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Appropriations Committee
March 06, 2017

[LB378 LB538]

The Committee on Appropriations met at 1:30 p.m. on Monday, March 6, 2017, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB378 and LB538. Senators present: John Stinner, Chairperson; Kate Bolz, Vice Chairperson; Rob Clements; Robert Hilkemann; John Kuehn; Mike McDonnell; Tony Vargas; Dan Watermeier; and Anna Wishart. Senators absent: None.

SENATOR STINNER: Good afternoon and welcome to the Appropriations Committee hearing. My name is John Stinner. I'm from Gering and represent the 48th Legislative District. I serve as Chairman of this committee. I'd like to start off by having members do self-introductions, starting with Senator Clements, who is not here yet but he should be coming.

SENATOR McDONNELL: Mike McDonnell, LD5, south Omaha.

SENATOR KUEHN: John Kuehn, District 38, seven counties in south-central Nebraska.

SENATOR HILKEMANN: Robert Hilkemann, District 4, west Omaha.

SENATOR STINNER: John Stinner, District 48, all of Scotts Bluff County.

SENATOR BOLZ: Senator Kate Bolz, I represent District 29 in south-central Lincoln.

SENATOR WISHART: Senator Anna Wishart, District 27 in west Lincoln.

SENATOR STINNER: There's also Senator Vargas and Senator Watermeier. They will be joining us later. Assisting the committee today is Jennifer Svehla, our committee clerk. At each entrance you'll find green testifier sheets. If you are planning on testifying today, please fill out a green sign-in sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying at the microphone but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Move to the reserve chairs when you are ready to testify. Order of testimony will be introducer or agency director, proponents, opponents, neutral, and if you have a bill then you can also have closing. When we hear testimony regarding agencies, we will first hear from the representative of the agency. We will then hear testimony from anyone who wishes to speak on the agency budget request. We ask

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that you spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearings with Agency 5, Supreme Court. Welcome and good afternoon.

AGENCY HEARINGS

SENATOR STINNER: Thank you. Any questions? Thank you for coming. Anyone else in the neutral capacity? Seeing none, that concludes our hearing on Agency 46, Department of Correctional Services. We'll now open the hearing on LB378, Senator McCollister. Afternoon. Welcome. [LB378]

SENATOR McCOLLISTER: Good afternoon, Chairman Stinner and members of the committee. I am John, J-o-h-n, McCollister, M-c-C-o-l-l-i-s-t-e-r, and I represent the 20th Legislative District in Omaha. Today I'm offering LB378. Incidentally, the subject of this bill was heard before with the exchange of Senator Wishart and Director Frakes. This proposal would extend the appropriation for the current county jail program for one more year and change the purpose of the program. Instead of housing inmates in county jails at various times during their stay with the Department of Correctional Services, LB378 would effect a change so that only individuals who are classified as community custody inmates are eligible for work release, which would go to contracted county jails. In addition, inmates would only go to county jails in the general area which they would be paroled or released. For example, an inmate from Grand Island might be able to complete his sentence in the Hall County jail. Currently, work release inmates at the Community Corrections Centers in Lincoln and Omaha pay \$12 per day to the department. This type of rent payment could also be part of the community jail program. LB378 would amend a 2014 program funded for the Department of Correctional Services to place male inmates from state system in county jails. The original purpose of this funding was to provide temporary placements for approximately 150 inmates in order to reduce the overcrowding in state prisons. When this program began in September of 2014, the department's overall population was approximately 5,300 inmates. Last week the overall population was 5,251. When the Correctional Services Director Frakes indicated to this committee last year that he would no longer need the use of county jail...of the county jail program, he stated those extra beds would no longer be needed because the population would be lower due to results of previous legislative actions. While the population figure is slightly lower than it was a year ago, the system is still stretched to beyond capacity. So the argument could be made that the Corrections Department still needs bed space flexibility. By continuing this amended initiative, LB378 would provide Director Frakes and the department with continued flexibility in which to address the

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overcrowding problem. However, it would also benefit inmates who are nearing the end of their sentence. If a person is about to reenter society, allowing them to find a job in their home community and reestablish family ties will help them achieve success. I introduce LB378 so this idea could be considered as the Legislature moves forward with much needed improvements to Nebraska's Correctional Services system. Unfortunately, events at the Tecumseh prison last week reminded us all of the important work that still must continue if we are to resolve the past and present challenges in our correctional facilities. LB378 would create a win-win situation, so to speak, for the department and for the inmates who are near their release date and want to reintegrate successfully in their home community. When an inmate participates in a work release program, money can be saved and used to assist them as they reenter society, and the Board of Parole is more likely to parole someone who is already engaged in work release activities--another major benefit. Incidentally, I question the \$5 million fiscal note. It seems to me, based on the testimony that I heard, particularly with Senator Wishart and the director, community corrections are cheaper, are cheaper than a so-called full-service inmate. It should be possible then for the Corrections Department to save money rather than spend \$5 million and also help that inmate reintegrate with society--much better situation. Time has come for innovative ideas so I ask for your support for LB378. Inspector General of Corrections Doug Koebernick is here to explain the details of this initiative. Thank you, Mr. Chairman. [LB378]

SENATOR STINNER: Thank you. Questions? How many beds did you contemplate or how many prisoners on this \$5 million? [LB378]

SENATOR McCOLLISTER: I didn't count beds. I don't think we established that. [LB378]

SENATOR STINNER: How many beds are available, do you know, in the counties? [LB378]

SENATOR McCOLLISTER: I don't. I don't know, Mr. Chairman. [LB378]

SENATOR STINNER: Okay. [LB378]

SENATOR McCOLLISTER: Perhaps Mr. Koebernick knows that number. [LB378]

SENATOR STINNER: Okay. Thank you. Any additional questions? Senator Hilkemann. [LB378]

SENATOR HILKEMANN: Senator McCollister, is...did I understand this is a program that is ongoing? [LB378]

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SENATOR McCOLLISTER: That's my understanding. It was established in 2014 for inmates, not those ready to be released on community service. You know, it was for an inmate that was to be housed full-time in county jails. [LB378]

SENATOR HILKEMANN: Okay. And you just want to continue the program. [LB378]

SENATOR McCOLLISTER: No, modify it. Yeah. We'd like to adopt the program to only those inmates that are about ready to be released and who can participate in a work release program. [LB378]

SENATOR HILKEMANN: Okay. Thank you. [LB378]

SENATOR STINNER: Thank you. Additional questions? Senator Vargas. [LB378]

