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Health and Human Services Committee
January 25, 2017

[LB333 LB334 LB335 LB336]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, January 25, 2017, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB333, LB334, LB335, and LB336. Senators present: Merv Riepe, Chairperson; Steve Erdman, Vice Chairperson; Sue Crawford; Sara Howard; Mark Kolterman; Lou Ann Linehan; and Matt Williams. Senators absent: None.

SENATOR RIEPE: In the interest of time and all of you that have been punctual and here--some of you are late--and we appreciate all of you attending. I'm Merv Riepe; I'm serving as chairman of the Health and Human Services Committee. My district is Millard and Ralston, which is part of Douglas County, and that's number 12. I'm going to reverse this a little bit and to get started I'm going to ask my fellow committee members to introduce themselves and, if we can start off to my immediate right, to the good looking guy down there, we'll go there (laughter).

SENATOR KOLTERMAN: Your immediate right is right there (pointing).

SENATOR RIEPE: That's you, Senator.

SENATOR KOLTERMAN: Yeah. I'm Senator Mark Kolterman from the 24th district: Seward, York, and Polk Counties.

SENATOR HOWARD: I'm Senator Sara Howard. I represent District 9 in midtown Omaha.

SENATOR ERDMAN: I'm Steve Erdman, District 47; 80 percent of the Nebraska Panhandle is my district.

SENATOR CRAWFORD: Good afternoon...Senator Sue Crawford and I represent District 45, which is eastern Sarpy County: eastern Bellevue and Offutt.

SENATOR WILLIAMS: Matt Williams, District 36: Dawson County, Custer County, and the north part of Buffalo County.

SENATOR LINEHAN: Lou Ann Linehan, the western part of Douglas County to include Elkhorn, Waterloo, and Valley.

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SENATOR RIEPE: Thank you. I'll make a couple of other introductions. To my immediate right is Kristen Stiffler, who's the legal counsel for the HHS Committee, and Tyler Mahood, who's our committee clerk. Also we have with us today, we have some pages that are faithfully serving us. One of those is Brianne Hellstrom, who's from California, and we have Jordan Snader, who's from Oakland, California (sic: Nebraska). So we very much appreciate their work. I want to share with you a little...some of the rules of engagement. This is your opportunity to participate in the process. This is the public part, the hearing, if you will. You will find at times that committee members may have to come and go because they will have other committees that they will need to introduce bills at or testify at. So it's nothing personal about your comments or any particular piece of legislation that you might have in front of us. They'll also...some will be using personal computers and that is to keep up with the process, some of us working on paper and others work more on the, as Senator Chambers called it, the gadgets. Some of the rules of engagement is, we'll ask you to please turn off your cell phones. If you're going to testify, we will ask you to move forward so that we can keep the process going, to move up to the front seats. We'll also...the order of testimony will be an introduction of the particular bill, followed by proponents will be given an opportunity to talk, followed by opponents, and then we have some that are neutral. And then we will read into the record any letters that we may have come in, either pro or con. If you're testifying, there is an orange sheet that we ask you to sign in with the committee clerk as you come up to testify. And as you join us at the seat to testify, we ask you to please spell out your name and record for the testimony, or for the records, if you will. We'll also ask you to be concise and we work on a five-minute rule. There's four minutes on the green light--these are for the testifiers--and then you'll have a one-minute yellow light and then we will immediately...goes to red and we will, at that point in time, ask you to wrap it up so that we can, in the interest of additional people who want to testify. If it happens that you will not be testifying and yet you want to get some remarks on the record, there are some white sign-in sheets, and I think those are at both entrances of this room. If you do have written documents that you want for the committee, please make or see that we have ten copies of that so that we can share that. With that, we are going to start our session today. This is one that will primarily deal with the budget pieces and, as chairman, I will be introducing these particular four pieces of legislation. Given that, I will not be participating because they will be my bills. I will be sitting at the sideline and our vice chairman, Senator Erdman, will be conducting the meeting. So with that I'm going to turn it over to Senator Erdman.

SENATOR ERDMAN: Thank you, Chairman Riepe. Would you like to introduce LB333 for us?

SENATOR RIEPE: Yes, sir. Thank you.

SENATOR ERDMAN: Thank you.

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SENATOR RIEPE: Thank you for the opportunity to be here and the opportunity to present LB333. I'm Merv Riepe, M-e-r-v, last name is Riepe, R-i-e-p-e. As we go into this piece, I want to talk just briefly about some of the pieces of business cycles; I think the state has seen a business cycle and, as many of you know, we're about \$990 million short of where we need to be on a two-year budget. So some of those force us into particular decisions and, as I like to say, sometimes we don't necessarily write the music, but we have to play the music. And so we have legislation that we need to talk about. I am introducing LB333 today at the request of the Governor. LB333 is the budget modification which eliminates an independent review of denial of aid to the disabled. The State Disability Program, which is called SDP, was established to provide financial aid and medical assistance to persons who are disabled but do not meet the duration requirements for disability, as defined by the Social Security Administration. The program is a short-term program which provides assistance to individuals for up to 12 months. LB333 would end funding to this program. Director Doug Weinberg, from the Children's and Family Services Division of the Department of Health and Human Services, will follow me and testify in support of this bill. I would defer any specific questions to him. Thank you. [LB333]

SENATOR ERDMAN: Any questions for Senator Riepe? [LB333]

SENATOR HOWARD: Senator, may I? [LB333]

SENATOR ERDMAN: Senator Howard? [LB333]

SENATOR HOWARD: So you don't want any specific questions to be asked to you; you'd prefer us to save them for Director Weinberg? [LB333]

SENATOR RIEPE: I would prefer that and then, if you have some when I close, I would invite them at that time. [LB333]

SENATOR HOWARD: Certainly, thank you. [LB333]

SENATOR RIEPE: I think he'll be more informative with, specifically, details and implications as with the impact. Okay? [LB333]

SENATOR HOWARD: Thank you. Good. [LB333]

SENATOR ERDMAN: You okay with that? All Right. Thank you. [LB333]

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SENATOR RIEPE: Okay. [LB333]

SENATOR ERDMAN: Any proponents? Please come forward and turn in your green sheet, if you would. I may ask if... [LB333]

KRISTEN STIFFLER: Director Weinberg needs to speak first. [LB333]

SENATOR ERDMAN: Okay, all right. Good afternoon; thank you for coming. [LB333]

DOUG WEINBERG: (Exhibit 1) Good afternoon, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I am the director of the Division of Children and Family Services of the Department of Health and Human Services. I am here to testify in support of LB333, which was offered by my division as a budget modification in the biennium budget. The Governor has included this modification and has accounted for it in his budget recommendation to the Legislature. LB333 eliminates Nebraska's State Disability Program. The State Disability Program provides financial aid and medical assistance to persons who have received a disability termination denial by the Social Security Administration for failure to meet the duration requirement of more than 12 months. Eligibility for the State Disability Program includes a disability determination made by the Division of Children and Family Services because of a Social Security Administration's disability denial. Individuals who are determined eligible for the State Disability Program receive medical coverage and cash assistance payments for no more than 12 months. After a 12-month duration of disability has passed, an individual may be determined eligible for Medicaid, either through the Social Security Administration or a Division of Medicaid and Long-Term Care disability determination. The State Disability Program currently serves an average of 50 individuals a month and served a total of 147 individuals in 2016. There are currently 16 active participants as of January 15, 2017. Of these participants, 13 individuals will exit the program by June 30, 2017. And the remaining 3 individuals have eligibility beyond July 1. The department will continue to provide coverage to these 3 individuals until their eligibility ends. Medical assistance per recipient averages about \$5,833 per month and cash assistance per client averages approximately \$740 per month. The program has an annual budget of \$4.2 million. Nebraska is one of a handful of states that offer this type of program. Alternative sources of support include private insurance, community resources such as County General Assistance and non-profit provider sliding fee scales, and other DHHS Economic Assistance programs if the client is eligible. Thank you for the opportunity to testify before you today. I urge your advancement of LB333, and I'm happy to answer any questions you may have. [LB333]

SENATOR ERDMAN: Okay. Senator Crawford. [LB333]

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SENATOR CRAWFORD: Thank you, Senator Erdman, and thank you, Director, for being here today. I just wanted to start in trying to really understand the implications of this change for our state and the folks that are dependent on this service and also other services that we have in the state that try to provide services to this population. So I'll just start at the end of your testimony, and you note that, you know, one of the alternative sources of support is other DHHS Economic Assistance programs. So are there any other DHHS Economic Assistance programs that would cover this over-\$5,000-a-month medical cost that currently the individuals in this program experience? [LB333]

DOUG WEINBERG: There are other programs...there's one other small program within the department. It's called the Disabled Persons and Family Support Program. It has funding available, and that provides services to employed disabled clients, provides support for relative caregivers and the like. So we are evaluating and investigating that program as a potential alternative for some of these individuals. [LB333]

SENATOR CRAWFORD: Does that program currently exist? [LB333]

DOUG WEINBERG: Yes. [LB333]

SENATOR CRAWFORD: So if the program exists that we have an average of 50 individuals that are in this program, experiencing these medical costs, and that current program is not serving those 50... [LB333]

DOUG WEINBERG: Not currently today. [LB333]

SENATOR CRAWFORD: Currently, right. [LB333]

DOUG WEINBERG: And it has slightly different eligibility requirements and slightly different services available. [LB333]

SENATOR CRAWFORD: And if the medical costs for these individuals is...would, depending...your testimony says \$5,833...the fiscal note has a little bit different number...if they are shifting from this program to another DHHS Economic Assistance program, that would still cost over \$5,000 a month for their medical services, correct? [LB333]

DOUG WEINBERG: Yes, that is correct. Now again, it's a different service mix, so it would vary on a case-by-case basis. I can send you information on that program. [LB333]

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SENATOR CRAWFORD: Right, right. [LB333]

DOUG WEINBERG: It may not meet all the needs, but it could potentially meet some of the needs. [LB333]

SENATOR CRAWFORD: Right. [LB333]

DOUG WEINBERG: And there is funding available in that program. [LB333]

SENATOR CRAWFORD: And why is there funding available in that program? [LB333]

DOUG WEINBERG: It has not been fully utilized to date. [LB333]

SENATOR CRAWFORD: All right. But it would still leave some of these medical expenses uncovered. [LB333]

DOUG WEINBERG: Potentially, again depending upon the client and the situation. [LB333]

SENATOR CRAWFORD: All right, thank you. [LB333]

SENATOR ERDMAN: Okay. Senator Howard? [LB333]

SENATOR HOWARD: Thank you, Senator Erdman. Thank you for visiting with us today, Director Weinberg. [LB333]

DOUG WEINBERG: Sure. [LB333]

SENATOR HOWARD: Can you talk to me about the duration requirements for Social Security Disability? [LB333]

DOUG WEINBERG: SSI and Medicaid require a determination of disability for 12 months or longer, beyond 12 months. [LB333]

SENATOR HOWARD: And when we are talking about medical assistance in this bill specifically and for this program, that's not our medical assistance program--that's not Medicaid. [LB333]

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DOUG WEINBERG: No, but it's actually, it's funded at Medicaid rates; it's actually processed through the Medicaid system. [LB333]

SENATOR HOWARD: Okay, so it's a mirror program inside? [LB333]

DOUG WEINBERG: But it uses state...it uses 100 percent state dollars. [LB333]

SENATOR HOWARD: And then what is the application program process look like for this program? [LB333]

DOUG WEINBERG: A potential client would call ACCESSNebraska or speak with somebody at one of our local offices. There is a application form they would complete, and they would need to actually visit with a doctor for a formal assessment. [LB333]

SENATOR HOWARD: Okay. And then when you are recommending that we look at other community resources such as County General Assistance--and you can correct me if that's wrong but, usually when I see that, that's telling me that we're pushing a burden down to the counties that's unfunded? [LB333]

DOUG WEINBERG: Well, we've seen a drop in our State Disability Program, and we're seeing, you know, more and more counties actually kind of provide some assistance to meet those needs. [LB333]

SENATOR HOWARD: Is there somebody here from the counties who's going to talk to us about that? [LB333]

DOUG WEINBERG: Not that I'm aware of. [LB333]

SENATOR HOWARD: Thank you. [LB333]

SENATOR ERDMAN: Senator Linehan...we'll go there. [LB333]

SENATOR LINEHAN: Thank you, Senator Erdman. So if people have insurance--if they have insurance--they would be covered. [LB333]

DOUG WEINBERG: Yes. [LB333]

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SENATOR LINEHAN: So we're only picking up people in these programs who don't have medical insurance when they come in to where they need care. [LB333]

DOUG WEINBERG: That is correct. [LB333]

SENATOR LINEHAN: So if we have insurance, they're fine. So we're talking about people who get hurt, need these services, and they don't have any health insurance. [LB333]

DOUG WEINBERG: That would be correct. [LB333]

SENATOR LINEHAN: So if they didn't have...okay, so we're talking about people who are probably not, they're not eligible for Medicaid because they're not a child, but they're an adult without health insurance, and we're covering the health insurance costs. That's the big ticket item here that we're covering. [LB333]

DOUG WEINBERG: In most cases. [LB333]

SENATOR LINEHAN: Okay. I just needed to know that was what because, obviously, these organizations that do these services, most, I would assume--I don't know the numbers--and maybe some of them are going to be here and they can help. But most of their patients, hopefully, would have insurance, some kind of private insurance. [LB333]

DOUG WEINBERG: In many cases, not always. [LB333]

SENATOR LINEHAN: Okay, all right, thank you. [LB333]

SENATOR ERDMAN: Senator Crawford. [LB333]

SENATOR CRAWFORD: Thank you, Senator Erdman, and thank you, Director. So, just so I understand how this program fits with our other programs, as well, this program currently really serves those individuals who are from 6 months to 12 months...right. [LB333]

DOUG WEINBERG: To 12 months, correct. [LB333]

SENATOR CRAWFORD: So you have to, somehow, make it through 6 months. [LB333]

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DOUG WEINBERG: Um-hum. [LB333]

SENATOR CRAWFORD: But then you have 6 more months before the federal disability and Medicaid eligibility would pick up but...would kick in to provide help for those individuals, if they qualify. [LB333]

DOUG WEINBERG: That is correct. [LB333]

