propose we start looking at. And again, these average costs for an individual, I think many of you asked questions in preparation for this hearing. Just to remind you, the DDAC are adult (day) camp waiver. Those monies are listed

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

there. And we're looking at service providers that are in the \$11 to \$13 per hour range. And I will waive closing. I will be here for the rest of the hearing but let me just say this as a closing comment. Many of you sitting behind the other side of this desk understand that we have had a crisis at BSDC and we continue to have a crisis because, in part, one of the metrics that we look at measuring what's happening out there is our overtime hours, retention rate of providers within the community. The Executive Board has issued a study that will...and you approved, LR32, which is going to look at the BSDC situation again in terms of those metrics. They also...we also expanded that study, and you approved it, to look at community-based services as well. It's a critical part: How are we paying people and what is the retention rate, both in the communities and at BSDC? And now I'm sure you're aware we're seeing the same kind of results in the veterans' facilities. So we have to take care of those service providers that are out there, as best we can, and in this particular case, this DD community really has no place else to go. This is it. So I ask you to really take a look at this and to hear the testimony that follows me. And I thank you for the opportunity to speak to you today, Chairman Mello and your committee. [LB506]

SENATOR MELLO: Thank you, Senator Krist. Are there any questions from the committee? Seeing none, thank you, Senator. [LB506]

ALAN ZAVODNY: (Exhibit 2) Good early evening. (Laughter) Before I begin, you know, they warn you around New Year's Day not to sit down and watch five or six football games in a row, you could get a thrombosis. I worry about you guys, too, with that same problem. So good afternoon, Senator Mello and members of the Appropriations Committee. For the record, my name is Alan Zavodny, and I'm the chief executive officer of NorthStar Services. We provide supports for individuals with intellectual disabilities in the 22 counties in northeast Nebraska. I'm also the mayor of David City, Nebraska, population 2,906. Today I'm representing a number of other agencies providing supports. We wish to thank you and the administration for the consideration of the 2 percent increase that is currently proposed in the preliminary budget. Senator Krist talked about those numbers so I'll, in the interest of time, skip over that. I am sensitive to the concern of senators that consider themselves conservative. I've been in this field for 34 years. There is never a good time to fund intellectual disabilities. In good years we want to give money back to the taxpayer, and in bad years we are told we just can't afford it. I certainly understand the challenges you face when crafting your budget. It's no different for me on the city level. In both instances, it comes down to available revenue versus a priorities list. We share the job of protecting Nebraska's most vulnerable. Our current reality is that we are mirroring past and present problems at BSDC. We experience too much overtime. We run ads and don't get any applicants or we get significantly fewer applicants than we need. The state of Nebraska is, for all intents and purposes, the sole funding source, in addition to the federal match, for providing supports to people with intellectual disabilities. Statute has laid that responsibility at your doorstep. Our costs continue to rise. We don't know how to address unfunded mandates and balance increasing costs. Why should you listen to me? I would humbly suggest that my track

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

record of testimony before you has been pretty accurate throughout the years. I continue to worry about the sustainability of BSDC, but now I can say I worry about the sustainability of community-based programs as well. Thank you for your time and consideration. I'd be happy to address any questions. [LB506]

SENATOR MELLO: Thank you for your testimony, Mr. Zavodny. Are there any questions from the committee? Alan, I won't let you off that quick because you have come in front of this committee, I think every year I've been in the Legislature, to discuss some of the challenges we've had with community-based programming, BSDC. What does the future hold in regards to general community-based programming in the sense of we have seen a reduction of the census at BSDC? We've put a lot of that reliance on to you and other providers across the state. Sometimes I think the reality is we talk a lot about provider rates and Medicaid. But we have a tendency...this committee has a history of treating DD providers differently than other providers, in part because of the unique nature of what's been happening over the last six to eight years with BSDC and now the new reliance on community-based programs. What's the future generally hold for the future of community-based programs just in...I know that's a very broad question. By all means, I know we've been here a long time today but you've been pretty accurate in regards to coming in front of us and giving us a pretty good view of what has been occurring and what may occur. [LB506]