SENATOR VARGAS: Thank you, Senator McCollister. Just a question: So if this has been in 2014, have there been reports around the performance of this so far? [LB378]

SENATOR McCOLLISTER: I'm not aware of any, Senator. [LB378]

SENATOR VARGAS: Okay. Thank you. [LB378]

SENATOR STINNER: Thank you. Additional questions? Senator Wishart. [LB378]

SENATOR WISHART: Well, and just to maybe clarify, since 2014 we have been working with county jails to house inmates but we haven't done something that you're proposing here whereas it would be those county jail facilities would be used for work release inmates who are about to be released into the community. [LB378]

SENATOR McCOLLISTER: That's correct, Senator. [LB378]

SENATOR WISHART: That's correct? Okay. [LB378]

SENATOR STINNER: Thank you. Any more questions? Seeing none, thank you. Afternoon. [LB378]

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DOUG KOEBERNICK: Good afternoon, again. It's still warm in here. I thought maybe it would cool off. Thank you, Senator Stinner. My name is Doug Koebernick, spelled K-o-e-b-e-r-n-i-c-k. I am the Inspector General for Corrections for the Nebraska Legislature. First, I want to thank Senator McCollister for introducing this piece of legislation. I won't hit on all the points that he did, but I do want to share a few thoughts and then I can kind of answer some of your questions. In my annual report I discussed this proposal and...that is found in the bill. In the report I wrote: If a local jail has beds that are free and could be used for work release, this could continue to relieve pressure on the state correctional system but also providing enhanced opportunities for inmates to transition into their home communities. For example, Hall County jail has two actual work release units. When I visited that facility last fall, only 5 beds out of the 30, over 30, were being utilized. If there are inmates from Hall County or neighboring counties that are eligible for work release, having them find employment in the community they are returning to makes much more sense and will usually result in a more successful transition. As a result, I made the following recommendation to the department: "Review options pertaining to using county jails as work release placements for people who will be transitioning to areas near those county jails." Last fall I also worked with the Nebraska Association of County Officials to survey jail administrators and county sheriffs. Six counties responded that they would be very interested in such a proposal and working with the Department of Corrections. Those included counties like Hall County, Platte County, Lincoln County, let's see...Thurston County, Antelope County, and one other one that escapes me right now, maybe Burt County. I don't remember for sure. But then after that, Scotts Bluff County also reached out to NACO and myself and shared that they were interested in partnering with the department in providing some other level of service, maybe something like that or something a little bit even beyond that. This last part, kind of my summary I wrote before I saw that the department submitted a letter of opposition on the bill, and I wrote: Last week I visited with Director Frakes and found that the department is looking at this recommendation and they plan to meet with two counties in the very near future to discuss this. In their letter they now oppose the concept (inaudible), so I was a little surprised by that. I would encourage the committee to fund some portion of this bill, not...you don't have to do the whole \$5 million. I think you could, like Senator McCollister was saying, can get a lot more bang for the buck with this, even if it's just starting with maybe 20 people at Hall County or 10 people in Lincoln or 10 or 20 people in Scotts Bluff County. And the department can figure out kind of what is the standard flow of people back into those home counties. You could start and see what happens and pilot it in those maybe two or three counties. If it's successful, I can envision this proposal expanding in the future, which I truly believe would not only assist the department with their overcrowding issue but also provide benefits for the returning inmates in their home communities. Just a little history real quick, the inmates...the program that started in 2014, the inmates that went to the jails, there's 88 out there right now. At some point there were over 200 but they're scaling it back as they head toward June 30th and the elimination of the program. But the counties involved were Buffalo, Dawson, Hall, Lincoln, Phelps, Platte, and Saline. Saline doesn't have anybody on there right now, but that was the seventh one. And so at one point in

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time there were about 200-and-some beds that were free. Not all those probably could be used for work release beds, but we do know that in Hall County for sure there's at least 30. I know Lincoln County has quite a bit of space out there. Platte County has some space. So there are beds out there for things like this. And it's been I think a pretty successful program. It originally was intended really to alleviate the overcrowding at the Diagnostic and Evaluation Center, which was very high. I think some of the senators, Senator Bolz probably, has been out there. And they sleep in these kind of, I don't know what, they're like little boats almost and everything. They're so full. And then that helped bring that number down, but now that number has crept back up. And I think as you...as they phase out this program, we might see those numbers climb some more. There's a variety of different inmates housed in those seven jails over the last few years. Originally, I thought it was more intended for people that were in that kind of...at the beginning of their sentence and everything where they put them out there before they would figure out where they were going to go long term. But then I found out like Lincoln County had a very significant number of sex offenders out there, you know, people with very long sentences. Some of them had been in the prison system for maybe 10 or 15 years. I thought they were only going to be there for a short period of time. And some have been out there in some of these counties for over maybe a year and half so...or even a little bit longer. So I think to kind of...they really haven't had any issues or problems with the program that I'm aware of, but I think shifting it to something like this really, like Senator McCollister said, is kind of a win-win for the department and also for the folks reentering society in their home communities. So with that, I'll be glad to answer any other questions. [LB378]

SENATOR STINNER: Questions? Senator Wishart. [LB378]

SENATOR WISHART: So I am a little bit puzzled by this fiscal note because I would have the expectation that there would be some savings that we would pretty easily be able to project, because these inmates are going to be housed somewhere. They can either be housed in a more secure facility that costs more or they can be housed in a secure facility but in a county correction facility, under this legislation, where they're working and paying. Would they be paying part of their stay? [LB378]

DOUG KOEBERNICK: They could be. I think the department could definitely set it up, because the work release folks that are in Omaha and Lincoln at the Community Corrections Center all pay \$12 a day once they're out on work release, so...and that goes to the department. So it's like \$360 a month for rent. [LB378]

SENATOR WISHART: So is there a way for us to look at what really the fiscal impact of this would be and maybe some savings that we might see from this program? [LB378]

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DOUG KOEBERNICK: Yeah, I would suggest that you ask the department if they can assist with that, because they can. They have the right folks that could be able to figure that out. Might work with the fiscal analyst to do that. [LB378]

SENATOR WISHART: Okay. [LB378]

DOUG KOEBERNICK: But I think the \$5 million part is just the way the bill is written, just to say that you would appropriate...continue to appropriate that \$5 million. But you could go with any amount really. [LB378]

SENATOR WISHART: Okay. [LB378]

SENATOR STINNER: The fiscal analyst is sitting right to my right, so you might be able to ask him. [LB378]