SENATOR CRAWFORD: Right, right. Now the fiscal note says that some recipients...in some cases the state has an opportunity to retroactively get reimbursed for individuals who then, when they hit that 12 months, actually do qualify for Social Security or Medicaid. That's what the fiscal note for the bill indicates. I wonder if you could talk about that situation. So this is a situation, because we have this program, the state would get reimbursed for our costs for many of those individuals who are in that program for that 6-month period...is my understanding. [LB333]

DOUG WEINBERG: That look-back provision would really apply to individuals not in the State Disability Program, so if you had individuals receiving no benefits or receiving benefits through County General Assistance, Medicaid does look back, so they would pick up those costs that were incurred by that individual. And Medicaid is typically the provider of last resort. [LB333]

SENATOR CRAWFORD: So are you saying the discussion in the fiscal note that says that a portion of state cost is retroactively reimbursed by Medicaid, if an application for Medicaid was filed at the same time a State Disability application, are...that's incorrect? [LB333]

DOUG WEINBERG: There may be some costs that are eligible, but I will have to give you clarification on that. [LB333]

SENATOR CRAWFORD: Thank you. [LB333]

SENATOR ERDMAN: Anyone else? Matt...or excuse me...Senator Williams? [LB333]

SENATOR WILLIAMS: Thank you, Senator Erdman. And thank you, Director, for being here. Just a question of clarification for me. Your testimony states that there's been an average of 50 individuals a month participating in the program, but currently you only have 16 active participants and 13 of those will exit the program this June. Has there been some reason that you can tell me about why those numbers seem to have decreased from what you're saying has been the average? [LB333]

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DOUG WEINBERG: The numbers have decreased. The 50 is pretty much...at any given point in time over the last 2 years, we've had approximately 50 in the program or an average 50 in the program. But we've seen the numbers coming down. Again, we believe these individuals are finding other sources of support and assistance. Again, we don't encounter many of these individuals so we don't know their particular, individual situations. [LB333]

SENATOR WILLIAMS: People aren't being turned away (inaudible). [LB333]

DOUG WEINBERG: People are not being turned away; people are not coming to us. [LB333]

SENATOR WILLIAMS: And you said, Director, in your testimony again, that three individuals will have eligibility beyond, but you will continue to provide them coverage. Where will those dollars come from? [LB333]

DOUG WEINBERG: We have other funding available within our Economic Assistance Program; we can absorb those costs. Those people will receive benefits, I believe, through July, and I think one goes through August. [LB333]

SENATOR WILLIAMS: That's a part I would like you to address. If we have funds available there to continue these people on and also, as Senator Crawford was asking you, that there are other DHHS Economic Assistance programs available, why do we need to cut this program when we have dollars in those programs that aren't being utilized? [LB333]

DOUG WEINBERG: Well again, the program I referred to earlier is even a smaller program than State Disability. And then the...we can absorb the cost with those three individuals for a month or two, but we cannot...in order to meet our budget recommendation, we cannot continue the State Disability Program indefinitely. [LB333]

SENATOR WILLIAMS: Thank you. [LB333]

SENATOR ERDMAN: Senator Howard. [LB333]

SENATOR HOWARD: Thank you, Senator Erdman. Do you have...you've indicated that the numbers have been steadily decreasing. Can you share with us, maybe in the future, sort of a month-to-month comparison of how many people are in this program? [LB333]

DOUG WEINBERG: Sure, I can pull that information together for the committee. [LB333]

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SENATOR HOWARD: Because while it may seem like maybe it goes up in December and it comes back down in January, or something along those lines... [LB333]

DOUG WEINBERG: We can provide that. [LB333]

SENATOR HOWARD: But then I want to go back to Senator Crawford's point about the retroactive reimbursement through Medicaid, because you indicated that the bulk rate, the bulk of the funds are being paid for healthcare, not that, sort of...you mentioned that there was a small amount of cash payment that goes out, as well. [LB333]

DOUG WEINBERG: Right, Cash Assistance. [LB333]

SENATOR HOWARD: Cash Assistance. So if the bulk of it is reimbursed for Medicaid once they're found eligible for Social Security, why would we want to discontinue this program and, sort of, tell folks who are in this odd, sort of, six-month period that we can't help them? [LB333]

DOUG WEINBERG: Well, not everybody will qualify for long-term disability. Again, that percentage will vary from, you know, from month to month, from day to day. It's... [LB333]

SENATOR HOWARD: Could you share the number of the people who eventually qualify, because that would be a good comparison? [LB333]

DOUG WEINBERG: It's...I can get that for you, too. Yes, I can give you some historical data; I can pull that together, as well. [LB333]

SENATOR HOWARD: That would be great. [LB333]

SENATOR ERDMAN: Very good. Senator Crawford. [LB333]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you, Director. I guess, as I look at that, in part again, resting on the assumption that maybe not all of that medical expense gets reimbursed, but at least some percent of that medical expense gets reimbursed. Is that correct? Yeah, yeah. It could take... [LB333]

DOUG WEINBERG: I will need to give you a...I don't claim to be a Medicaid expert. I apologize, but... [LB333]

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SENATOR CRAWFORD: Okay, all right. So one of the implications is, you know, if instead they were going to County General Assistance, then we wouldn't have that money floated back into the state... [LB333]

DOUG WEINBERG: That's correct. [LB333]

SENATOR CRAWFORD: ...or other nonprofit was trying to pick it up, they probably wouldn't be able to bring that money back to reimburse those costs for those six months. But I guess another concern that I would ask about is if we are...if it's about \$5,800 a month, then that's an average, so I'm assuming, for individuals who have high needs, that we're trying to make sure that we're providing care in, especially, in its...in the lowest cost environment possible. So if they're in our...if they're in the program--this program--we're probably trying to make sure if they're able to stay in their own home with supports, that we're providing those supports to help them stay in their own home. [LB333]

DOUG WEINBERG: Correct. [LB333]

SENATOR CRAWFORD: And so that's important, not only to care for the person, but that's also part of trying to keep costs down. And wouldn't it be the case that if someone did not have access to those supports, that they might instead find themselves in a care facility where the costs were much higher than the cost we're paying by keeping these people in this program? [LB333]

DOUG WEINBERG: It's possible. And again, every case is unique. I would venture to guess that would be more the exception than the rule. These clients are typically individuals who maybe have had an auto accident; they're just unable to work for an extended period of time. But again, it's not a permanent disability. [LB333]

SENATOR ERDMAN: Senator Linehan. [LB333]

SENATOR LINEHAN: Thank you, Senator Erdman. And thank you, Director, for being here today. Are the people we're talking here..if I...so you're not eligible for Social Security until 12 months, so you're permanently disabled, is basically what Social Security says. [LB333]

DOUG WEINBERG: Until you have a determination that your disability is 12 months or longer. [LB333]

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SENATOR LINEHAN: Right, but they're...generally speaking, they'd be permanently disabled and then they would be...that's where Social Security would find them and then they would be eligible for Medicaid. [LB333]

DOUG WEINBERG: Right. And again... [LB333]

SENATOR LINEHAN: And Medicaid would then reimburse. [LB333]

DOUG WEINBERG: And that's only a percentage, you know, less, definitely less than half of these clients that are in the State Disability Program. [LB333]

SENATOR LINEHAN: Okay, so the people that cost the money...are they the people that aren't found to be eligible for Social Security at the end of the 12 months? [LB333]

DOUG WEINBERG: Right. And people that truly do have a short-term disability of 6-12 months. [LB333]

SENATOR LINEHAN: Okay, so I'm trying to narrow it down who...the small group of 50 here. So they have no insurance, and they're not permanently disabled. [LB333]

DOUG WEINBERG: Correct. [LB333]

SENATOR LINEHAN: So that's the group that this program helps. [LB333]

DOUG WEINBERG: Correct. Now some of those 50 may be eventually determined to be long-term disabled, but again, that is the minority, not the majority. [LB333]

SENATOR LINEHAN: But not at the 12 months? Right, so that's the...and these are also...could be part of the reason that the numbers have gone down is because of the Affordable Care Act, that more people have been encouraged to get health insurance. [LB333]

DOUG WEINBERG: It is possible. [LB333]

SENATOR LINEHAN: Okay, thank you very much. [LB333]

SENATOR ERDMAN: Senator Kolterman. [LB333]

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SENATOR KOLTERMAN: Thank you, Senator. So I'm getting confused here, which isn't hard to do. When you...if you apply for this and you get this benefit, at the same time you also have to apply for Social Security Disability, or many of them do, correct? [LB333]

DOUG WEINBERG: Yes, yes. [LB333]

SENATOR KOLTERMAN: Now Social Security Disability kicks in after a one-year wait. Is that what I'm hearing? [LB333]

DOUG WEINBERG: It...Social Security Disability... [LB333]

SENATOR KOLTERMAN: You have to wait 6 months before you can even apply. [LB333]

DOUG WEINBERG: Right, and it's only available if you're diagnosed with a disability that will be more than a year. [LB333]

SENATOR KOLTERMAN: So that's more of a long-term situation, and what I hear you saying is, if they get Social Security Disability, they'll go back and reimburse the state for amounts we've already put out. Is that correct? [LB333]

DOUG WEINBERG: Potentially in some cases. Again, I'll need clarification for that. [LB333]

SENATOR KOLTERMAN: Okay. But we have a minimal amount of people that are actually utilizing this program. [LB333]

DOUG WEINBERG: Correct. Now some of those people that are on the program at a given point in time, they may go back to the doctor and they make a determination that they are now long-term disabled, so then they would qualify immediately for Social Security. [LB333]

SENATOR KOLTERMAN: Okay. [LB333]

SENATOR ERDMAN: Anyone else? I may have a question. The information that you shared with us that the program's annual budget is \$4.2 million... [LB333]

DOUG WEINBERG: That is correct. [LB333]

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SENATOR ERDMAN: Okay, so then I would assume that the biennial budget is \$8.4 million?
[LB333]

DOUG WEINBERG: That is correct. [LB333]

SENATOR ERDMAN: Okay. You also, in your comments, said you do 50 individuals a month--
served average 50 a month, but the total for 2016 was 147. So 50 a month is a little more than
147. [LB333]

DOUG WEINBERG: Well, at any given point in time, we average about 50, because people will
come in and out of the program. And we served a total of 147 unique individuals in calendar
year 2016. [LB333]

SENATOR ERDMAN: Okay. And that's (inaudible). [LB333]

DOUG WEINBERG: Not everybody is in the program for 6 months. Some are in for 1 month.
[LB333]

SENATOR ERDMAN: All right. Thank you. Anything else? [LB333]

SENATOR HOWARD: Senator? [LB333]

SENATOR ERDMAN: Yes, Senator Howard. [LB333]

SENATOR HOWARD: Just for the record, can you tell me, how long have we had this program?
[LB333]

DOUG WEINBERG: I believe this program went into statute in 1976. [LB333]

SENATOR HOWARD: Do you know the impetus for it? Were there a lot of people who...
[LB333]

DOUG WEINBERG: I do not. I do not; it was long before my arrival in Nebraska. I'm sorry. But
I can... [LB333]

SENATOR HOWARD: Mine, too (laughter). [LB333]

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DOUG WEINBERG: I can see what I can find out. [LB333]

SENATOR ERDMAN: Or anyone else, (inaudible). [LB333]

SENATOR HOWARD: Now that would be wonderful; I'd appreciate it. Thank you. [LB333]

DOUG WEINBERG: Sure. [LB333]

SENATOR ERDMAN: Okay, very good. Thank you. [LB333]

DOUG WEINBERG: Okay. [LB333]

SENATOR ERDMAN: Any other proponents? Seeing none, is there any opponents? [LB333]

VINCENT LITWINOWICZ: Have a good day, committee members. [LB333]

SENATOR ERDMAN: Thank you for coming. [LB333]

VINCENT LITWINOWICZ: (Exhibit 2) Thank you. And I would request to have the light turned off as it affects my thinking. And my name is Vincent, and I'm on behalf of myself, Vincent J., V-i-n-c-e-n-t J, Litwinowicz, L-i-t-w-i-n-o-w-i-c-z. Well, first of all you know, this kind of breaks my heart and I'm not a person that could use this, but...or ever needed to, and it was interesting that, you know, that nobody knew the origin or the date that it was incepted, because I wonder how well it's advertised. That's just an aside note; it's not on my...what I'm talking about. And some of the things have been answered, some of my questions that I have written, that I addressed in my letter. So I'll just read what I was going to say and then I'm not going to abuse my time. In reading this bill several times, including asking a professional's advice regarding LB333, it was unclear to me, and it still is, why this bill was submitted by Governor Ricketts through Speaker Scheer and then finally adopted by Senator Riepe. My primary concern and the question I have to really ask here is, does the elimination of an independent evaluation allow for the convenient disregard, scot-free--and I mean that just as it sounds with...in concord with the apparent foci of Mr. Trump and Governor Ricketts to dismantle our healthcare in a profound way--of potentially disabled people solely on the Social Security Administration? Keep in mind that I have a lot of questions here. [LB333]

SENATOR ERDMAN: No problem, take your time. [LB333]

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VINCENT LITWINOWICZ: And that is...I have also my disability--I have cognitive problems and so it's hard to focus. I developed many questions while the previous speaker was going, and some of you guys were asking questions. And now they've kind of gone. [LB333]

SENATOR ERDMAN: Okay. [LB333]