ALAN ZAVODNY: Well, I've earned every one of these hairs I don't have on my head (laughter), and if I did, they'd be gray. But what I've seen over time and why I think it's worse now, Wayne State is a really good barometer for us. We get a new crop of students every four years, you know. They work for us and then graduate and then the freshmen come in. We're not even seeing them anymore. This, with the contraction of minimum wage, whether you agree it was a good idea or not, it went up and that made us closer to our starting wage. And for what we ask people to do and people that are going to be future teachers and those kinds of professions, they can't risk being not able to explain an unexplained bruise--you don't notice if somebody walks into a table or something. So people are less likely to have to do the kinds of things we ask of them for what we're able to pay. But that's not all of it. You know, there's minimum wage and that did involve an increase to us because we do pay some people for overnight of sleep, so that was an automatic increase that we had to eat that we couldn't react quickly enough. I'm worried about it. BSDC is a really good example, when we're seeing the same kinds and then saw the results of the overtime. And you are really in tune with it and by your question I can see you've experienced it a long time too. We just...it's going to be harder. We talked about waiting lists. I don't think throwing more money at it. If we can't hire the people to support the ones we have now, it's kind of a moot point to about waiting lists. I'm really worried about currently meeting the needs and that is a challenge. [LB506]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR MELLO: Thank you, Alan. Are there any other questions from the committee? Seeing none, thank you. [LB506]

ALAN ZAVODNY: Thank you. [LB506]

SENATOR MELLO: Next proponent on LB506. [LB506]

LYNN REDDING: (Exhibit 3) Good evening, Senator Mello and members of the Appropriations Committee. For the record, my name is Lynn, L-y-n-n, Redding, R-e-d-d-i-n-g. I am here in support of LB506 to increase the provider wage. The reason why I'm here? I'm a person with a disability that used to be in the services and the staff that work with the disability, people with disabilities, deserve a pay raise, which internally keeps the better staff, which also helps the provider to not have to keep hiring people over again. And the person with the disability, I know the one year that I was in services, I ended up with 19 different staff. I would...I know people get attached to people and it drives people nuts when they don't have their same staff. And it would help the person who receives the services and the provider by retaining the staff, another win-win situation for Nebraska. Please send LB506 to General File. Thank you. [LB506]

SENATOR MELLO: Thank you for your testimony this evening, Ms. Redding. Are there any questions from the committee? Senator Haar. [LB506]

SENATOR HAAR: Well, I was just going to say, are you from Lincoln or where are you from? [LB506]

LYNN REDDING: I'm from Wood River. [LB506]

SENATOR HAAR: Well, thank you for coming such a distance. We appreciate it. [LB506]

LYNN REDDING: I'm here quite a bit though. [LB506]

SENATOR HAAR: Okay. [LB506]

LYNN REDDING: I could be considered a Lincoln resident. [LB506]

SENATOR HAAR: Okay. Good. [LB506]

SENATOR MELLO: Thank you. [LB506]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR HAAR: But thanks again for taking the time to testify. [LB506]

LYNN REDDING: Thank you. [LB506]

SENATOR MELLO: Thank you, Senator Haar. Senator Hilkemann. [LB506]

SENATOR HILKEMANN: Lynn, thank you for your work with Arc. [LB506]

LYNN REDDING: Thank you. [LB506]

SENATOR MELLO: Are there any other questions? Seeing none, thank you, Lynn. [LB506]

LYNN REDDING: Thank you. [LB506]

SENATOR MELLO: Next proponent for LB506. [LB506]

BRIAN KANTER: (Exhibit 4) Senator Mello, committee members, thank you for allowing me to speak as a proponent for LB506. I guess I would start with saying happy St. Patrick's Day. Nobody said that. I've been here, sitting here for a while and I see all the green ties, so happy St. Patrick's Day. I guess I want to say I absolutely concur with... [LB506]

SENATOR MELLO: Could you start with just... [LB506]

BRIAN KANTER: Oh, yes. [LB506]

SENATOR MELLO: ...giving us your name for the public record? [LB506]

BRIAN KANTER: Yes. My name is Brian Kanter, B-r-i-a-n K-a-n-t-e-r. I'm the executive director and CEO for Developmental Services of Nebraska, or DSN. I concur with everything that's been said up to this point. DSN employs...we've been in business for over 20 years at this point. We employ over 450 full- and part-time employees throughout the state of Nebraska. We support, those employees support over 200 people with intellectual and developmental disabilities in Omaha, Lincoln, and Kearney. I want to thank the Governor and the committee members, the Legislature, for recognizing the important role that community-based services, our agencies play in supporting Nebraska's most vulnerable population. I'm here today to ask that you guys support LB506 which would provide a 3 percent rate increase in fiscal year '15-16, and a 3 percent rate increase in fiscal year '16-17. The current rates, as Senator Krist mentioned, are