SENATOR WISHART: Okay. [LB378]

SENATOR STINNER: But generally we don't necessarily question fiscal notes, but... [LB378]

SENATOR WISHART: Oh, sorry. [LB378]

SENATOR STINNER: That's all right. Any additional questions? With this evaluation tool that they now have to determine who should be in minimum, maximum, work release programs, what's that population look like? [LB378]

DOUG KOEBERNICK: That's a good question because they're just starting to roll it out at some facilities. It's not rolled out at every facility. But from what I've been told, it's been quite a process for them to get to this point. But their expectation from the people I've talked to in the department is that you will see more people classified as minimum and community custody. And so there will be a change. For instance, there's people right now at Tecumseh that really are classified as minimum custody inmates. It's because their sentence is at least eight years that they get bumped up to like a medium. Or if it's longer, I think 12 years, they get bumped up to maximum custody. There's a gentleman that Senator Burke Harr and I met a few years ago out there that he was really in for like writing some bad checks and forgery and he was at Tecumseh. And now he's in Community Corrections Center in Omaha, but he really wasn't classified as a minimum custody inmate and...but yet he was at out maximum custody prison. So I think there's a lot of overrides in the old system, the old classification tool, and as that goes away and the new

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one is utilized, I think you should see some pretty positive changes as far as classification. [LB378]

SENATOR STINNER: What about programming? Are a lot of the work release people still on some sort of a program or...? [LB378]

DOUG KOEBERNICK: It all depends on the person, but there are programs out there in the community for some folks. Not a lot of programming really at the Community Corrections Center at this time, but the goal is really for them to have their programming before they hit their parole eligibility date. A lot of people have not had that happen in the past, but that's a new, I would say, a new mission, if you will, of the department to do that, because actually it says that in state law that they're supposed to do that. So they're moving forward on that. But there are, like in Lincoln and Omaha, there's different programs over at the State Office Building in Omaha that people can go to. Community Corrections Center there are, in Lincoln, there are some programs out there. Or you can get out into the community and take programming as well. [LB378]

SENATOR STINNER: Would there be people in the community that are trying to help these people find jobs? [LB378]

DOUG KOEBERNICK: Oh, yes, there are a lot of groups in both Lincoln and Omaha. [LB378]

SENATOR STINNER: How about Scottsbluff (inaudible). [LB378]

DOUG KOEBERNICK: Scottsbluff... [LB378]

SENATOR STINNER: So other places other than Lincoln and Omaha. [LB378]

DOUG KOEBERNICK: Yeah, well, right now all the people that go into work release are in Lincoln and Omaha, all the inmates, so I think you see a lot of the groups responding to those needs in those two communities. I think if you did some of these things outside of Lincoln and Omaha, which last year I was in front of the Appropriations and Judiciary Committee and talking about that, I think you would see a lot more community interest in those possibilities and everything. [LB378]

SENATOR STINNER: Thank you. Additional questions? Senator Bolz. [LB378]

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SENATOR BOLZ: Are you familiar with the progress being made on the reclassification initiative? [LB378]

DOUG KOEBERNICK: Somewhat. Yeah, I mean they're getting...they are rolling it out at some places and getting really close, I think, to rolling it out everywhere. [LB378]

SENATOR BOLZ: Okay. I guess I'll maybe ask the department for that information. It seems to me if we're finding that the reclassification initiative is finding more lower-level individuals than we had originally been told or thought, that might open up our minds to more community corrections strategies. So to me that information could help us make some decisions about this kind of initiative. [LB378]

DOUG KOEBERNICK: I would agree. And I think one of the things, too, that's important is that currently this program is just for male inmates, but there are definitely needs for female inmates who are going back into their community for work release opportunities. In fact, as the new facility...or new unit is being built at the Community Corrections Center just for...in Lincoln for women, they're going to close the women's unit in Omaha. So there will only be one town in Nebraska that provides community corrections opportunities for women in a couple years. [LB378]

SENATOR STINNER: Senator Wishart. [LB378]

SENATOR WISHART: So I noticed with this legislation, it's specific to community corrections. Do we do work release with minimum security? [LB378]

DOUG KOEBERNICK: No, they do not. [LB378]

SENATOR WISHART: Is there any state where work release is extended to those who are classified as minimum security? [LB378]

DOUG KOEBERNICK: I've looked at that a little bit and I think it all depends on how...states classify their folks differently. So you might say...some state might say minimum but it really is community, so you have to be really careful doing that. I know there's probably more instances where minimum custody inmates are doing kind of the work detail positions or the jobs. Right now when you go to Community Corrections Center, you can get one of two jobs you can do. You initially start out with work detail where you're getting paid like about \$1 an hour and you're basically working for a state agency, you know, whether it's...they used to have guys that mowed the lawn around the Capitol or out at the Department of Corrections Central Office they have

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inmate clerks that are there to greet you when you come in, answer the phone, things like that. So those folks are doing state agency work for about \$1 an hour. And then you graduate kind of to work release where you're actually out working a real job and making, you know, a much more significant hourly wage than the \$1 or \$2 an hour that you work for as work detail. So in some states, to get to the answer, some states, minimum custody folks actually do the work detail jobs, that I've seen. [LB378]

SENATOR STINNER: Thank you. Additional questions? Thank you. Additional proponents. Seeing none, any opponents? Seeing none, anybody in the neutral capacity? Seeing none, would you like to close, Senator? [LB378]

SENATOR McCOLLISTER: Thank you, Mr. Chairman and members of the committee. Thank you for your endurance and patience. I would like to mention that when our family operated our business we used work release workers and they were some of our best workers. You were always sure that they were going to show up in the morning. So they are good workers and it's a great program. We should utilize it to the extent we can. I would encourage you to drill down into that fiscal note. I question whether it's in fact a cost or it may be a savings. But whatever the case, we ought to drill down and determine what that number is. It's a great program, innovative program, better for the inmates, I hope better for the state. So with that, I'll conclude unless there are some questions. [LB378]

SENATOR STINNER: Seeing none, thank you. [LB378]

SENATOR McCOLLISTER: Thank you. [LB378]

SENATOR STINNER: (Exhibits 1, 2, and 3) I would like to enter into the record there was a letter of support by NACO, also a letter of opposition by Director Scott Frakes from Corrections, and a letter in the neutral capacity from Nathan Leach. That concludes our hearing on LB378. We'll now open the hearing on LB538. Senator Wishart. [LB378 LB538]