VINCENT LITWINOWICZ: Anyway, I'm going to pick up from where I left off. Based upon... of potentially disabled people based solely on the Security Administration's determination of disability eligibility. You see, when I read the bill, I read that you can actually be turned down, or I mean, based upon whether or not...if there had been a determination, if you had applied for disability. And so, in the context of the bill that I read, is that it was prohibiting an independent assessment of...and so, you know, I'm kind of confused; and that's only going to increase. But anyway, that is, as we all know, it may take a few times to qualify for Social Security. Can we then not allow them to prove their disability in the private sector here in Nebraska? And by the way, in six months...you know, you lose your house in three with the debt that people already have to take on, in general. Does increasing the expected disability minimum to one year really just provide a distraction? And after reading the bill...so personally I do not know if you can qualify for Social Security disability for a period of such a small duration. Now it seems to me like the prospect of increasing the retirement age for benefits, which hardly saves any money at all in a relative manner...does LB333 look good to the Tea Party, for example, because it causes pain and so it must save money? And that's been brought up before. You know, you do something that's--man, this is what we're cutting--and boy, it's, you know...boy, it feels good. And I wouldn't hit a dog in the rear end with either party. Certainly my...especially at the national level--I should clarify that--certainly my disability does not hinge on this bill, but I am concerned mostly about other people, and the state will suffer, inevitably. How much money is...okay, I know that. I'm sure, just because we pollard our healthcare system here in Nebraska, and in the country as a whole, does not mean we are going to bear some magical future growth in the future on the backs of those who are disabled and less fortunate and cannot work, like we do the crape myrtles in New Orleans. These are the ways my mind is wondering on this topic, since I took it. And anyway, forget that. And the last point I want to mention is that, and I'm not a conspiracy theorist but, you know, I don't know if some of this budget was anticipated on behalf of the Governor. You see, he's been a leader in certain things that bother me...as a billionaire...and I don't think he's in touch with the people. And so I mean, is this a point in time to take advantage of the fact that we have a budget deficit, to get rid of some of the social programs, I mean, so can, in effect, go partially to Kansas and then come back, so to speak? And if we're floating on Kansas, that doesn't keep us above the water line, and necessarily. And so I just wanted to say that. And thank you for your time. And my concerns...I really am concerned in the climate that we're living in now. And that's it; thank you. [LB333]

SENATOR ERDMAN: Are there any questions? Senator Crawford? [LB333]

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SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you for being here today and sharing your experience. [LB333]

VINCENT LITWINOWICZ: Thank you. [LB333]

SENATOR CRAWFORD: I think you did a great job of reading the bill. You brought out an issue that we didn't really raise questions about in the lack in our...for our last testifier. And that is the part of the bill...there is a part of the bill that does take away the state's examination, in terms of looking at someone's individual disability if the Social Security Administration denied their benefits. So you mentioned, in your discussion, that that is the case. Sometimes people apply multiple times and have trouble getting on the disability...approved. Do you want to speak to that comment, of that experience? [LB333]

VINCENT LITWINOWICZ: Yeah, it's interesting to note I was diagnosed with disability twice: once for mental disability which I didn't have a lawyer do it--I was granted it the first time, I guess, because of how bad it was; and secondly, MS, which I was given it the first time. But I know stories of people that, I mean, I'm the only one. I mean I'm the...you know, I got the golden wrapper. You know everybody I talk to, it's a laborious process; they hire lawyers and everything else. And so, and that's what bothered me, is because I know some of these people. [LB333]

SENATOR CRAWFORD: Thank you. [LB333]

VINCENT LITWINOWICZ: Yeah. [LB333]

SENATOR ERDMAN: All right. [LB333]

VINCENT LITWINOWICZ: Any other questions? [LB333]

SENATOR ERDMAN: Anybody else? [LB333]

VINCENT LITWINOWICZ: Thanks a lot. [LB333]

SENATOR ERDMAN: Thank you; appreciate your testimony. Any other opponents? Are there any neutral testifiers? Seeing none, Senator Riepe, would you like to close? [LB333]

SENATOR RIEPE: Thank you, Chairman Erdman. I simply wanted to close by saying that the bill came to the Health and Human Services Committee and I, as chair of Health and Human

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Services, was the reason that my name came on it. It's generally policy issues come to the committees, as opposed to the Speaker. So that was the rationale for that reassignment. I also would simply say that any of the adjustments in the budget are not because we want to, but because we have to. That's the situation that we're in from a state financial basis. That's all that I have, Mr. Chairman. [LB333]

SENATOR ERDMAN: Any questions? Senator Crawford. [LB333]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you, Senator Riepe. [LB333]

SENATOR RIEPE: Yes. [LB333]

SENATOR CRAWFORD: I know these are tough, tough bills and tough choices to make. I wondered if you have been in conversation with any individuals in providing healthcare, really talking about this tradeoff between providing services to an individual to avoid them falling into a costlier situation. Is that part of, any part of a conversation that you've been having as we're figuring out how to move forward? [LB333]

SENATOR RIEPE: Yes, I think that we have had...anyone that's been affected by the change has been in our office; we've had sit-down conversations. To me, a part of the summary is as much like in business that I've been in is, it's a matter of being able to have short-term versus long-term disability insurance. In our case, it's with the state being the underwriter for that particular insurance. And I know in business we found that short-term insurance is very expensive. And so oftentimes...I don't know about others of you that have been in business, but short-term insurance--we usually asked or relied on people to cover the first few months and then we would pick up at a later point, just to make it affordable. But we did have those conversations, and they were all heart-wrenching. And they're tough, because there's not a...you know, there's not a satisfactory answer when you have to make reductions. [LB333]

SENATOR ERDMAN: Yep. [LB333]

SENATOR CRAWFORD: Thank you, Senator. So one other follow-up question... [LB333]

SENATOR RIEPE: Yes, yes. [LB333]

SENATOR CRAWFORD: ...that could be helpful to the committee. Since we do have some states that have this program and some states that don't, some of the questions about the money we might save or the costs that might incur, we might get some clues from information about

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what has happened in costs in states that have it versus states that don't or a state that's dropped it. And so, if you would be willing, that could be helpful to the committee if there's information that we can learn from that comparative experience because, as you know, that information doesn't get reflected in our fiscal notes, in terms of thinking about what the projection is, in terms of its impact on the state funding. But we can sometimes have a sense of that from looking to see what's happened, in terms of actual savings or actual costs in another state. So I wonder if you'd be willing to look into that a bit and provide the committee some information. [LB333]

SENATOR RIEPE: Sure. I think we will try to find some benchmarks, maybe three or four, obviously not all of the states. And we will not only try to look at what they've done, and I think one could say that probably, in the long run, we would save money. Ours is a short-term issue right now with the budget and we would have to, in that same process of looking at those other states, want to take a look and say: where are they at with their budgets? For example, I know the state of Iowa is struggling to balance their budget, so they may be a very good example for us. [LB333]

SENATOR CRAWFORD: Um-hum, sure. [LB333]

SENATOR RIEPE: But we will look into that and there are people...that information is out there; we'll see what we can find. [LB333]

SENATOR CRAWFORD: Right. Thank you. [LB333]

SENATOR RIEPE: Thank you. [LB333]

SENATOR ERDMAN: Thank you. Let it be so noted then. Senator Howard. [LB333]

SENATOR HOWARD: Thank you, Senator Erdman. You noted that our budget situation is a short-term issue; you just said that. [LB333]

SENATOR RIEPE: I hope I didn't, because \$990 million is never going to be a short-term issue, not a six-month or a one-year or even a biennium issue. This thing could be with us for some time. [LB333]

SENATOR HOWARD: Certainly. So is there a consideration that putting...maybe pausing the program and bringing it back in better times? [LB333]

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SENATOR RIEPE: That would be a departmental decision. I would not go on record as saying that this is a temporary suspension of the program and that at any future date we would assure anyone that we would, in fact, bring it back. We will have to take a look at that and see what other programs might be money better spent, maybe in other programs. I do not know. [LB333]

SENATOR HOWARD: Thank you. [LB333]

SENATOR ERDMAN: Senator Crawford. [LB333]

SENATOR CRAWFORD: Thank you, Senator. So Senator Riepe... [LB333]

SENATOR RIEPE: Yes. [LB333]

SENATOR CRAWFORD: You've had many of these heart-wrenching conversations in your office. My sense is that part of why they're heart-wrenching is that the alternative places to go for some of these individuals is limited. Is that correct, when they're talking about, you know, the challenge of this bill? [LB333]

SENATOR RIEPE: Yes, there will be some. Then other people that we spoke with...we spoke with fundamentally the agencies. We didn't speak with individuals. [LB333]

SENATOR CRAWFORD: Oh, okay...the individuals. [LB333]

SENATOR RIEPE: And any of them that we encouraged them, if they felt so, that they should show up for this hearing today and share with all of you, as committee members, not just simply me as chair in the seat. [LB333]

SENATOR CRAWFORD: Right...right...right. Thank you. I think, I appreciate that some of them have been coming forward to you to talk, and some of them are probably not able to be here today to talk about the challenge of really where they would go or where they would turn for those six months in the absence of this program. They've already, I guess...make it through six months somehow, and then they get to this next six-month window which, in Nebraska, they've been having this support; and in the absence of this program, it would not be there. So I appreciate that some of them are coming to you to share their experiences and their... [LB333]

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SENATOR RIEPE: Well, at the whole time, we wanted to be sensitive to the situation and, while we may not have answers, we at least are going to have some time that we're willing to hear so we better understand where they're coming from. [LB333]

SENATOR CRAWFORD: All right, great. Thank you, Senator. [LB333]

SENATOR ERDMAN: Anyone else? Okay. That'll close the hearing on LB333. Do you have any written testimony, any? [LB333]

TYLER MAHOOD: We do not have any letters for the record on LB333. [LB333]

SENATOR ERDMAN: Okay. All right. Moving on then, we'll move to LB334. Senator Riepe, it is, it's all yours. [LB334]

SENATOR RIEPE: Senator Erdman, Chairman, thank you very much. Thank you, Committee Members. I'm Merv Riepe, that's M-e-r-v, last name is Riepe, R-i-e-p-e. LB334 is a budget modification which changes Department of Health and Human Services provisions relating to the Family Finding. LB334 would allow the Division of Children and Family Services to end its contracts, end them as they terminate, with two child placement agencies. DHHS currently uses these agencies to deliver the Family Finding model for locating and engaging family members and other important adults to accept placement or become involved in the life of state ward children in need of permanency. Director Doug Weinberg, again, of Children and Family Services Division of the Department of Health and Human Services, will be following me in testifying in support of this bill. I would prefer any specific questions be directed to him. [LB334]

SENATOR ERDMAN: Okay, thank you. Good to see you again. [LB334]

DOUG WEINBERG: (Exhibit 1) Good afternoon again. Good afternoon, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I am the director of the Division of Children and Family Services in the Department of Health and Human Services. I am here today to testify in support of LB334, which was offered by my division as a budget modification to the biennium budget. The Governor has included this modification and has accounted for it in his budget recommendation to the Legislature. LB334 proposes to eliminate the requirement for a pilot program in which the department contracts with two child-placing agencies to use the Family Finding model to locate and connect children with family members and other important adults in their lives. The department will continue to make every effort to locate a child's noncustodial parent, siblings,

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parent of siblings, and other adult relatives, as required by federal and state statute. Department staff across the state are actively locating and engaging family members without using the Family Finding model. Our work is a critical component to our efforts to find, engage, and when appropriate, place children with relatives and kin. Largely as a result of these efforts by the department staff, the number of children placed with relatives has increased 56 percent since the beginning of 2014, from 1,243 to 1,938, with a 16 percent increase in the last 12 months alone. The percentage of children placed with relatives or kin has increased from 36 percent to 55 percent since the beginning of 2014. The department will be making LexisNexis, a search engine, available to identify department staff to facilitate the process of finding family members. The Family Finding model is a relatively high-cost, structured approach to locating extended family, kin, and other persons of significance to the child, engaging them in the life of the child. While this model has had success in locating relatives, achieving long-term engagement has often been difficult. Many children referred to Family Finding continue to experience similar placement changes; only 37 referrals were generated between July 1, 2016, and December 31, 2016. I appreciate the work our Family Finding partners have done. However, the department has proven it can manage this effort by doing a good job of locating family and achieving long-term engagement. This is an area we can embrace efficiency, as the department currently has an annual appropriation of \$883,800 for the pilot program. I urge you to advance LB334, and I'm happy to answer any questions you may have. [LB334]

SENATOR ERDMAN: Senator Howard. [LB334]

SENATOR HOWARD: Thank you, Senator Erdman. Can you tell us, are we meeting our statutory caseload standards right now? [LB334]

DOUG WEINBERG: I believe at this point in time, if you include all approved positions, we are at or about 12 and 17, but again, there are always vacancies, there are staff in training, staff on leave. [LB334]

SENATOR HOWARD: So everybody is at 12 cases? [LB334]

DOUG WEINBERG: No, because we have some staff that are not carrying full caseloads, and there are some staff carrying caseloads in excess of 12 and 17. [LB334]

SENATOR HOWARD: How many staff, would you say? [LB334]

DOUG WEINBERG: It literally varies from day to day. I can get you current information if you like. [LB334]

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SENATOR HOWARD: I would like that. [LB334]

DOUG WEINBERG: Sure. [LB334]

SENATOR HOWARD: My concern here is that you're going to make a search engine available to caseworkers who already have high caseloads and are struggling to find kin for placement right now. [LB334]

DOUG WEINBERG: And this tool will be available not only to caseworkers, but we called our resource development staff, which is staff that is, you know, basically their primary purpose is to, you know, identify these resources for placement and other services that a child or family may need. [LB334]

SENATOR HOWARD: How many of those have FTEs do we have? [LB334]

DOUG WEINBERG: Statewide...I can get you the exact number, but it's probably around 40-50. [LB334]

SENATOR HOWARD: And then when we're talking about how many caseworkers you currently have, how many open positions do you have? [LB334]

DOUG WEINBERG: I don't have that number as of today. It...again, it varies; I can get to you that information. [LB334]

SENATOR HOWARD: Maybe what's your month-to-month turnover rate? [LB334]

DOUG WEINBERG: Our turnovers are running probably in the upper teens, low 20 percent range. [LB334]

SENATOR HOWARD: Can you tell me a little bit about, what's the rate of reimbursement for a foster care placement versus a kin placement? Is it exactly the same? [LB334]

DOUG WEINBERG: We use the same rate structure for both relatives, kins, and non-relative placements. [LB334]

SENATOR HOWARD: And then how are we doing in terms of ensuring that kin placements are IV-E eligible? [LB334]

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DOUG WEINBERG: We encourage licensing of all relatives and kin and, of course, right now we're operating under a Title IV-E Waiver, so we are drawing down 100 percent of our eligible federal funding. [LB334]

SENATOR HOWARD: So we're doing better at our IV-E penetration rate, is that what you're saying? [LB334]

DOUG WEINBERG: Again, our penetration rate varies. Our goal is to do better. Again, I'm going to get you more recent information on where we are trending. [LB334]

SENATOR HOWARD: Certainly. Okay. And then we have these contracts right now for family finding. Is there any consequence if we decide to break those contracts? [LB334]

DOUG WEINBERG: We're not canceling contracts; we'll just not enter into new contracts, beginning July 1. [LB334]