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

based upon actual historical data collected in 2010 and updated to the midpoint of 2012. Those rates do not reflect current costs, which have significantly increased due to inflation and the recent increase in minimum wage. The rate increase will help us address what seems to be a shrinking work force, again for some of the most vulnerable in the state of Nebraska. I'd welcome any questions. [LB506]

SENATOR MELLO: Thank you for your testimony this evening, Mr. Kanter. Are there any questions from the committee? Senator Bolz. [LB506]

SENATOR BOLZ: I guess disclosure to the committee: Brian and I work together. I work for an affiliate organization of Mr. Kanter's. But what I do know about you and your work is that you're one of the brave organizations that takes on some very complex individuals and are providing great services to them. I think the committee might benefit from knowing a little bit more about some of those populations of folks that you're serving. [LB506]

BRIAN KANTER: Yeah. I always have a challenging time saying that we serve a different population than any other provider, because everybody is different. At the same time, certainly I think we over the years have been more open to supporting folks who might display some more extreme maladaptive behaviors or be more likely to be in a state institution versus in community-based services. So certainly we do have a high number of folks that I would consider high needs behaviorally, absolutely. [LB506]

SENATOR MELLO: Thank you, Senator Bolz. Senator Kuehn. [LB506]

SENATOR KUEHN: Thank you for your patience today. I appreciate it. I do have one just kind of question. Obviously, provider rates and having an appropriate wage is one of the first steps to providing individuals with disabilities the kind of care providers that they need. There's got to be more though to the piece of the puzzle. If it was just about wage, we would never have teachers or... [LB506]

BRIAN KANTER: Right. [LB506]

SENATOR KUEHN: ...state legislators or anything like that. So... [LB506]

BRIAN KANTER: Yeah. [LB506]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

SENATOR KUEHN: ...what other pieces of the puzzle are we missing in recruiting and retaining qualified personnel other than just the wage? The wage is a key part of it, but what else do we need to be looking at? [LB506]

BRIAN KANTER: Yeah. I mean unfortunately, it does come back to wage to a certain degree. I mean this is my first time giving testimony to this body and that's because, you know, I struggled with including the word "crisis" in my testimony, but I do foresee a crisis. I do agree with Mr. Zavodny's testimony. I mean the fact of the matter is, as Lynn was saying, the quality is directly tied to retention. You can find, and we do lots of checks and balances as far as looking into how quality is the quality that we're providing as far as the QA systems that we offer. And what we find is in the locations where you've retained staff for a number of years, the quality is higher, based on what folks with disabilities tell you. Whereas if you've got shift staff that are turning over on a regular basis, which in this industry we...you know, we fluctuate between 40 and 50 percent turnover on an annual basis, so. But you will find the locations where you've got staff that have stuck around for three, five or more years, the folks that live there will tell you: I really enjoy the service; I have a high quality of life. Conversely, if you have high turnover in a location, it's reported that the quality of life is low. So rates, unfortunately, as Alan was saying, you know, historically we've recruited and we've received applicants from a lot of college students. We aren't seeing college students as much anymore. We're seeing single parents and stay-at-home moms that take on an extra job. And I can't speak to why that has changed but it has. I do know that the crunch that we're feeling from minimum wage, the number of applications that we have historically seen in all of our programs has reduced drastically. It's cut in half. So what we've got, you know, the turnover rate that we have, we've kind of built the business knowing that we're going to turn over staff. We have to plan on training staff on a regular basis. But looking into the next two, three years with the application flow where it's at, if we don't have a rate increase that will start to address some of what the minimum wage has done, yeah, it could be a crisis. Does that answer your question? [LB506]

SENATOR KUEHN: No, I appreciate it. [LB506]

BRIAN KANTER: Okay. [LB506]

SENATOR KUEHN: And this is your first time testifying. I'm still nervous when I sit in that chair, so congrats. [LB506]

BRIAN KANTER: No. Thank you. (Laugh) [LB506]

SENATOR MELLO: Thank you, Senator Kuehn. Are there any other questions from the committee? Seeing none, thank you, Mr. Kanter. [LB506]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Appropriations Committee
March 17, 2015

BRIAN KANTER: Thank you, Senator Mello. [LB506]

SENATOR MELLO: (Exhibits 5 and 6) Are there any other proponents for LB506? Seeing none, the committee should have received letters of support for LB506 from the Teamsters Local 554 and the Arc of Nebraska. Are there any opponents to LB506? Seeing none, is there anyone here in neutral capacity on LB506? Seeing none, Senator Krist? Senator Krist waives closing. That will end today's public hearing on LB506 and will end the Appropriations Committee hearings for the day. Thank you. [LB506]