SENATOR WISHART: (Exhibit 1) Ooh, this is my first time in front of this committee. Well, good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Anna Wishart, A-n-n-a W-i-s-h-a-r-t, and I represent the great 27th District in west Lincoln. I am here today to introduce LB538, a bill that would appropriate funds to the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Program, which is a mouthful. I have provided the committee with some information as to the importance of this program that provides loan repayment assistance to attorneys in Nebraska working for Legal Aid, as well as attorneys who are serving Nebraska's rural communities. Currently, there are 11 counties in Nebraska with no attorneys, and 20 counties with three or fewer attorneys. With the aging

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population and many attorneys in rural communities nearing retirement age, it is vital that we are able to attract young attorneys to these communities with programs such as this. Additionally, the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Program provides loan repayment assistance to attorneys working for Legal Aid of Nebraska. More than 17 percent of Nebraskans are eligible for legal services and there is currently only one private attorney able to provide legal services for every 288 Nebraskans who are eligible for aid. Making sure that Nebraska's rural communities and underserved populations are able to access the services of an attorney is vital for our state, and I feel that it is important, even during these fiscally tight times, that programs such as this are made a priority by the Legislature. Thank you, and I would be happy to answer any questions the committee may have. [LB538]

SENATOR STINNER: Thank you. Any questions? Seeing none, thank you. [LB538]

SENATOR WISHART: Thank you. Oh. [LB538]

SENATOR STINNER: Senator Hilkemann, I'm sorry. [LB538]

SENATOR HILKEMANN: So this is an already existing program that you want to extend or expand. [LB538]

SENATOR WISHART: Yes. [LB538]

SENATOR HILKEMANN: And how long has the program been going on? [LB538]

SENATOR WISHART: The program I believe about ten...I should know this. It's on this fact sheet that I have...it should be on this fact sheet that I passed out, but I can't remember off the top of my head. And we will have somebody here who will be able to answer that. [LB538]

SENATOR HILKEMANN: Thanks. [LB538]

SENATOR STINNER: Any additional questions? Senator Vargas. [LB538]

SENATOR VARGAS: Less of a question, just more of I appreciate you bringing this bill. I think it's really...I think we often forget that when people are making decision points on where to serve and the kind of work they want to do, salary and the cost of debt of being a lawyer, and doing social good work is something that people...they're making trade-off decisions. So it's especially

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important that we consider ways that we're supporting lawyers in more rural areas and within Legal Aid. So thank you. [LB538]

SENATOR WISHART: Yeah. I agree. And my...I have a twin sister who's a lawyer and so I've talked to her about this program and about the amount of debt that she experienced. And this one-pager was even shocking to me: \$1,400 to \$1,700 a month are what a lot of lawyers are experiencing in paying off their loans. It's a lot of money. So anything we can do to support them in underserved areas would be great. [LB538]

SENATOR STINNER: Thank you. Additional questions? Senator Clements. [LB538]

SENATOR CLEMENTS: Senator Wishart, the Legal Aid attorneys, do they have to practice in a rural area or is that could be anywhere in the state? [LB538]

SENATOR WISHART: That could be anywhere. So this program, while a lot of times people think of it as a rural program, it also helps lawyers who are serving in underserved areas, and so that would encompass some of the work done by Legal Aid. [LB538]

SENATOR CLEMENTS: All right. Thank you. [LB538]

SENATOR STINNER: Thank you. Additional questions? Seeing none, thank you. [LB538]

SENATOR WISHART: Thank you. [LB538]

SENATOR STINNER: Additional proponents. [LB538]

TOM MAUL: (Exhibits 2 and 3) Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Tom Maul, T-o-m M-a-u-l. I'm the immediate past-president of the Nebraska State Bar Association. I'm a solo practitioner in Columbus, Nebraska, and I appear here this afternoon in support of LB538. Nebraska faces two very serious issues regarding access to justice. One is providing legal representation for low-income Nebraskans and the other is providing legal services to certain rural areas of the state. The Legal Education for Public Service and Rural Practice Loan Repayment Assistance Fund, which I believe we started in 2014, you initially did \$450,000. Was approximately \$150,000 a year that we were going to have available in this fund. It was created just to provide some loan assistance for the lawyers who went to Legal Aid and/or practiced in the rural areas. Legal Aid, as many of you know, it's a primary source for low-income Nebraskans who need access to legal services. Legal Aid is currently hiring across the state. They attended the Bar Association's rural practice initiative

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interviews in Norfolk, Nebraska, last October. They are challenged, however, to fill these positions because student debt is high and the beginning salary is, for the first-year lawyer, is going to be approximately \$43,000. Student loan forgiveness makes a career with Legal Aid of Nebraska possible. Currently, as Senator Wishart said, there are 11 counties in Nebraska with no lawyers and 19 that have three or less, and we gave...we've handed out an updated map that the Bar Association put together. In some of those counties, again, rural residents have to travel more than 100 miles to find an attorney to take care of routine matters like child custody, estate planning, taxes, and any other resource or services that a lawyer can provide. Many lawyers still practicing in small towns are nearing retirement age without anyone to take over their practice. While the average age of attorneys in Nebraska is 49, you'll notice in approximately those counties with three or fewer attorneys, the average age is about 55. There's a legitimate concern that these lawyers retire and they won't be replaced. While over time a lawyer can certainly make a good living practicing in rural Nebraska, they're certainly lower...the salaries are going to be lower compared to salary options in perhaps the metropolitan areas. The other beneficiaries of LB538 which I think is overlooked a lot is to the rural communities. Lawyers are small business owners. They provide services to business and residents that strengthen commerce in a community. Without lawyers, wealth doesn't get passed, land doesn't get transferred, businesses don't get started, and defendants don't get the protections of the constitution. These young lawyers become community leaders. They serve on the school boards, economic development boards, and civic and church organizations. The Appropriations Committee certainly has a daunting task this year and this session, and we appreciate your work to address the budget shortfall. We feel, however, that LB538 has a great return on investment. It not only helps ensure access to legal services by making careers in service to low-income and rural communities economically feasible but it is also an investment in the future of our rural communities. I'm more than happy to answer any questions you might have. [LB538]

SENATOR STINNER: Thank you. Any questions? Senator Vargas. [LB538]

SENATOR VARGAS: I don't know if you can answer this question or not, but here it says because of the increased demand as a result of an increase in number of applicants, we're using...develop further criteria to prioritize applicants. Do you know what...? [LB538]