SENATOR HOWARD: Of this year...even though the statute requires them to go on until 2019. [LB334]

DOUG WEINBERG: Right. We typically do one-year contracts for all of child welfare services. [LB334]

SENATOR HOWARD: Certainly. And then, per the statute, did the department hire an academic evaluator for this program? [LB334]

DOUG WEINBERG: I believe there is an evaluation, but I'd have to get you the details of that, as well. [LB334]

SENATOR HOWARD: Can you tell me who might be doing it? [LB334]

DOUG WEINBERG: I don't know off the top of my head. [LB334]

SENATOR HOWARD: Okay. And then you believe that the department themselves can do family finding and maintain fidelity to the original model? [LB334]

DOUG WEINBERG: Our intention is not to implement the Family Finding model, as designed. It's to continue our ongoing efforts of locating and engaging family members. [LB334]

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SENATOR HOWARD: And so of the 56 percent of kin placements that you have, or the increase of 55 percent of kin placements, those are all IV-E eligible and we're drawing down funds for them. [LB334]

DOUG WEINBERG: Again, we are drawing down our full capped allocation, but if the waiver was to go away, we would not be able to draw on federal funding on all those individuals... [LB334]

SENATOR HOWARD: Okay. [LB334]

DOUG WEINBERG: ...whether they're found through the Family Finding model or other family locating efforts. [LB334]

SENATOR HOWARD: Okay. All right, I'll give you a break for a second (laughter) and let somebody else ask a question. [LB334]

DOUG WEINBERG: Okay. [LB334]

SENATOR ERDMAN: Any other questions? Senator Crawford. [LB334]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you, Director. So what I hear you say is you're not replicating what we're currently doing to find families--with staff, existing staff. But it's going to be a different model of trying to identify family members, part of that using the database that you had mentioned. Is that what you're saying? [LB334]

DOUG WEINBERG: Well, that's just again, the database is just a tool for locating family, potential family members, on-line but, you know, a critical component of our practice model, the way we practice child welfare in Nebraska, is to always try to locate and engage family members, whenever possible if we have a removal, if we have to remove a child, to place them with relatives or kin. That's just the way we do business. [LB334]

SENATOR CRAWFORD: So can you talk a little bit about how that works now, because the bill doesn't add any new staff. So currently we have staff that may be helping to find families, and we've had these contracts to add on top of that. How do those two pieces interact now, those current staff and the contract? [LB334]

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DOUG WEINBERG: Well, you know, we are literally finding hundreds, if not thousands, of family members every year through our just ongoing case management efforts. All caseworkers, upon removal, will query parents, noncustodial parents, seek out family members. They have assistance from case aides, as well as resource development staff, to do additional research for family members, to search records. That's just part of our daily routine, our daily business. So we've only had 198 referrals to Family Finding since its inception, to the model since inception in 2013. And, like I said, we probably have several thousand children today with relatives, primarily through our own efforts. [LB334]

SENATOR ERDMAN: Senator Linehan. [LB334]

SENATOR LINEHAN: Thank you again for being here. Thank you, Senator Erdman. So I just...in your testimony, I want to go back to one line. Only 37 referrals, or 1-3 percent of total placements, were generated between July 1, 2016, and December 31. So you're saying the contract--the people that are doing this by contract--you're only coming up to 1-3 percent of your placements are being generated with the contracts. [LB334]

DOUG WEINBERG: That's correct; it is a relatively small portion of what we do. [LB334]

SENATOR LINEHAN: Okay, that's what I just want to make sure I understand. Thank you. [LB334]

SENATOR ERDMAN: Matt, Mr., or Senator Williams? I'm having trouble with that. [LB334]

SENATOR WILLIAMS: Thank you, Senator Erdman. Thank you, Director. Make me feel a little more comfortable that, with the hiring freeze and not being able to replace people and as you have some retirements and some attrition that will happen with that, that you will have enough staff to be able to continue meeting the level of success you've been enjoying so far. [LB334]

DOUG WEINBERG: Sure. Well you know, there are certain positions--I wouldn't say they're exempt from the hiring freeze, but they're given a little greater--different consideration. We have been successful in replacing vacant caseworker positions. We do submit; we go through the process. But they tend to be granted without exception. So our problem is not a hiring freeze per se, it's finding good people. [LB334]

SENATOR WILLIAMS: Okay. [LB334]

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DOUG WEINBERG: And we continue to try new strategies to locate potential caseworkers. [LB334]

SENATOR WILLIAMS: Thank you. [LB334]

SENATOR ERDMAN: Any other questions? Senator Howard. [LB334]

SENATOR HOWARD: Thank you, Senator Erdman. How many children do we have in out-of-home placement right now? [LB334]

DOUG WEINBERG: Right now we have approximately 4,000. [LB334]

SENATOR HOWARD: 4,000 children. And then, correct me if I'm wrong... [LB334]

DOUG WEINBERG: And I don't have those numbers in front of me; these are off from memory. [LB334]

SENATOR HOWARD: Sure. It sounds like a big number, though; that's terrible. We have 40-50 resource development staff that would be tasked with finding kin for 4,000 children? [LB334]

DOUG WEINBERG: No, we have privatized most of foster care, so we work with 20-some licensed child-placing agencies that also work to find not only relatives but, you know, in situations where there are no available relatives, nonrelative foster parents that could... [LB334]

SENATOR HOWARD: So you're contracting for Family Finding with other people? [LB334]

DOUG WEINBERG: We are just...part of our normal course of business is to work with placing agencies to place children in the best environment, the best match for that child, given his or her circumstances. [LB334]

SENATOR HOWARD: I apologize. You had stated, sort of...you had stated that your intention is usually to try to find kin placement, right... [LB334]

DOUG WEINBERG: Correct, correct. [LB334]

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SENATOR HOWARD: ...which, funnily enough was the bill that my mother passed several years ago. [LB334]

DOUG WEINBERG: Right. [LB334]

SENATOR HOWARD: Right. So we do have a kin preference now. [LB334]

DOUG WEINBERG: We do. [LB334]

SENATOR HOWARD: And when we look at those 4,000 children, you had mentioned resource development staff will be utilized to use the internet search engine to find families. [LB334]

DOUG WEINBERG: It's also available to case managers, because every case manager on every case is looking for relatives. [LB334]

SENATOR HOWARD: Certainly. But those case managers are managing 17-plus cases? [LB334]

DOUG WEINBERG: Again, the number varies from caseworker to caseworker. [LB334]

SENATOR HOWARD: Surely. [LB334]

DOUG WEINBERG: But it is a critical, core component of what they do. [LB334]

SENATOR HOWARD: Finding kin. [LB334]

DOUG WEINBERG: Yes. [LB334]

SENATOR HOWARD: And when we're thinking about finding kin, it's not just grandma who lives next door; it could be uncle who lives in another state? [LB334]

DOUG WEINBERG: It's possible, yes. [LB334]

SENATOR HOWARD: And now, tell me a little bit about how your caseworkers are currently trained. [LB334]

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DOUG WEINBERG: We have a training contract with the University of Nebraska, so they go through new hire training. [LB334]

SENATOR HOWARD: So you bring them all in to Lincoln and they all learn the same thing? [LB334]

DOUG WEINBERG: Yes, and we're looking at, you know, doing more on-line training. We're looking at doing training in various sites, not just Lincoln. [LB334]

SENATOR HOWARD: So on-line training. [LB334]

DOUG WEINBERG: Some components of the training program maybe we'll do through Webinars. Obviously some training requires face-to-face interaction, but there's some that probably can be done by other means. [LB334]

SENATOR HOWARD: So what type of training do you have currently around kin finding and Family Finding? [LB334]

DOUG WEINBERG: I mean, it's a component of our practice model training. I can get you specifics; I can get you the specific segments that deal with that function and that activity. [LB334]

SENATOR HOWARD: An element of Family Finding that I like is that, you know, the workers really support this found kin to connect with this youth. Do you feel as though that's something that your department would be able to do with some fidelity to that model? [LB334]

DOUG WEINBERG: I don't know if we can do fidelity to the model; I don't know if anybody really does it with fidelity to the model. [LB334]

SENATOR HOWARD: Not even your contractors? [LB334]

DOUG WEINBERG: We haven't completed an assessment or an evaluation. [LB334]

SENATOR HOWARD: And when do we complete the evaluation? [LB334]

DOUG WEINBERG: I don't know what the evaluation time line is. [LB334]

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SENATOR HOWARD: 2019 by statute? [LB334]

DOUG WEINBERG: Probably. [LB334]

SENATOR HOWARD: Okay. [LB334]

DOUG WEINBERG: But I don't believe it's even an evidence-based practice at this point; it's evidence-informed. [LB334]

SENATOR HOWARD: Okay. [LB334]

SENATOR ERDMAN: Anyone else? Senator Crawford. [LB334]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you, Director. So the fiscal note that we have for this, I guess, doesn't include any implications, in terms of federal matching funds. Have there been federal matching funds for this program? [LB334]

DOUG WEINBERG: Only prior to the implementation of the Title IV-E waiver. [LB334]

SENATOR CRAWFORD: Okay. [LB334]

DOUG WEINBERG: And that would only be for children who are placed with licensed relatives or non-relatives. [LB334]

SENATOR CRAWFORD: Okay, okay. So I was also just doing a little research yesterday and pulling up the fiscal note from when we first passed the Family Finding contract. And that fiscal note was projecting \$3 million a year. And so were there changes in the program, or how did it go from a \$3 million-a-year cost appropriation to the projections here be less than a million a year? [LB334]

DOUG WEINBERG: I'm not familiar with the original appropriation; I'm sorry. [LB334]

SENATOR CRAWFORD: Okay. [LB334]

DOUG WEINBERG: But the original contract was signed 2013 and the second contract was signed last spring. [LB334]

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SENATOR CRAWFORD: Thank you. [LB334]

SENATOR ERDMAN: Anyone else? I have a question. The two child-placing agencies you use now... [LB334]

DOUG WEINBERG: Yeah. [LB334]

SENATOR ERDMAN: You said that you let the contracts expire. Do they do other things besides that? [LB334]

DOUG WEINBERG: Oh, absolutely. This is probably a relatively small component of their overall business. [LB334]

SENATOR ERDMAN: Okay. [LB334]

DOUG WEINBERG: And they're both here today. [LB334]

SENATOR ERDMAN: Any other questions? Thank you for your testimony. Any other proponents? Anyone else like to speak in favor? Any opponents? Thank you for coming. [LB334]

KAREN AUTHIER: (Exhibit 2) Good afternoon, Senator Riepe, members of the Health and Human Services Committee. My name is Karen Authier, K-a-r-e-n A-u-t-h-i-e-r, and I'm CEO of Nebraska Children's Home Society. Nebraska Children's Home Society is a statewide agency that's provided services to children and families across Nebraska since 1893. I am testifying in opposition to LB334, which would eliminate the Family Finding pilot that identifies connections and permanency options for children who are wards of the state. I prepared you packets of information so that I will not read all of my written testimony and, in the interest of the green and red lights, I will summarize my testimony. And I do have some data in that packet in response to some of the questions you asked of Director Weinberg. NCHS is currently providing family finding services in the eastern, northern, central, and western service areas through contracts with the Department of Health and Human Services and Nebraska Families Collaborative. While I acknowledge the need to reduce spending and achieve a balanced budget, I believe that there are alternatives to consider that would allow for continuing the pilot on a more-limited basis. LB334 would decrease permanency options for state wards and result in negative outcomes for children who would age out of care without families. By terminating the pilot, the responsibility for family finding would go and shift to NDHHS employees. They've not been trained in this model, and it is extensive training. And, from the reports that I'm reading

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from the Inspector General and Foster Care Review Office, they are already struggling to keep up with current caseloads. The pilot is producing results that would not have been possible without this very specialized service. All children have connections, but it takes specialized training and dedicated staff positions to identify those connections, reconnect children with their roots, and lay the foundation for permanency. Just give you one snip of it, an example...in your packet you will find more stories that include some data that includes cost-saving data, as well as child-saving data. 12-year-old Josh was reconnected with his biological mother. He'd been in the state system as a state ward for 10 years, which was most of his life. Because of the challenge presented by his disabilities, he experienced placement failures and is currently living in a group home. Using Family Finding model, NCHS staff reached out to his biological mother for a connection. We learned that, after her parental rights were terminated, she turned her life around. She's now married, successfully parenting 4 children in another state, and desperately wants Josh to be part of her family again. They are in the process of reunification. That child had been in the system for 10 years. A department of government is not a substitute for a family. Children languish in the system, experiencing multiple placements, often requiring high-end and more expensive treatment placements when their behavior, understandably, becomes problematic as they face the uncertainty of a future with no family connections. If they age out of care, they're overrepresented in an array of negative statistics, including incarceration, homelessness, single parenting, and, sadly, coming back into the system as parents whose children are removed for abuse and neglect. Other budget cuts that are outlined in the Governor's budget recommendations specified reducing the funding for specific contracts rather than eliminating the contracts. Nebraska Children's Home suggests that narrowing the scope of the pilot would be an alternative preferable to eliminating the pilot. And I will just mention that the pilot is structured so that it's a case rate. It's not that the funding that was allocated comes to us in one lump, that we are paid by case. And my numbers differ some from Director Weinberg's, in terms of the number of children served so far. We do have outcomes; there has been no evaluation. We were aware that, of course, it was in the, in statute and had been...I think we had been told that perhaps UNO is going to be doing it. But there has been no formal evaluation. We do submit reports to the department on a regular basis. I want to thank you for the opportunity to provide testimony. It's my hope that Nebraska preserves the family finding work that is just beginning. [LB334]

SENATOR ERDMAN: Senator Williams. [LB334]

SENATOR WILLIAMS: Thank you, Senator Erdman. And in the spirit of full disclosure, my sister spent over 25 years working for Nebraska Children's Home. [LB334]

KAREN AUTHIER: Yes. [LB334]

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SENATOR WILLIAMS: So can you describe to me what you would mean by narrowing the scope of the program? [LB334]

KAREN AUTHIER: And I think that would have to be a discussion. I think that you can narrow the scope in a couple of different ways. It could be focused on one service area; I'm not sure that that would be the best way to do it. As I said, we have...our contract with the state involves central, western, and northern service areas, and then we have...we're working in the eastern service area with NFC. So that wouldn't be included; it is not included in the pilot. I think the other way to do that would be just to focus more narrowly on the population that we would be serving. So, as Director Weinberg indicated, it's not that the department staff don't do Family Finding, and it's not that they're anything but passionate about their work, but the training...and we've...for them to become trained to do this work, it's very expensive. Nebraska Children's Home didn't...there wasn't reimbursement for the training; there was no start-up funding. So we spent \$40,000, approximately, on training. And I think it was closer to \$30,000, perhaps, on the training, but \$47,000, including staff time, hiring people, and getting them started. So we have that in, and narrowing the scope would simply mean that those cases that are most difficult...we have had some of the cases that are referred to us are for connections, not necessarily placement. So there could be some way of prioritizing what those placements or what those referrals would be, so that it would not be the same budget size. [LB334]

SENATOR WILLIAMS: You suggested that your numbers may not quite jive with those of...that the Director suggested. In his testimony I think he stated that 2-3 percent of the placements are done through the finding source. What would you suggest? [LB334]

KAREN AUTHIER: I don't have access to the numbers he has, in terms of department numbers. In terms of referrals, you will find there is a--in your packet it's called the "Family Finding: Data and Impact." So knowing that it's easier for people to read some of this, we put together some of the data. Since the beginning of this contract with those 3 service areas--western, eastern, and northern--we have served 78 youth from 48 families. So that means 48 cases were paid a case rate. We have closed on 16 of those referrals. And 13 of those children have an identified goal of placement; and 10 of those 13 were placed in their forever home. We don't do the actual placement in the home; we work with the home to get it ready. We obviously identify. We've traveled to--this would include the eastern service area--we've traveled to 18 states. These are often family members that...they had no idea the child that was part of their family was in care. They thought it was, if it's the father's family, they think it was being cared for by the mother's family. And so we travel across the country to prepare those people to make a commitment because what we don't want to have happen is just identify someone on the internet. They're interested; it maybe doesn't sound as difficult as it's going to be. These are children with some difficult behaviors. And so they are very committed. We develop a support system of relatives

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and kin to work with the adoptive families. So that would be...I think that that's a little different perspective on the statistics. [LB334]

SENATOR WILLIAMS: As it has been stated, the hearings that we're having today on all three of these bills are because of budget issues. It's not because of the others. [LB334]

KAREN AUTHIER: Right. [LB334]

SENATOR WILLIAMS: I want to turn that around, because Nebraska Children's Home does a lot of different things, this being one of them. Convince me that you're not here concerned about your budget. [LB334]

KAREN AUTHIER: Well, I think with the state of Nebraska's budget, everybody is concerned about their budget. But that's not our concern about this bill. The concern about this bill...we're already spending Nebraska Children's Home money on it. The contract does not cover the cost of, especially, the travel. So we are here because we see the difference in the lives of the children even before they get to that permanent placement. There's a story in here of Jose, who was languishing in the system. This was an eastern service area case. His aunt, who adopted--or has guardianship of him--says: please, don't hesitate to use our story, because we had lost track of him. There's a large extended family in Texas that took this child on. The passion we have for doing this is seeing that this is a child who had, as you'll see his story in the packet, psychiatric hospitalizations, group home care, disrupted placements. This is a child whose symptoms practically disappeared once he was with his cousins, his aunts, his uncles in Texas. And that's the reward we get. So yes, of course it will impact our budget. We have been around for 124 years; we are not going away if the pilot goes away. But this is so much in keeping with what we do that we can't afford to do it totally on donations and drawing on our endowment. But it is so much a fabric of what Nebraska Children's Home is all about, that we are wanting to partner with the state on this, not to have the state do it all by itself. [LB334]

SENATOR WILLIAMS: Thank you for your work in this area. [LB334]

SENATOR ERDMAN: Senator Linehan. [LB334]

SENATOR LINEHAN: Thank you. It's very kind of you to be here today, and I appreciate your passion for what you do. Can you just...just a couple so we can understand the cost. When you said it was \$39,500 for initial training, is it training that was done at UNO or UNL? Or... [LB334]

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KAREN AUTHIER: We did...Kevin Campbell developed the model. We have worked with him, brought him in for training. So we sent, originally sent people--the Children's Home Society of North Carolina was already utilizing this program--we sent our staff to North Carolina at our own expense to not only get the training, but to shadow their workers and to be able to talk with them about what kinds of things they were experiencing. So our people are extremely well trained. [LB334]

SENATOR LINEHAN: How long were they in training? Do you remember? [LB334]

KAREN AUTHIER: They were in North Carolina for a week; that includes travel time. And then, at a later date when we added staff, Kevin Campbell did come in and train. We did receive some training from him through...it was not a federal grant we had, but Nebraska Family Collaborative had a federal grant. There are currently five private not-for-profit agencies in the state have received this training through Kevin Campbell. [LB334]

SENATOR LINEHAN: Can you give me a kind of a--just a short synopsis of what you do spend the \$883,000 on? That's what our fiscal note is, is that... [LB334]

KAREN AUTHIER: With which figure? I'm... [LB334]

SENATOR LINEHAN: No, it's the fiscal note of what...well, that would only be partly you. I suppose it would be other part, the other provider. But what does the state funding that you get through this program...what do you use it on? What is... [LB334]

KAREN AUTHIER: The case rate is \$5,500. And so that pays for staff salaries. There's no...case rate is a good way to do this because these cases, some of them, move much more quickly than others, some of them take a lot of travel. So we...most of it is staff time. Travel is...we spend, as I said, more on the travel than is included in that state rate. But it's mainly staff car insurance. [LB334]

SENATOR LINEHAN: Define case rate to me; I'm sorry. [LB334]

KAREN AUTHIER: Case rate means that we are referred. The case is the family, so that can be one child or can be a set of siblings. And so if you're... [LB334]

SENATOR LINEHAN: If you referred one child, it's \$5,500, or two children if it's one family. A family is \$5,500. [LB334]

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KAREN AUTHIER: A family is the case rate. [LB334]

SENATOR LINEHAN: Okay, that's very helpful. Thank you. [LB334]

KAREN AUTHIER: And it's until we're done with them. It's not...there's no time...there's no set time; it's not that, okay, you have 90 days to do this, because some of these cases, you establish connections quickly, people are eager to get on board. Others...it takes a long time. [LB334]

SENATOR LINEHAN: Okay, that's very helpful. Thank you very much. [LB334]

SENATOR ERDMAN: Senator Howard. [LB334]

SENATOR HOWARD: Thank you, Senator Erdman. Thank you for visiting with us today. One of my concerns about...well, I guess one of the things that your agency does really well is you allow your caseworkers to specialize so that they can go to other states... [LB334]

KAREN AUTHIER: Yes. [LB334]

SENATOR HOWARD: ...and work with other states and their child welfare programs. But you also specialize in ICWA, as well? Is that correct? [LB334]

KAREN AUTHIER: In what? [LB334]

SENATOR HOWARD: In ICWA, in the... [LB334]

KAREN AUTHIER: Well, we're...ICWA is part of our life in a lot of different ways. Yes, we have and, of course, we work with the state on that. But because...if a child is going across state lines for a placement and, of course, the department is involved in that, but that's not just with this. We work with ICWA on many of our programs, yeah. [LB334]

SENATOR HOWARD: So I think what I'm considering is that your workers have the opportunity to really specialize in some of these more difficult, time-consuming issues, especially those interstate. [LB334]

KAREN AUTHIER: Yes...yes...yes. [LB334]

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SENATOR HOWARD: My mother used to take kids down to Texas... [LB334]

KAREN AUTHIER: Yeah. [LB334]

SENATOR HOWARD: ...and turn right back around... [LB334]

KAREN AUTHIER: Yes. [LB334]

SENATOR HOWARD: ...and bring back lots of peanuts from the airplane for us when she was an adoption specialist, because when they were looking for families... [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: ...they had a team that would just do that. Now we don't have an adoption specialist team anymore in the state. [LB334]

KAREN AUTHIER: No. [LB334]

SENATOR HOWARD: No. And so some of the specialization that you're able to do is really unique to your work... [LB334]

KAREN AUTHIER: Um-hum, um-hum. [LB334]

SENATOR HOWARD: ...because you're not managing full-time caseloads. [LB334]

KAREN AUTHIER: Yes, and that's not to take away from the work that the state staff do, but you're absolutely correct; we can delve into this. We become experts at this, and we truly believe that it's not something you just do in addition to the other things you're doing, that it really needs to be dedicated staff. So some of it's about the time spent, but I'm thinking of other kinds of contracts that the state may have. It's...there are state departments. I'm thinking of, you know...the Department of Roads does a lot of work, but I don't...I imagine they contract out for building bridges. So I think that there are just some things that state agencies do in-house and some things that it's to everyone's benefit and it doesn't...you have to pay staff. Our staff aren't paid as highly as the department's staff are. And I'm not saying they're paid more than they should be, but we have...our benefits aren't as good and our pay isn't as good. But they have a passion for what they do. [LB334]

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SENATOR HOWARD: Yeah. And this may be my faulty memory, but when we hit a certain number of adoptions and permanent placements through adoption, it's possible for us to get a bonus payment through IV-E. Is that correct? [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: Have we received that bonus payment? I suppose that was a better question for Director Weinberg. [LB334]

KAREN AUTHIER: And I haven't tracked that most recently. I know we have received that in the past. Each state can decide where they want to put that. So I'm not sure where that would be questions for Director Weinberg. [LB334]

SENATOR HOWARD: And he's still (inaudible). [LB334]

KAREN AUTHIER: There is money that comes that can come if you're successful... [LB334]

SENATOR HOWARD: Um-hum. [LB334]

KAREN AUTHIER: ...in moving children into adoptive placements. But I'm not sure where Nebraska... [LB334]

SENATOR HOWARD: And so Family Finding would sort of get us closer to the possibility of a bonus payment... [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: ...through IV-E for adoption placements. [LB334]

KAREN AUTHIER: Um-hum. And I think it's the...making the placements is the important part of it. The other thing that I ask you to think about is that we work very hard to put those resources in place to make sure that that placement isn't disrupted. And sometimes that means making sure there's a lot of respite arranged so that the adoptive family gets a break now and then. And so it's more complicated; it's not just finding a family. It really is, and I'm not going to go over that in detail, but in your packets we do have some explanation of what all is involved in the work we do, using this model. [LB334]

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SENATOR HOWARD: And then, just looking at your time line on the data and impact, it looks like your contract was signed in March of 2016. [LB334]

KAREN AUTHIER: Yes, yes. [LB334]

SENATOR HOWARD: So you've really...you haven't been doing this work for a full year. [LB334]

KAREN AUTHIER: Not in those...not under this contract. We'd been doing it longer in the eastern service area. Once the bill was passed, it took a while to get the RFQ and then there were other delays. And so we hired staff and had staff trained, but the contract didn't start until March 7, 2016. [LB334]

SENATOR HOWARD: Thank you for your work. [LB334]

SENATOR ERDMAN: Senator Crawford. [LB334]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you for being here and for all of your work to help these children and families. So there's a small number of referrals; it's a small number or percent of children that you're serving. [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR CRAWFORD: What places a child? Like what is the distinguishing characteristic currently of the child that would be referred to you? So it's the hardest-to-place cases, I'm assuming. [LB334]

KAREN AUTHIER: I would say, in general, a more complicated case...and I have...I, well, where I have staff over my shoulder that may have better answers than I do, but it's sometimes the, for instance, the little example I used--and there's more information on it--once parents' parental rights are terminated, then, you know, most people think that's it. But over the years...I've been around for a long time; my gray hair testifies to that...there are people whose parental rights have been terminated--maybe they were substance abusers, maybe they had other things going on in their lives--who become very successful. And so that was an unusual case and I don't think anybody was thinking about this mother as being a suitable placement, or even her family. So we're able to dig a little deeper. So I think it's those cases where we need to dig a little deeper, also those cases where placement is most challenging because usually a child's behaviors or some sort of disability that the child has. [LB334]

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SENATOR CRAWFORD: And so just to follow up, I think on Senator Williams' question that you...and that he was asking earlier, in terms of if the idea is to reduce the contract as opposed to eliminate it... [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR CRAWFORD: ...is it raising that bar a little higher? Or... [LB334]

KAREN AUTHIER: I think it would be determining what--this is my opinion--but it would be taking a look at what cases we could take off the desks of those state workers that would be more helpful for them doing the rest of their job effectively. But there could be other ideas, because we really...and a part of this...this is all happening very quickly; we didn't find out until very recently that this was on the chopping block. And so I would certainly want to do more thinking about that. But just off the top of my head, I would say the most difficult cases would be the ones that we would be eager to take. [LB334]

SENATOR CRAWFORD: And I wondered if, for the record, you wanted to comment on a point that you have in your written testimony that we have a chance to read here. And you're noting that the placement is, it's true that the placement is an ultimate objective, but you note that even in cases where there's not placement--they're still an important resource for the child. [LB334]

KAREN AUTHIER: Yes. [LB334]

SENATOR CRAWFORD: And you note that NCHS has found fully functioning, successful relatives for every child referred. [LB334]

KAREN AUTHIER: Yes. [LB334]

SENATOR CRAWFORD: So I wondered if you wanted to comment on that. [LB334]

KAREN AUTHIER: Well, I think that what we find is that with some of the....a situation may be that a child...a placement has been found for a child and it may be a child who is really struggling in a number of different ways. But the family that is willing to adopt the child--it may be the foster family--needs...that child will do better in that adoptive placement if they have some connection with their roots. And I think we can all identify that; we all think back to what was going on when we were growing up. And even for these children who grew up in very difficult circumstances, they have some very loving memories. We want to connect them with the people who can help them: oh, I remember when you were 2 years old. Can you imagine a childhood

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without any awareness of what those early years were like? I still talk to my aunt about what I did when I was 5 years old that was so--she thought was so cute. These children are going to do better in their adoptive placements, even if it's not with family. If they can visit family, if they can talk to grandma by Skype. Grandma may not be able to care for them, but she's still there for them. [LB334]

SENATOR CRAWFORD: Thank you. [LB334]

SENATOR ERDMAN: Senator Howard. [LB334]