TOM MAUL: Yeah. So what happened, when it was first written--it's a very good question, Senator Vargas--when it was first written the rules to implement it were not as tight as they could be, okay? So we had perhaps someone living in a rural area, what was defined to be a rural area outside but yet working in Lincoln and earning \$50, you know, \$100,000 a year, but yet living in a rural area. So the Bar Association--I know the UNL Law School Dean Moberly was on that committee--they have tightened up those procedures or those rules so that we are truly now using the money, at least in rural Nebraska, for those lawyers who truly practice in rural Nebraska. It's a good question. [LB538]

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SENATOR VARGAS: And then just a follow-up question: For those that are with Legal Aid, do they...are they able to do outside work as like a private lawyer contractor? [LB538]

TOM MAUL: The director of Legal Aid is going to follow me here this afternoon and I'm sure Mr. Mumgaard will answer that for us. [LB538]

SENATOR VARGAS: Perfect. All right. Thank you very much. [LB538]

SENATOR STINNER: Thank you. Additional questions? Seeing none, thank you. [LB538]

TOM MAUL: Thank you, Senator. [LB538]

SENATOR STINNER: Additional proponents. Good afternoon and welcome. [LB538]

MILO MUMGAARD: (Exhibits 4, 5, and 6) Good afternoon. Thank you, Chairman Stinner and the committee. My name is Milo Mumgaard, that's M-i-l-o M-u-m-g-a-a-r-d. I am the executive director of Legal Aid of Nebraska. I have had that position since August of 2015. Thank you very much for the opportunity to discuss today the merits of LB538. Clearly, LB538 is very beneficial to the work that Legal Aid does, and so what I thought I would take just a minute or so here to give you a better picture perhaps of what it is that Legal Aid does, kind of work we do, the services we provide across the state. Some of the material you've gotten here today that I've distributed also describes the range of offices we have across the state. We are an office that has about...we're a program that has about 75 total employees, about 45 lawyers, take a few here and there, eight offices across the state, and in those eight offices we wind up serving in the last year a little over 25,000 total people. But you look in terms of how many intakes and how many cases come to our desk and how many we actually serve, the size of families and so on, that's about what we get, at about 10,000 or so cases we actually do per year. And of course who do we represent? We represent really the poorest of the poor, the folks who have the lowest income in the state. In order to receive our free civil legal services, one must have income below 125 percent of the federal poverty line, which is a very low amount for a family of four, etcetera, etcetera. We do have some exceptions. We represent farmers, low-income, low-asset farmers; Native Americans have different kinds of rules for eligibility and so on. But generally speaking, we are only dealing with those people who are really, truly at the lowest end of the income scale. So out of these thousands of calls, you know, what are the kinds of cases that we do? Well, of course, they're civil cases. They tend to be family, housing, consumer, income related, benefits related, and so on. These are the very things that help people to avoid losing their home, make sure that they are able to keep violence out of their home, ensuring that they have the ability to not lose what little they have in terms of income, in terms of net garnishments and things of that nature. So it's very fundamental, very basic legal services that ensures that people have a fighting

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chance out there in the community. But you know the reality is, that we know very well at Legal Aid and the bar as a whole knows well and the judicial system knows as well, is that, you know, without a lawyer, most of these people that we're talking about would be very, very prejudiced. They would basically be at the...the reality is that equal justice is a nice term to throw around but unless you have a lawyer actually involved in the situation the odds are very low that you're actually going to get a result for that individual that really serves them. It gives them a measure of justice that gets them an opportunity to perhaps get up and out of poverty for the first time and so on. So the whole question of LB538 revolves around, how do we ensure that there are lawyers available to help these low-income people achieve these kinds of results that helps them in their lives, helps them become self-sufficient and so on? And the short answer is because we cannot pay that much at Legal Aid, we have to rely upon other means of recruiting and retaining lawyers, among them being the Student Loan Repayment Assistance Program that has been created here in the state of Nebraska. We use that very aggressively. And in the material I've provided you today, we have at least three different of our young attorneys that have given some comments and some thoughts about why and how they use the Student Loan Repayment Assistance to make it even possible for them to practice law for Legal Aid around the state. And in particular, I've submitted a separate letter there from our...one of our newest attorneys in Scottsbluff who is...actually lives in the Lisco area and practices in Scottsbluff and previously practiced in Sidney. She's a prime example of what we see across the state, not just in Omaha and Lincoln but across the state, is how do we hire and retain people to provide legal aid in a rural context. So certainly what Tom just told you about in terms of the ability to keep people in rural Nebraska as lawyers and benefit rural communities in that fashion, certainly Legal Aid has the same problem but even at a more significant scale. So that letter from Katie Samples Dean gives you a real taste of the decision making that young lawyers make in terms of how they can actually become a dedicated and committed legal services attorney in rural Nebraska today and the Student Loan Repayment Assistance Program here that's featured in LB538 is a major part of that. So to conclude, you know, Legal Aid does a lot of stuff and we do a lot of good work. We're a very significant law firm across the state. But the only way we can really make it happen to help the thousands of people we do is to retain these kinds of programs, the Loan Repayment Assistance Program, given the economics and scale of debt and so on that you've already heard about within the legal profession. So I thank you for the opportunity and I'd be happy to answer any questions you may have. [LB538]

SENATOR STINNER: Thank you. Any questions? Senator Vargas. [LB538]

SENATOR VARGAS: Uh-huh. Thank you very much for coming, Mr. Mumgaard. It's a follow-up question, a question from previous. Are lawyers that are part of Legal Aid able to do outside work or are they contractually obligated to be full-time? [LB538]

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MILO MUMGAARD: Yes, I'm sorry I didn't get to that question. That's a very good question. No, in fact Legal Aid attorneys are prohibited from doing any outside legal employment unless it's a very narrow pro bono for a family or a cousin or something like that, that the executive director has to approve. Indeed, the only kind of law that a Legal Aid lawyer can do is civil law in the context of representing clients that come to our program. [LB538]

SENATOR VARGAS: Thank you for clarifying that... [LB538]

MILO MUMGAARD: Uh-huh. [LB538]

SENATOR VARGAS: ...because I think, you know, when...I think some people may believe that they can be more competitive private attorneys and do other work outside of this, but it's helpful to know that. Did have another question and now I'm forgetting it off the top of my head. You know what, that's okay. [LB538]