SENATOR HOWARD: Thank you, Senator Erdman. Just one more thing for the record. I noticed on the implementation time line that the contract was legislatively mandated to start July 1, 2015, but it didn't start until March of 2016? [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: Okay. So I think one of the things that I'm struggling with is that we make the laws and the statutes and we really want to work with the agencies to make sure that they abide by the statutes that we offer them, including our caseload sizes, which we haven't met those caseload limits either. [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: And so this just seems like another example of them not really following the time lines that we asked them to, as lawmakers. [LB334]

KAREN AUTHIER: Um-hum. [LB334]

SENATOR HOWARD: But that's not a question for you, I suppose, at the end of the day. Thank you, Karen. [LB334]

SENATOR ERDMAN: Anyone else? Thank you very much. [LB334]

KAREN AUTHIER: Thank you for your time. [LB334]

SENATOR ERDMAN: Any others? Thank you for coming today. [LB334]

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TAWNIA HANSEN: (Exhibit 3) Thank you for having me; I appreciate this time. Good afternoon, Senators, and thank you for the opportunity to speak on LB334. My name is Tawnya Hansen, T-a-w-n-y-a H-a-n-s-e-n. I speak to you today as the Christian Heritage Kin-nect supervisor. You may have known it as Family Finding at the time of the bill passed. I am here on behalf of Christian Heritage Kin-nect program, and we are opposed to the revisions stated in LB334. Christian Heritage was at the forefront in establishing the Family Finding pilot to be implemented across the state, with the assistance of Senator Bolz. It seems DHHS has seen the value in this program, because they want to implement the model within the department, according to LB334. It appears that we will discontinue contracting with the...they will discontinue contracting with the private agencies that brought the bill and the service to Nebraska children and families. Christian Heritage would love to continue to be involved in doing the good work of the Family Finding model. I do want to add to you that, with the explanation of Mr. Weinberg, when we interpreted this bill, it was our interpretation that they would be implementing the Family Finding model--as we read the bill. So this is where my testimony would be coming from. It appears as though DHHS, after a short period of time, desires to provide the important services for children and youth of the Family Finding in house. Our first concern is being involved in the implementation of this from the beginning. Providing the services, bidding on additional Family Finding services as opportunities arise, and achieving successful outcomes for children and families, only to be uninvited to the table. A move like this could be damaging to the relationships with private agencies and DHHS, for if agencies who provide a successful pilot program, only to have it taken away from them, the private agencies in the future may be reluctant to come to the table with the ideas of future programs. Our second concern is this may be harder for the DHHS to do the work of the Family Finding model, due to the negative stigma many families have to DHHS. Many times, to protect the children, DHHS has the tough task to be the guardian of the children. This brings about negative feelings from the families, and this could impede the work of the department then turning around and providing family finding services. Private agencies can sometimes avoid the negative stigma and have an easier time building relationships with family members. I would also like to answer some of the questions as you had spoke with Mr. Weinberg about training. Per our contract with the department, we provided the training to their staff, and how I know that is I'm the one that conducted the trainings. We also provided monthly newsletters to notify them about the successes of our program and any information they have on how to refer a case to our program. Another circumstance that we have the opportunity to educate their staff is to attend their all-staff meeting in August, where we describe successes of cases because we partnered with the department. I would also like to tell you about the successes of our program since implementing this model. In 2015 we served 58 families and 80 children; 98 percent of children served now have a lifetime network of support; 75 children (percent) served have at least one person identified to provide permanency. In 2016 we served 90 families and served 138 children; 79 percent of children served now have a lifetime network of support and 80 percent have at least one person identified for permanency. Our contract with DHHS states 85 percent of youth served

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will have a lifetime network of support of five or more people who have completed the Phase III, which is the planning phase, of the Seven Step model. The second goal states 55 percent of the youth served have at least one permanency option identified who have completed Phase III. We have overall attained these goals. Though these are great outcomes, you will hear a personal testimony about how our program impacted a child in foster care. In a few minutes you will hear from Randy Null and how the use of the Family Finding model connected Randy and his wife, Julie, with their step-nephew, Charlie. Both Randy and Julie participated in Charlie's lifetime support network. Soon after Randy and Julie reconnected with Charlie, they made a decision to adopt Charlie. The adoption took place last April. If we had not partnered with the department to build a lifetime network of support and identified an option of permanency, you would not be hearing this testimony today. In conclusion, Christian Heritage Kin-nect opposes the revisions in LB334. We believe private agencies provide the quality service to implement the Family Finding model for children and families. Over the course of the Family Finding pilot, we have attained expected outcomes of the contract. Thank you again for this opportunity for Christian Heritage Kin-nect to communicate our stance on LB334. I would be happy to answer your questions. [LB334]

SENATOR ERDMAN: Thank you for your testimony. Are there any questions? Senator Howard. [LB334]

SENATOR HOWARD: Thank you, Senator Erdman. When was your contract signed? [LB334]

TAWNYA HANSEN: We started with a pilot, and I will explain that. We were already under contract when the bill was passed, so our new contract with them was October 2015. [LB334]

SENATOR HOWARD: And then can you tell me, just from a high level, what's cheaper to a state, having a child in an out-of-home placement for an extended period of time or finding a family and getting them to permanency? [LB334]

TAWNYA HANSEN: Well, and I will be honest to answer that, I don't have all the numbers. What you can look at is, if you place someone out of state... [LB334]

SENATOR HOWARD: Um-hum. [LB334]

TAWNYA HANSEN: ...that is, what I understand, an astronomical expense because of the expense of the facility and the staff that they employ. And usually that facility would be a residential treatment home, so there are specific treatments that they are providing. Compare that to \$5,500 per case. [LB334]

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SENATOR HOWARD: Um-hum. [LB334]

TAWNYA HANSEN: And that we receive the same reimbursement as the Nebraska Children's Home Society. I do not know what that would cost out of state. [LB334]

SENATOR HOWARD: Um-hum. [LB334]

TAWNYA HANSEN: But I do know what it cost us. And if you also can think of it this way, what is the cost after a child ages out? [LB334]

SENATOR HOWARD: All right. So that the entire cost of a child... [LB334]

TAWNYA HANSEN: If...my challenge to you and to others is to think about when a child ages out, the statistics are great, especially for young men, to go into jail, to be incarcerated; we all know that that's expensive. Or a mother, a young mother starting to have a family and multiple children, because they do not have connections...again, that is taxpayer money. If we can think of it in another way, and I'm thinking of an example for you. I had worked with two youth that aged out, and we had the Family Finding model implemented before they aged out, they aged out to family. They did not age out to a street; they did not age out to a shelter. They are not at this time, to my knowledge, within the first couple years--and I'm thinking of an individual male--has not been incarcerated. He is working three jobs; he is with family that he has so desired to be with for over several years in Michigan, being a Michigan fan unfortunately, but this has been his heart, to be connected to family, because he lost his mother when he was 10 or 11 years old. So the cost...I understand, and we understand, budgets. I think, across the board, anybody does. But to look at the big picture, when we look at when they age out and they do not know how to have a relationship, how to sustain a job because they don't know how to respect authority or work as a team, or even maintain that job. They don't know how to look for housing. I have worked with aged-out youth in a different capacity in this model. I remember youth telling me: I just want somebody to help me know how to lease an apartment. I was fortunate; I had resources to do that. But while they're looking for an apartment, they could be staying at the City Mission or in a car. And sometimes they're incarcerated because that's the safe place that's going to provide them three meals a day. Or trying to figure out how to get into the crisis center, because their mental health is so bad that the safest place is the Crisis Center and to have a weekend stay. Again, I understand, you know, budgets. We, as Christian Heritage, have a budget. And we want to comply with that; we want to be utilizing our funds the best way we can. But looking at an individual person, knowing that they want to know their story, they want to be connected to siblings...that is another success that we have had at Christian Heritage is siblings maintaining their relationship. If they can't have mom and dad, they can have their sibling. This has made a huge impact on the children that we have served over the years. We've been very fortunate and

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very privileged that the department would allow us to begin, in 2013, this pilot with them in the southeast service area. And we were very fortunate for all of you and the senators that voted for this to go across the state of Nebraska. We do see the budget as we see it today. I'm asking you to look at the budget as you see it down the road. You will see how this will impact, maybe not today, maybe not tomorrow, but in the future you will see the impact with less incarceration, less individuals being on welfare, less participation in drug treatment. That will be the consequence of seeing how this model works. [LB334]

SENATOR ERDMAN: Any other questions? Senator Williams. [LB334]

SENATOR WILLIAMS: Thank you, Senator Erdman. And Ms. Hansen, thank you for being here. And just very quickly, is there a termination date or an end date on your current contract? [LB334]

TAWNYA HANSEN: On June, June 30. [LB334]

SENATOR WILLIAMS: Okay. And you mentioned, I think, as part of your testimony, that your organization and, maybe you in particular, did the training for the HHS staff? [LB334]

TAWNYA HANSEN: Yes, we were asked to train on a regular basis current staff and then the turnover of the new staff. And so we would train them on the Family Finding model. [LB334]

SENATOR WILLIAMS: Were you compensated for that? [LB334]

TAWNYA HANSEN: That was part of our contract, so it was part of that \$5,500...is to my knowledge, to my understanding. [LB334]

SENATOR WILLIAMS: Okay. Would you vouch for the fact that Director Weinberg said, that they were trained well? [LB334]

TAWNYA HANSEN: I can't speak for him, but I believe they were. [LB334]

SENATOR WILLIAMS: I would like some backup that... [LB334]

TAWNYA HANSEN: Right. [LB334]

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SENATOR WILLIAMS: ...those people working for HHS doing this, have received training. [LB334]

TAWNYA HANSEN: Um-hum. What I'm going to explain on the training is we explain how we do the model; we don't train them to do the model. So we train them what we ask in a referral. So for example, in our contract and in the model, they are to submit an alignment assessment with a referral. This allows us to know what they are identifying as the needs and concerns of each case, who has been notified that this case has been referred, so legal parties, parents...we train them on what we do and how it benefits them and how it's going to make their work easier. [LB334]

SENATOR WILLIAMS: Thank you. The previous testifier talked about the possibility of narrowing the scope. Have you thought at all about how Christian Heritage could fit into this area somehow, on a more limited basis? [LB334]

TAWNYA HANSEN: That has not been a discussion that we've had. And we can have that discussion, but it's not a discussion that we had. [LB334]

SENATOR WILLIAMS: Okay. Thank you. [LB334]

SENATOR ERDMAN: Okay, anyone else? Thank you very much. [LB334]

TAWNYA HANSEN: Great, thank you. [LB334]

SENATOR ERDMAN: Are there others? Thank you for coming. [LB334]

RANDY NULL: (Exhibit 4) Thank you. Good afternoon, Senators, and thank you for the opportunity to speak on LB334. My name is Randy Null, R-a-n-d-y N-u-l-l. I am the adoptive father of Charlie, my 18-year-old son who has endured most of his life in and out of the system. I oppose the revision to LB334 because the funding that the current bill provides...I was contacted by Christian Heritage and Family Findings to be reconnected with a lost family member, Charlie. My perspective comes from being an extended family member to a foster parent involved in the system and ultimately a father. The revision of this bill would end funding for contractors like Christian Heritage that are changing lives and helping youth transition to successful adults through Family Finding. Charlie is actually a step-nephew of mine. I did not know his mother well, but knew that Charlie was removed from her care at four months. He was adopted by a family in Plattsmouth, Nebraska, where my wife and five children lived. We were a big part of the first few years of his life. Sadly, all contact with Charlie was removed at about four years old

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and, by age six, he was in and out of psychiatric care and placements within the system. The first adoption ended in relinquishment back to the state in 2010. Charlie has endured a difficult life, growing up in and out of foster homes, group homes, treatment facilities, and 39 different placements. In 2015 LB335 (sic: LB243) provided funds to Christian Heritage and Family Findings, and Charlie's life was changed; our lives were changed. We were reconnected with Charlie after 12 years of not knowing where he was or how he was doing. We immediately began to have visitations with Charlie and help provide support for his future. In May of 2015 we began fostering Charlie in our home, and in April of 2016 we were finally able to adopt Charlie. Prior to coming to our home, Charlie attended alternative schools, was on psychiatric medications for behavioral issues and strong prescriptions for ADHD. The stack of papers we received stated that Charlie had a one in one million chance of finding a forever home, and that he would not be able to make it in public schools. And discussions of a permanency plan of being institutionalized or in a group home for the rest of his life. We were told Charlie would never be able to live on his own. LB334 (sic: LB243) is providing funds for programs like Family Findings who are not only making the system better, but finding ways to increase the odds that these children will succeed. Under the current system, one in four children that age out will become incarcerated. one in five will be homeless by age of 19, and 71 percent of girls will become pregnant by the time that they are 21. It scares me to think of how many of these pregnancies end with another ward of the state if the chances for success are so damaged by the system. Are we just filling the pipeline with the next generation of disadvantaged children? From my experience, respectfully, DHHS is an overloaded system, and caseworkers stretched to the point they have challenges completing their everyday tasks, let alone spending time to find families and proctor meetings for the reconnection of these kids with family members. We were truly blessed to have a DHHS caseworker that we had. However, trying to schedule a meeting between the five-plus individuals on Charlie's case was nearly impossible and dramatically slowed the process down. Charlie spent the last six years of his life in the system because it was left to an already overloaded DHHS to find him placement. In that six years, Charlie endured a life in and out of Epworth Residential Treatment Center, Epworth group homes, Boys Town PRTE, Boys Town group homes, numerous psychiatric stays, countless failed foster homes, therapy, and referral upon referral to find something to "fix" him. Charlie has received multiple diagnoses and placed on medications such as Thorazine, Tenex, Depakote, Abilify, Adderall, Risperdal, and Vyvanse, just to name a few. Finally, after six years, funds were provided to Christian Heritage and we were in contact with Charlie's new life...and his new life began. In our home, he has found something that family provides, but the system cannot--unconditional love. He is flourishing and now attends public schools and participates in sports, which he has never had the chance, the opportunity to do before. He is off all psyche medications and is only on a minimal dose of medication for ADHD, which he only needs to take on school days for focus. He is planning on attending college when he graduates. In conclusion, Senators, I beg and plead with you to consider the consequences these one in a million kids will face if you remove funding for these programs. Consider how Charlie's life and others like him would be different

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today if he had those six years back. The future of our children, our cities, our state, and ultimately our nation depend on working together to better the system and help produce productive citizens. Christian Heritage is taking on this burden, but they, too, need support from the state and citizens of Nebraska. As a father of six children, I fully understand that the time we have to prepare these children is precious, and every day of their life counts. Please vote to oppose revising LB334 and continue to change the lives of Nebraska youth. One little side note that I picked up earlier...I am familiar with the LexisNexis system and the question that I guess it brings to me is what would the chances be that that system would find a step-uncle who never had any contact or any relationship with the maternity mother? And how would they be able to find me to provide placement for Charlie? [LB334]

SENATOR ERDMAN: Thank you for your testimony. Any questions? [LB334]

RANDY NULL: Nothing? [LB334]

SENATOR ERDMAN: Thank you very much (laughter). [LB334]

RANDY NULL: Thank you for your time. [LB334]

SENATOR ERDMAN: Thank you. [LB334]

SENATOR WILLIAMS: Where is Charlie going to school? I'll ask that one. [LB334]

RANDY NULL: Charlie is in Plattsmouth High School. [LB334]

SENATOR WILLIAMS: Thank you. [LB334]

SENATOR ERDMAN: Very good. Anyone else? Good afternoon, and thank you for coming. [LB334]

JULIA TSE: (Exhibit 5) Good afternoon. My name is Julia Tse, J-u-l-i-a T-s-e, and I am a policy associate at Voices for Children in Nebraska. And I'm not sure how to follow up that last testimony, so I'll try my best. We believe that all children, especially abused and neglected children that are in the state's care need loving and lifelong relationships with adults that they can trust. The Family Finding model is a promising practice that has been employed across the country to ensure that children have legal and emotional permanency. And an easy way to figure out what that means is, do they know where they legally and physically belong for the rest of

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their lives? And do they know who they can call on when then encounter one of life's many hurdles? Who are they going to sit with at Christmas? That's a pretty simple way of understanding what that means. And previous testifiers touched on this, but the key here is engaging families, not just calling them or finding somebody on Facebook...figuring out who's prepared to take on a supportive role for children, not just for the purposes of placement, but to be there when they age out of the system. That's an important role that our state system cannot fulfill. Foster care is supposed to be temporary but, unfortunately, looking at some of the children in our state's care, that's not always true. Many of our children stay in foster care for far too long and never find a home before becoming an adult. In 2015, looking at children who exited from the system, the median length of stay in care was 17 months, the mean was 21.5 months, and, in one extreme case, a child exited after being in care for 161 months; that's 13 years of their life. Many of our youth age out without a family to go home to, and last year 6 percent of all exits, or 105 young people, exited from care without permanent supports. The good news is that we've made a lot of progress, thanks a lot in part to this Legislature. As Director Weinberg mentioned, the numbers for kinship and relative placements is something to really be proud of. The number of youth aging out of care at age 19 decreased nearly 34 percent in just 4 years, and we're moving in the right direction. But we believe that there's always more work that we can do as a state, and eliminating this important investment takes us a step backwards. We're especially concerned because the executive budget recommendations that accompanied this bill show that service delivery is going to be shifted to the department, along with a couple of other services, including post-permanency supports and supports to foster parents. Last fall, Voices for Children provided testimony on LR513 to this committee, which examined work force issues in our child welfare and juvenile justice system, and I think the most concerning thing that was brought to this committee during that interim study was relayed by our inspector general of child welfare. Her investigation found that our caseloads were directly contributing to negative outcomes for children, including two deaths and nine serious injuries for children in our system. We're troubled to see that Family Finding and a number of other important child welfare services will be cut and absorbed by department staff in this environment, with caseloads that put child safety at risk. Family Finding, like other interventions, are intended to improve the safety, the permanency, and the well-being of children in foster care and require specialized training, dedication, time, resources to implement with fidelity. And we believe that's difficult to achieve without investments. And to answer Senator Howard's question about the kinship and relative placements, I looked up the numbers really quickly and, on the question of IV-E penetration, I just have the beds, but there were 4,703 licensed foster home beds and 3,555 approved beds. So those approved beds cannot be IV-E reimbursed. And it looks like the most recent number that I could find on the IV-E adoption incentives was just over \$600,000 totaling about 3.5 million since the adoption incentive was available in 1998. So I want to thank Senator Riepe for his continuing commitment to children and our state, and this committee for their time and their consideration. We respectfully urge you to indefinitely postpone LB334. Thank you. [LB334]

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SENATOR ERDMAN: Any questions? Can you briefly describe for me Voices for Children in Nebraska? What is that organization? [LB334]

JULIA TSE: Sure. We are an independent nonprofit advocacy organization. We've been in the state for...this is our 30th year advocating at the system's level for children. And actually our founder was a foster parent who, 30 years ago, was wondering why all these things were happening to the children that she encountered and came to the Legislature to make changes. So that's what we do now. [LB334]

SENATOR ERDMAN: Okay, thank you. [LB334]

JULIA TSE: Um-hum. [LB334]

SENATOR ERDMAN: Any questions? Seeing none, thank you. [LB334]

JULIA TSE: Thank you. [LB334]

SENATOR ERDMAN: Anyone else? Any other opponents? Any neutral, anyone wanting to testify in the neutral position? Seeing none, Senator Riepe, would you like to close? [LB334]

SENATOR RIEPE: Thank you, and I'd like to thank everyone that has testified. I think it's important that information get out and discussed, and allows for better decision making, if you will. I also want to commend the Nebraska Children's Home and the Christian Heritage. In our conversations with people that we've talked to, they have been nothing but stellar in their performance and they've given a great amount back to the state of Nebraska. And we're very much appreciative of that. I think that one of our challenges is the long-term payback versus the short-term cost. I think some of the statistics have said that...it was noted that it is a high cost structure. And it's also, while we have had success in finding families, we've had less success in having those families embrace the child, if you will. There were a total of 195 referrals in 2013, or since 2013, and less than 25 actual placements. DHHS currently has 1,938 children placed with relatives, so there has been some success; we'll give credit to the pilot for having that accomplishment. But the pilot, when you look at the numbers on the percentage basis, the pilot has not made a significant impact, in terms of where we're at. And I think anytime that we're looking at budget, if we're not looking at this program or these dollars, then what are we going to look at to come up with something that can make a budget for the state of Nebraska? That's...any questions? [LB334]

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SENATOR ERDMAN: Any questions for Senator Riepe? Hearing none, thank you. Are there letters for pro or con? [LB334]

TYLER MAHOOD: (Exhibits 6 and 7) Yes, I have a letter of opposition signed by Becca Brune of Nebraska Appleseed and another letter of opposition signed by Peg Harriott of the Children and Family Coalition of Nebraska. [LB334]

SENATOR ERDMAN: Okay, let it be so noted. With that, that will be the conclusion of the hearing on LB334, and we shall take a short, five-minute break. [LB334]

SENATOR RIEPE: Okay, thank you. [LB334]

BREAK

SENATOR ERDMAN: Okay. Please join us. Do the people in the hall know we're starting?

_____ : They've been told.

SENATOR ERDMAN: Okay, thank you. All right, we'll reconvene...LB335. Senator? [LB335]

SENATOR RIEPE: Good afternoon, Mr. Chairman and members of the committee. I still am Merv Riepe (laughter), M-e-r-v R-i-e-p-e. I am introducing LB335 at the request of the Governor. LB335 is the budget modification which changes provisions relating to a childcare market rate survey. LB335 proposes to eliminate the implementation of any rate changes in 2017 for childcare providers as a result of the Childcare and Development Fund market rate survey. Director Weinberg, Children and Family Services Division of the Department of Health and Human Services, will be following me and testifying in support of this bill. I would defer any specific questions to him. Thank you. [LB335]

SENATOR ERDMAN: Thank you. Senator (sic: Director) Weinberg, you going to join us here? [LB335]

KRISTEN STIFFLER: Director. [LB335]

SENATOR WILLIAMS: I don't think he's a senator. [LB335]

_____ SENATOR KOLTERMAN: Senator? [LB335]

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KRISTEN STIFFLER: Director. [LB335]

SENATOR ERDMAN: Thank you for coming back. [LB335]

SENATOR LINEHAN: Director. [LB335]

DOUG WEINBERG: (Exhibit 1) My pleasure. Good afternoon again, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I'm the director of the Division of Children and Family Services in the Department of Health and Human Services. I am here to testify in support of LB335, which is offered by my division as a budget modification to the biennial budget. The Governor has included this modification and has accounted for it in his budget recommendations to the Legislature. LB335 proposed to eliminate the implementation of any rate changes in 2017 for childcare providers as a result of a Childcare Development Fund market rate survey. The childcare market rate survey is a federally required survey by CCDF of providers, inquiring about their rates for private clients. Current state statute requires DHHS to adjust the reimbursement rate paid to childcare subsidy providers every two years, based upon the market rate survey. LB335 would exempt the department from having to adjust rates to take effect on July 1, 2017, for the upcoming biennium budget period. Based on the average of rate adjustments resulting from the prior four market rate surveys, failure to enact LB335 could result in additional annual costs to the department of \$7.4 million in state general funds in each of the next two years. The LFO fiscal note indicates cost avoidance in only state fiscal year 2017/18. The department disagrees. Unlike current state statute, federal regulations do not require a rate adjustment based upon the market rate survey. As a result, delaying a childcare subsidy rate adjustment until July 1, 2019, is in compliance with federal regulations and will produce two years of cost avoidance. I urge your advancement of LB335 and I'm happy to answer any questions. [LB335]

SENATOR ERDMAN: Senator Williams. [LB335]

SENATOR WILLIAMS: Thank you, Senator Erdman. And I wanted to be sure, Director...thank you for being here, first of all again. You are...under LB335, we're delaying any increase for two years. [LB335]

DOUG WEINBERG: Correct. [LB335]

SENATOR WILLIAMS: Okay. At the end...what would you propose happens at the end of the two-year period? [LB335]

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DOUG WEINBERG: We will do a rate adjustment effective July 1, 2019, based on the 2019 market rate survey. [LB335]

SENATOR WILLIAMS: You will do a survey at that time? [LB335]

DOUG WEINBERG: In fact, we're doing a survey in compliance with federal regulations...requires a survey at least once every three years. That survey right now is in process for 2017 and we'll (inaudible). [LB335]

SENATOR WILLIAMS: So we will not violate federal law, the three-year... [LB335]

DOUG WEINBERG: That's correct. We are doing a survey as I speak. [LB335]

SENATOR WILLIAMS: ...because you're doing the survey, you're just not going to use it to adjust, if we adopt this. [LB335]

DOUG WEINBERG: That is correct; that is correct. [LB335]

SENATOR WILLIAMS: Has this been done before? [LB335]

DOUG WEINBERG: I believe it has, in times of economic downturns, budget situations not unlike this one. I can't tell you offhand the exact binding budget that it applied to. [LB335]

SENATOR WILLIAMS: Thank you. [LB335]

SENATOR ERDMAN: Senator Linehan. [LB335]

SENATOR LINEHAN: I'm just going to admit my lack of knowledge. Can you tell me exactly what a childcare subsidy provider is? [LB335]

DOUG WEINBERG: Sure. For needy individuals we provide childcare subsidies, so basically, for their childcare expenses, we'll pay the childcare provider directly. [LB335]

SENATOR LINEHAN: For needy individuals. [LB335]

DOUG WEINBERG: Yes. [LB335]

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SENATOR LINEHAN: Example. [LB335]

DOUG WEINBERG: A family with children that are in need of childcare, where the family income is less than 130 percent of the federal poverty level. [LB335]

SENATOR LINEHAN: Because the parent is working, is that why we're providing? [LB335]

DOUG WEINBERG: Working, going to school...could be going through job training through Employment First through ADC. We have about 18,000 childcare recipients today. [LB335]

SENATOR LINEHAN: 18,000? [LB335]

DOUG WEINBERG: Right. And we have about...almost 3,000 childcare providers who accept a childcare subsidy. [LB335]

SENATOR LINEHAN: Does the subsidy go to the parent or the provider? [LB335]

DOUG WEINBERG: It normally is paid directly to the provider. [LB335]

SENATOR LINEHAN: Okay, thank you very much; that's helpful. [LB335]

SENATOR ERDMAN: Senator Howard. [LB335]

SENATOR HOWARD: Thank you, Senator Erdman. Thank you for staying with us for the long haul, Director Weinberg; I appreciate it. The Childcare Block Grant is also a Title XX? Is it the same? [LB335]

DOUG WEINBERG: I'm not sure which title it's out of in the Social Security Act. [LB335]

SENATOR HOWARD: Okay. And then usually with our block grants, at least with TANF and Title XX, we can have a disregard and we can take funds from TANF at the end of the year. Usually we've shored them up into our Childcare Block Grant. Are we still doing that? [LB335]

DOUG WEINBERG: It has happened in the past. I don't believe how recent that has occurred. [LB335]

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SENATOR HOWARD: And then are you concerned that we'll run out of money in our Childcare Block Grant? [LB335]

DOUG WEINBERG: We are using state general funds now to supplement the Childcare Block Grant. [LB335]

SENATOR HOWARD: Because we've run out for the year? Or... [LB335]

DOUG WEINBERG: Yes, we utilize our entire Childcare Block Grant. [LB335]

SENATOR HOWARD: And then we're paid quarterly on the block grant? Or... [LB335]

DOUG WEINBERG: I believe it's drawn down on quarterly increments. [LB335]

SENATOR HOWARD: Okay, and so we're...we finished with our quarter already. [LB335]

DOUG WEINBERG: For the...we probably received our funding--well, probably not for the quarter ending December 31, September 30. [LB335]

SENATOR HOWARD: Okay, and we have 18,000 childcare recipients. And that's children? Or is that parents and then one family? [LB335]

DOUG WEINBERG: I believe that is individual children. [LB335]

SENATOR HOWARD: That's individual children, okay. And then was it last year that we put in the step, we addressed the cliff effect in childcare? [LB335]

DOUG WEINBERG: Yes. [LB335]

SENATOR HOWARD: And then can you tell me how that's going? [LB335]

DOUG WEINBERG: In what respect? [LB335]

SENATOR HOWARD: How is the implementation process going for the changes in the enrollment eligibility? [LB335]

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DOUG WEINBERG: We've made the changes in ACCESSNebraska to the eligibility requirements, so that has been implemented. [LB335]