MILO MUMGAARD: Well, I would say in terms of that, we have a very high quality of lawyer. In other words, one of the things that is interesting about this work that we do with Legal Aid and public (inaudible) law more generally is (inaudible) asked about, are you doing real law and all those sorts of things? My goodness! The quality of attorneys that we have across the state, their educational accomplishments, their professional involvement in the bar and professional involvement, become...later become judges and so on and so forth, up to and including our board president right now, a former magistrate judge, David Piester, who once upon a time was a Legal Aid lawyer. So the reality is that Legal Aid is providing really high-level, high-quality services because these are very dedicated attorneys that we have across the state. [LB538]

SENATOR VARGAS: I just remembered my question. (Laugh) Can you tell me, where does your funding sources come from for Legal Aid? [LB538]

MILO MUMGAARD: You bet. We receive about a third of our funding is federal funding, and that's mostly from another organization called the Legal Services Corporation. We also get U.S. Department of Justice, USDA. USDA funds a lot of our farm and ranch work. And also our Native American program gets a lot of Interior Department support and so on. Another third from state support. As you know, the Legal Aid and Services Fund is one of the ways in which the state Legislature has voiced support for and established support for civil legal aid across the state. And then about a third from private philanthropy and individual donors and the legal profession as a whole. We have a very strong support base from law firms in the profession across the state, not just in Omaha and Lincoln. [LB538]

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SENATOR VARGAS: That's great. I mean I asked this because it's helpful to know where your funding comes from. It sounds like some of it comes from our state aid, our state, this Legal Aid and Services Fund. And do you have any idea of how competitive your salary is--I know there was a number in testimony that was \$42,000, \$43,000 starting--and how that compares to other nonprofit or social service oriented organizations that hire lawyers? [LB538]

MILO MUMGAARD: Well, we're very committed. Over the next ten years, and I'm looking long haul and we're looking long haul, to making Legal Aid even more competitive with who we believe is our natural peers, which would be the county attorneys, which would be the public defenders. At the moment our salary scale is about a third less than those opportunities. And so quite often when we're recruiting young lawyers to come work for Legal Aid, we have to convince them not to go work for a public defender or go work for a county attorney, even though they'd be financially better off, to come to Legal Aid; that their services would be better used in our civil line of work. And one of the ways we can successfully do that is to talk in terms of our Loan Repayment Assistance Program. [LB538]

SENATOR VARGAS: Thank you very much. [LB538]

SENATOR STINNER: How long does normally a new person work with Legal Aid before they go and seek other employment? [LB538]

MILO MUMGAARD: Well, we actually have a really great tenure at our...within Legal Aid. We do have people that will work three to four years. In fact, we just lost an attorney this last month or so. I was very disappointed he was moving on and going to a larger law firm. But definitely we have people mostly coming and staying to the degree they were able to do so. People move on because of family or they move out of state, things of that nature, but, indeed, our tenure is quite long. We have several attorneys who have been there for more than 30 years. And then we have folks that are 8, 9, 10, 15 years' service all across the state. [LB538]

SENATOR STINNER: So, Senator Clements. [LB538]

SENATOR CLEMENTS: Thank you. Do you know how many people would be receiving grants to total the \$150,000? [LB538]

MILO MUMGAARD: I don't know that. I know that the Commission on Public Advocacy can tell you with some definition. I should know that better. We get...we have...I believe the number is 13 Legal Aid recipients. I may be wrong on that. I meant to double-check that this week. It was a couple weeks ago I looked at that, and if it's different on the fact sheet, you know, it is

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what it is. But we have, from Legal Aid, we have a significant number of people who benefit from this program. [LB538]

SENATOR CLEMENTS: All right. Thank you. [LB538]

SENATOR STINNER: Additional questions? So we either move the pay scale up or we fund this program, huh? [LB538]

MILO MUMGAARD: That's, as market forces dictate, that's exactly right. This is the way in which we keep this kind of high-quality services available. [LB538]

SENATOR STINNER: Thank you. [LB538]

MILO MUMGAARD: Thank you. [LB538]

SENATOR STINNER: Additional proponents. Good afternoon. [LB538]

RICHARD MOBERLY: (Exhibit 7) Good afternoon. Thank you for the opportunity to testify in favor of LB538. My name is Richard Moberly, R-i-c-h-a-r-d M-o-b-e-r-l-y. I'm the interim dean of the University of Nebraska College of Law. Nebraska's loan assistance program plays a crucial role in a multiprong effort to encourage students to practice law in rural Nebraska and in the public interest. Numerous Nebraska institutions participate in this effort. And what is at stake with LB538 is whether the state of Nebraska will continue its implicit partnership with these institutions to help solve the problem of the scarcity of lawyers in greater Nebraska and in public interest organizations. The lack of rural lawyers impacts access to justice and economic development, and Nebraska's approach to this issue is actually a model for the nation. I've handed out articles from The Washington Post and Law.com and other media outlets describing what has been built here. I like to call it the cradle-to-grave approach. It starts in high school. Smart rural high school students are recruited to participate in the Rural Law Opportunities Program. The RLOP, as we call it, is unique in the country. Bright and talented high school students from small communities are given four-year full tuition scholarships to either Wayne State, Chadron State College, or the University of Nebraska-Kearney. While there they have mentors and they participate in programming from the University of Nebraska College of Law. They do an internship with a small-town lawyer. If they maintain a 3.5 GPA and achieve a certain score on the LSAT, they will automatically be admitted to Nebraska Law. While at Nebraska Law, we can prepare them specifically for the types of cases they are likely to encounter in a small-town practice and they're expected to return to greater Nebraska to practice law after they graduate. The Nebraska State Bar Association joins this effort by working with

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these students to find them mentors and jobs in greater Nebraska. And finally, when they graduate, the state's loan forgiveness program helps them repay their law school debts. Even though law school...sorry. Even though Nebraska law students graduate with the fourth lowest debt load of any law school in the United States and our resident tuition is the lowest of any law school in the top 100, law school debt can still exceed \$60,000. Having help with their debt can provide the necessary encouragement for students to practice law in communities and in public service jobs where the initial salaries out of law school are often less than what they could earn in bigger cities or in larger law firms. In other words, the state's loan forgiveness program in LB538 is a crucial piece of a multifaceted effort to solve a serious problem. Removing it would significantly impact the effectiveness of all of the other efforts to encourage students to practice law in rural Nebraska and in public service organizations. It's a relatively small investment from the state, receives a multiplier effect because it works in tandem with efforts from many other institutions to address access to justice and economic development issues in Nebraska. Therefore, I respectfully urge you to approve LB538. Thank you. [LB538]

SENATOR STINNER: Thank you. Questions? [LB538]

RICHARD MOBERLY: Sir. [LB538]

SENATOR STINNER: Senator Hilkemann. [LB538]

SENATOR HILKEMANN: How many...about approximately how many students enter the RLOP program? [LB538]

RICHARD MOBERLY: Well, you know this year we just started it, so this is part of the effort. From each of those schools will be five students per year will start in their freshman year and there will be up to five alternates. So up to ten at each of those schools, will be about 30 a year over the course of the program. And then multiply that out. [LB538]

SENATOR HILKEMANN: And how many positions do you have in the law school approximately at the present time? [LB538]

RICHARD MOBERLY: There are 132 students in this year's first-year class, but we have capacity for more than that. [LB538]

SENATOR HILKEMANN: So this...okay. So you've...this is not going to...this will enhance your law program rather than detract from seats presently taken. [LB538]

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RICHARD MOBERLY: Absolutely. It's not a zero-sum game. We can take more students and we're excited to have these students. [LB538]

SENATOR HILKEMANN: Thank you. [LB538]

SENATOR STINNER: Additional questions? Seeing none, thank you. Additional proponents. [LB538]

PAUL MCGREAL: Good afternoon. [LB538]

SENATOR STINNER: Afternoon. [LB538]

PAUL MCGREAL: Senator Stinner and members of the Appropriations Committee, my name is Paul McGreal, P-a-u-l M-c-G-r-e-a-l. I am the dean of Creighton University School of Law and here today to testify in support of LB538 and speak specifically to student loan debt as a growing national problem. In the last ten years, the national average for the student loan debt of law school graduates has nearly doubled. The American Bar Association now predicts that the average graduate leaves law school with between \$125,000 and \$150,000 in debt, which translates into a loan payment--I believe this was mentioned before--between \$1,400 and \$1,700 a month. Some have referred to these students' monthly payments as "the house that they will never live in." Within this national environment, Nebraska's law school graduates carry debt loads below the national average. As my colleague Dean Moberly spoke to as to University of Nebraska College of Law as to their numbers, but even at a private law school, Creighton, we have the third lowest law school debt load among our 14 peer law schools at Jesuit universities. Our students also have a law school tuition rate that is about \$10,000 below the national average for private law schools and our tuition rate is even below the national average for out-of-state tuition at public law schools. Nonetheless, even these lower debt loads pose an obstacle to our graduates entering rural practice, as my colleague Dean Moberly mentioned. Another important change in the financing of legal education recently is the shift from need-based financial aid to merit-based financial aid. This change means that some financially disadvantaged students will receive less scholarship aid than in the past, which means that they graduate with more loan debt. The increase in student loan debt hinders Nebraska's ability to attract lawyers to work for Legal Aid of Nebraska and other nonprofits serving Nebraska's low-income and rural populations, as newly admitted lawyers look instead to jobs in larger cities that hold the promise of higher pay. And at Creighton this debt concern works directly against our university's mission to educate men and women for others who will serve the poor and marginalized. Our law school has been the fortunate recipient in the last year of donor funding to support the offering of an elective course in a for-credit externship in poverty law. The late Dr. Robert Heaney, whose daughter Muirne Heaney is the managing attorney for Legal Aid of Nebraska in Omaha, donated funds for

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this purpose. And so through this commitment of time, talent, and treasure, our students will be well trained to represent underserved members of our community. Continued funding for the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Program would remove a critical barrier to their ability to do so after graduation. Would also allow our graduates to live and practice in rural areas where they can assure access to justice. And so thank you for this opportunity to speak in support of this critical and important legislation. I'm happy to answer any questions. [LB538]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. [LB538]

PAUL McGREAL: Thank you. [LB538]

SENATOR STINNER: Any additional proponents? [LB538]

JEFF PICKENS: Good afternoon. My name is Jeff Pickens, J-e-f-f P-i-c-k-e-n-s. I'm here today to testify in support of LB538. As you heard earlier today, since September 1, 2015, I've been chief counsel or the director for the Commission on Public Advocacy. The commission is tasked with the responsibility of administering this program. I am also the chair for an advisory board that was created pursuant to this program. In my capacity as chief counsel and chair, I have attended every meeting of the board, every meeting of the commission. I've read all of the legislative history going back to 2007. I've read the minutes of every board meeting before I was chief counsel. I've read the minutes of every commission meeting since before I was chief counsel. I haven't committed all of that to memory, but I probably could have answered all the questions that were asked today, except for the questions asked specifically of the deans of the law schools. The history of the program: This program was first designed to help Legal Aid lawyers, public service lawyers, in 2007, but it was never funded. In 2014 it was expanded to include rural lawyers, and money was appropriated, \$500,000, to put into the fund for this program. Over the first...well, over all three years...there have been three years when we've given awards. The first year was fiscal year '14-15, and '15-16, now '16-17. So there's no money appropriated for the future. We made payments to the recipients in January of this year. They get one sum. They get a check for one year's award they must give to the lender. They can't make payments monthly with that. And the money goes to the principal. What happened is the first year there were 29 lawyers who received awards and the amount of the awards, the total amount of the awards to begin with was \$150,000. So in the first year, 29 lawyers received...each received \$4,685; 22 were rural lawyers, then 27 would have been public service workers or Legal Aid workers. The following year in '15-16 the number of applicants more than doubled and we made awards to 54 lawyers, but the award was about half what it was previously. It was only \$2,500 to each of the recipients; 14 were public service lawyers, 54 were rural lawyers. Recognizing that if the number of applicants continued to grow as it did, again, only having

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\$150,000 to distribute, any award would be meaningless. If we had 90 applicants, we would be awarding maybe \$1,000, something like that. So as you heard the eligibility requirements were tightened and in the final year, in '16-17, we made awards to 33 applicants. They each received \$4,643; 11 were public service lawyers, 22 were rural lawyers. This program is having an impact across the state. To date, lawyers in the following rural counties have received assistance from the fund: Boone, Burt, Cheyenne, Cuming, Custer, Boone, Franklin, Furnas, Garden, Hamilton, Harlan, Holt, Jefferson, Johnson, Keith, Knox, Phelps, Red Willow, Richardson, Sheridan, Valley, Wayne, and York. I want to tell you the story about one of these recipients without using his name. He practices in northwest Nebraska in a very small rural community, a community where there are very few lawyers and where there is great difficulty recruiting and retaining lawyers. This lawyer makes \$41,000 a year and his student loan debt is \$236,000. This program allows this student or this lawyer to continue to work in that county where there is a great need for lawyers. Without this program, I don't think this lawyer, this particular lawyer, would be able to stay in this county. So the program has made it possible for lawyers to live and practice in very small rural counties. It also makes it possible for many other lawyers to practice and to do civil legal service work for low-income people. And these people really do make less money than most lawyers. Again, no money has been appropriated for the future but I want to tell you that we have approximately \$105,000 in the fund now. Thank you for consideration. I'd be happy to answer any questions. [LB538]

SENATOR STINNER: Thank you very much. Any additional questions? Senator Clements. [LB538]

SENATOR CLEMENTS: I was wondering if the loan repayment is taxable income to the beneficiary. [LB538]

JEFF PICKENS: It is. [LB538]

SENATOR CLEMENTS: It is. I thought so. [LB538]

JEFF PICKENS: Yeah, but it seems like that's a fair trade to receive it. If you have \$245,000 or \$236,000 in debt and you're given \$4,300, \$4,400 to apply towards your debt, it seems to me that it would be worth paying the income tax. [LB538]

SENATOR CLEMENTS: Thank you. [LB538]

JEFF PICKENS: Thank you. [LB538]

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SENATOR STINNER: Let me just ask a question. How did...let me ask it this way. How did this loan repayment program get in your agency? [LB538]

JEFF PICKENS: Well, because whenever there's money that needs to be distributed, it ends up in our agency. There's just a history of that. It started with...I think it started with the Legal Aid and Services Fund. We've administered that for a number of years. We administered...or we continue to administer that and we administer the Civil Legal Services Fund in addition to this program. The Civil Legal Services Fund at one time was administered by the Nebraska Supreme Court. I think in 2009 it was transferred to the commission to administer. And we're sort of...I mean we're a government office, we're sort of a neutral office I suppose, and somehow we've been tasked with the responsibility of administering these funds, these kinds of funds. [LB538]

SENATOR STINNER: It's interesting to note that the Supreme Court does have a cash fund that is targeted toward education. [LB538]

JEFF PICKENS: Well,... [LB538]

SENATOR STINNER: Just thought I'd throw that out. [LB538]

JEFF PICKENS: ...and I don't...you know, in 2007 or 2009, before I was chief counsel, I didn't care about things like this. I was defending murder cases. I still am. But I wasn't concerned about these sorts of programs. I can tell you that when Howard Olsen, who you know, I'm sure,... [LB538]

SENATOR STINNER: Oh, yeah. [LB538]

JEFF PICKENS: ...was the bar...the president of the Bar Association, he was...and I don't remember what year that was, but he was concerned about whether the Commission on Public Advocacy would continue to exist in the future. And he and I are friends because I practiced out there for the first five years of my life as a lawyer, and he told me that as a president of the Bar Association he wanted us to have responsibility for the Legal Aid and Services Fund so that we would have more responsibilities and a greater need to continue to exist. Since that time, we've had no shortage in the number of murder cases to defend. [LB538]

SENATOR STINNER: Agreed. Any additional questions? [LB538]

JEFF PICKENS: Yes, sir. [LB538]

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SENATOR HILKEMANN: Just... [LB538]

SENATOR STINNER: Senator Hilkemann. [LB538]

SENATOR HILKEMANN: Just a quick...on the illustration that you gave, you said that this young person is being paid \$41,000 a year by the Legal Aid Society. [LB538]

JEFF PICKENS: No, no, he works for a law firm. He works for a law firm in a small county. I don't want to identify him because... [LB538]

SENATOR HILKEMANN: Right. [LB538]

JEFF PICKENS: ...I think it would be embarrassing, you know? [LB538]

SENATOR HILKEMANN: Fine. [LB538]

JEFF PICKENS: But he works in a small law firm. This...I mean it wouldn't be hard to figure out which county I'm talking about. There probably aren't more than five or six lawyers in the county and he works in a private law firm. But that law firm also is the county attorney for the county, so this lawyer would have roles as a deputy county attorney in addition to being a private practice lawyer. [LB538]

SENATOR HILKEMANN: So his \$41,000 debt...or \$41,000 salary, you said two hundred and... [LB538]

JEFF PICKENS: Thirty-six. [LB538]

SENATOR HILKEMANN: And this fund would pay how much of his debt each year? [LB538]

JEFF PICKENS: In this year, the payments that we made in January, he would have received \$4,460...\$4,643. I understand \$4,600 isn't a lot when you're looking at \$236,000. I don't know if that's the point, but it's something that helps this lawyer stay in this community. He's able to live in his community with that extra money. You know, that represents more than 10 percent of his salary. [LB538]

SENATOR HILKEMANN: Right. But he has a \$260,000 debt. That's... [LB538]

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JEFF PICKENS: When I graduated from law school, I was able to pay off my loans in ten years but I only had about \$20,000 in debt and I was only making \$21,000 a year. I talk to young lawyers now who, almost all of them, have at least \$200,000 in law school debt, which is hard for me to understand but that's the reality. And I don't know that many of these lawyers expect to pay it off in their lifetime. [LB538]

SENATOR HILKEMANN: Okay. [LB538]

SENATOR STINNER: Additional questions? [LB538]

JEFF PICKENS: Thank you. [LB538]

SENATOR STINNER: Seeing none, thank you. [LB538]

JEFF PICKENS: Thank you. [LB538]

SENATOR STINNER: Any additional proponents? Do we have any opponents? Anybody in the neutral capacity? Seeing none, would you like to close, Senator Wishart? [LB538]

SENATOR WISHART: Well, thank you. Only if you have any additional questions for me. [LB538]

SENATOR STINNER: Senator Clements. [LB538]

SENATOR CLEMENTS: Are attorneys in this program required to stay as a legal aid or stay in a rural area for a certain number of time? Do they have to pay it back if they don't stay? [LB538]

SENATOR WISHART: Oh, I wish you would have asked that to the gentleman before me. I'll get you that information. [LB538]

JEFF PICKENS: Three years. [LB538]

SENATOR WISHART: Three years. [LB538]

SENATOR CLEMENTS: Thank you. [LB538]

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SENATOR STINNER: Any additional questions? [LB538]

SENATOR VARGAS: No, this is in response to Senator Clements. I know there's another federal loan repayment program for lawyers but that requires a longer stay in different...in a public entity of some sort or nonprofit. [LB538]

SENATOR CLEMENTS: All right. Thank you. [LB538]

SENATOR STINNER: (Exhibit 8) Additional questions? Seeing none, thank you. We do have a letter in the neutral capacity from Nathan Leach. And that concludes our hearing on LB538 and our hearings for today. Thank you very much. [LB538]