SENATOR HOWARD: Okay, and then is that sort of why we're concerned about the cost is that we have more children who are receiving the subsidy because of the cliff effect work that we did with the Chamber of Commerce last year? [LB335]

DOUG WEINBERG: Well, I think our concern is, again, looking at the state General Fund biennium budget, because we're drawing down our full Childcare Block Grant, any additional cost associated with childcare will fall on state dollars. [LB335]

SENATOR HOWARD: And then is there a concern that if we don't meet the market rate for our childcare payments, that we will lose childcare providers? [LB335]

DOUG WEINBERG: We believe our current subsidy rates are sufficient to have an adequate capacity to meet demand for childcare subsidies. [LB335]

SENATOR HOWARD: And what type of notice have you given childcare providers about the maintenance of rates? [LB335]

DOUG WEINBERG: I believe no notice has gone out at this time. [LB335]

SENATOR HOWARD: All right, thank you. [LB335]

SENATOR ERDMAN: Senator Crawford. [LB335]

SENATOR CRAWFORD: Thank you, Senator Erdman, and thank you, Director. So what I believe I heard you say, in testimony response to questions, is that you disagree with the statement on the fiscal note that the department, by federal law, must adjust these rates every three years, at least. [LB335]

DOUG WEINBERG: That is correct. [LB335]

SENATOR CRAWFORD: So what you are saying is you're going to be compliant simply by determining what the rate adjust would need to be every three years. [LB335]

DOUG WEINBERG: Right. [LB335]

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SENATOR CRAWFORD: But then the state can choose whether or not to adjust their rates? Or... [LB335]

DOUG WEINBERG: Right, the purpose of the market rate study pursuant to federal regulation is to provide information that we utilize in assessing reasonable and necessary childcare subsidy rates to determine whether or not we believe there's sufficient capacity available at those current rates in order to meet the demand and need for childcare subsidies. [LB335]

SENATOR CRAWFORD: Okay. And is what is our risk...I guess I have a concern. It's because we've had other situations where we ended up having millions of dollars of cost because we've fallen into noncompliance. That's why I just want to make sure we're really careful about talking about compliance. So what is the risk? Or what do need to make sure that we're doing to avoid any kind of...to avoid a penalty or a fine, in terms of maintaining appropriate childcare rates? [LB335]

DOUG WEINBERG: Well, I don't think we run any risk of loss of federal funding: we're in compliance; we're doing the market rate survey; we've done the assessment of rates. Childcare subsidies are not an entitlement pursuant to federal regulations. Many states have waiting lists; Nebraska has not. As Senator Williams inquired about, we have had rate freezes in the past where we skipped a biennium adjustment, and we did not....did not result in a significant loss of providers or the creation of a waiting list. And we have no reason to believe that would be different this time around. [LB335]

SENATOR CRAWFORD: Thank you. [LB335]

SENATOR ERDMAN: Senator Kolterman. [LB335]

SENATOR KOLTERMAN: Thank you, Senator. Director, just in looking at three that we've already...this is the third one we've talked about and we've got one more to go. [LB335]

DOUG WEINBERG: Um-hum. [LB335]

SENATOR KOLTERMAN: If I read everything correctly, the numbers that...the potential savings that we're looking at here have already been included in the assumptions that have been delivered to Appropriations. Would that be accurate? [LB335]

DOUG WEINBERG: That is correct. These budget modifications are reflected in the Governor's recommended budget. [LB335]

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SENATOR KOLTERMAN: So anything we would do here would have to be put back in and recovered somewhere else. [LB335]

DOUG WEINBERG: That is correct. [LB335]

SENATOR KOLTERMAN: Thank you. [LB335]

SENATOR ERDMAN: Anyone else? Senator Williams. [LB335]

SENATOR WILLIAMS: I just want to follow up, because we've had a significant amount of discussion, over the last several days, about fiscal notes and how they work and all of that. And Director, I guess what I'm understanding, from your testimony, that...we could expect a new fiscal note to be produced on LB335 that would, in essence, be double the savings that is currently on the fiscal note that we're looking at. [LB335]

DOUG WEINBERG: From the Legislative Fiscal Office, potentially. [LB335]

SENATOR WILLIAMS: Thank you. [LB335]

SENATOR ERDMAN: Thank you. Senator Crawford. [LB335]

SENATOR CRAWFORD: Thank you, Senator Erdman. Is that the amount that would have been submitted, in terms of the Governor's budget and expectation that it would be more like \$14.8 million? [LB335]

DOUG WEINBERG: That is correct. Our fiscal note that we prepared had the \$7 million-plus savings in both years of the biennium. [LB335]

SENATOR CRAWFORD: Um-hum. Um-hum, thank you. [LB335]

SENATOR WILLIAMS: So we can't use that somewhere else (laughter)? [LB335]

DOUG WEINBERG: Nope, gone. [LB335]

SENATOR ERDMAN: Anything else? [LB335]

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SENATOR WILLIAMS: Darn. [LB335]

SENATOR ERDMAN: Thank you, Director, appreciate it. [LB335]

DOUG WEINBERG: All right. [LB335]

SENATOR ERDMAN: Any proponents? Anyone in favor of LB335? Any opponents? Thank you for coming. [LB335]

SARAH ANN KOTCHIAN: (Exhibits 2 and 3) Thank you for having me late in the afternoon today. Good afternoon, members of the Health and Human Services Committee. My name is Sarah Ann Kotchian, S-a-r-a-h A-n-n K-o-t-c-h-i-a-n, and I am here today in opposition to LB335 on behalf of the Holland Children's Movement, a nonpartisan, not-for-profit organization founded by Richard Holland, committed to improving public policies essential to providing opportunities for success for children and families living in poverty. I'm also representing today and submitting a letter on behalf of the Nebraska Child Health and Education Alliance, a coalition of child health and education advocates. We'd like to first recognize the difficult budget situation we're in and that this committee and the entire Legislature is faced with challenging work and very difficult decisions in the days to come. Therefore, we want to ensure you have all the information you need to make informed decisions on priorities, particularly when they impact Nebraska's children. As we've been looking through and considering the bills and proposals to address the budget hole, LB335 stands out as the most damaging and direct hit on the largest population of our youngest, most vulnerable, at-risk children. The Child Care Subsidy Program is by far and away the program that serves the highest numbers of our young, at-risk children, based on income. In 2015, the program served 30,450 children from infants to school age. No other early childhood program, birth to five, comes close to reaching the same number of children that the Child Care Subsidy reaches. The Childcare and Development Fund, or CCDF, is the primary federal funding source devoted to providing low-income families who are working or participating in education and training with assistance paying for childcare and improving the quality of childcare for all children. As we have been reviewing LB335, two requirements of the CCDF come into question and they are the issues of the use of the current market rate survey and equal access to services. The CCDF requires payment rates for the subsidies that ensure equal access for eligible children to childcare services that are comparable to childcare services provided to children whose parents are not eligible to receive childcare assistance. In other words, families eligible for subsidy must have the ability to access a range of providers from which to choose childcare. As a means of demonstrating equal access, Nebraska conducts market rate surveys to reevaluate existing payment rates, to determine whether rates provide equal access based on present market conditions, which may change over time due to shifts in local markets or inflation. Under the final rule, states must demonstrate a practice that

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sets payment rates in accordance with the results of the current market rate survey or alternative methodology. By suspending an adjustment in rates based on the upcoming current market rate survey, Nebraska could potentially be in violation of this rule. LB335 may cause other significant changes that raise concerns related to equal access. Childcare providers that accept subsidized low-income children already accept a modest rate for their services. If rates are not adjusted regularly and are not based on the market rate, it is more likely that the subsidy will be lower than the market rate for the service. Lower rates would mean fewer childcare providers accepting subsidized children and fewer providers would mean a lack of equal access, potentially leading out of compliance with federal law. To our knowledge, DHHS has not conducted an analysis of the degree to which this proposed reimbursement adjustment in LB335 will impact access and quality, and we would strongly support such an analysis before this bill is taken up for consideration for advancement from this committee. Childcare businesses are local. They serve Nebraska children and families, help Nebraska parents enter and stay in the workforce, and employ Nebraskans, all of whom spend money in local economies. The childcare industry is a major economic driver in our state, but often goes overlooked as such. In a changing economy, these small businesses have fixed costs that are tied to inflationary issues like utilities, gas, and food, and major cost drivers like wages and benefits. We have worked diligently with the Legislature in recent years to tie the significant investments in the Child Care Subsidy Program to efforts that support quality and improve the Child Care Subsidy Program to ensure every child has the opportunity to succeed. The overall failure to prioritize and protect the funding for quality early childhood care and education will only cost us more in the long run and we stand opposed to LB335 and any efforts to erode the current and ongoing investment in access to quality early childhood care and education. At this point, I would thank you for your time and consideration of these critical issues. [LB335]

SENATOR ERDMAN: Thank you. Are there any questions? Senator Howard. [LB335]

SENATOR HOWARD: Thank you, Senator Erdman. I want to go back to the equal access rule, because there's a similar rule in Medicaid where, if the provider rates go so low then we lose providers and we can't ensure access, and they we're fined and we have to return some of our money. [LB335]

SARAH ANN KOTCHIAN: Um-hum. [LB335]

SENATOR HOWARD: Is that something that also occurs with this block grant? [LB335]

SARAH ANN KOTCHIAN: That is one of the considerations that I'm raising today, because I would hate for us to lose any of this important federal funding if we fell out of federal compliance with the law. [LB335]

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SENATOR HOWARD: And so there is both the compliance for equal access as well as the compliance with the market rate survey? [LB335]

SARAH ANN KOTCHIAN: The use of the current market rate survey, as I understand, yes. [LB335]

SENATOR HOWARD: Okay, thank you. [LB335]

SARAH ANN KOTCHIAN: Um-hum. [LB335]

SENATOR ERDMAN: Senator Williams. [LB335]

SENATOR WILLIAMS: Thank you, Senator Erdman. I want to follow up on that. [LB335]

SARAH ANN KOTCHIAN: Sure. [LB335]

SENATOR WILLIAMS: You being the attorney that has researched and read all this, twice in your testimony you contradicted what Director Weinberg testified to, that there would not be any risk of fines or loss of those kind of things. Can you go into that in some more detail to back up your accusation that we could potentially be in violation of the rule on the survey and then also out of compliance with the access to providers? [LB335]

SARAH ANN KOTCHIAN: Sure. So those are the two...everything's moving so fast. So I was reviewing this law last night because the law was reauthorized in 2014 with some new requirements. The equal access has been a requirement in place, and I don't know that Nebraska has ever violated that portion of the law. The use of the current market rate survey is rather new to me, and I think it's one that we need to consider, especially with this proposal, because essentially what I understand this bill to do is to suspend use of the current market rate survey in 2017. And when I read the fiscal note, it sounds like we're waiting on that current market rate survey to base our estimates for cost savings, because we're not going to utilize it. And so that raises great concerns for me when we're required to use the current market rate survey to make sure we have equal access for our children utilizing the subsidy. The penalties I do not know. [LB335]

SENATOR WILLIAMS: Thank you. [LB335]

SENATOR ERDMAN: Any other questions? Hearing none, thank you. [LB335]

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SARAH ANN KOTCHIAN: Thank you. [LB335]

SENATOR ERDMAN: Appreciate it. Are there any other opponents? Anyone that may be in the neutral position? Okay. Do we have any written testimony that we should enter into the record? [LB335]

TYLER MAHOOD: (Exhibits 4-7) Yes, I have a letter from James Goddard of Nebraska Appleseed who opposes the legislation, Tracy Gordon with the Nebraska Association for the Education of Young Children with a letter in opposition, Peg Harriott of the Children and Family Coalition of Nebraska with a letter in opposition, and Penny Gildea, who is opposed to...or who submitted a letter on behalf of herself, opposed to the legislation. [LB335]

SENATOR ERDMAN: Okay, thank you. Senator Riepe, would you like to close? [LB335]

SENATOR RIEPE: Thank you, Senator Erdman and committee members. I will be brief; I think most of it has been said. I think it's one of the challenges for this committee is dealing the very toughest of issues that the children...I elected not to just waive closing, because I want to simply give you an opportunity if you had some things you wanted to question or things you want us to follow up with. I'd like to at least be receptive to that rather than...sometimes with a waive you're gone and nobody gets a shot at you. So if there are any questions, as chairman I would take those. [LB335]

SENATOR ERDMAN: Senator Kolterman. [LB335]

SENATOR KOLTERMAN: Yeah. Senator Riepe, on behalf of the committee, I'd like to have you investigate the most recent issues that were brought up, whether or not we could possibly in violation of those two issues. [LB335]

SENATOR RIEPE: Okay. That's a very good point; we will do that. [LB335]

SENATOR KOLTERMAN: (Inaudible). [LB335]

SENATOR RIEPE: And we've had some discussions about that, so I think we have some clarification, but we will bring that forward when we exec on these. [LB335]

SENATOR KOLTERMAN: All right, thank you. [LB335]

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SENATOR ERDMAN: Good question, thank you. Anybody else? Okay, that will conclude the hearing on LB335. We'll be going to LB336. Senator Riepe, the microphone is yours. [LB336]

SENATOR RIEPE: Thank you, Mr. Chairman. Do you feel like I'm a hog at the mic today? [LB336]

SENATOR ERDMAN: We weren't going to say anything. [LB336]

SENATOR RIEPE: My name is Merv Riepe, that's M-e-r-v, and my last name is R-i-e-p-e. I'm introducing LB336 on behalf of the Governor. LB336 is the budget modification which provides a fee for registry checks under the Child Protection and Family Safety Act. The Department of Health and Human Services maintains the Central Registry of child and adult protection cases, which contain all reports of child and adult abuse opened for investigation in which one or more of the abused or neglected allegations has been sustained. The registry is required by state law and maintained by the department to assist in determining whether or not an individual may be an unsafe person to care for or be around children or vulnerable adults. LB336 would allow the department to charge a reasonable fee, up to \$3, to be put toward the operational cost of completing an average of 10,000 Central Registry background checks each month. Director Weinberg at Children and Family Services Department (sic: Division) will be following me to testify in support of this bill. I would defer any specific questions to him. Thank you very much. [LB336]

SENATOR ERDMAN: Thank you. Director Weinberg, please join us. If you lived here, you'd be home now. [LB336]

DOUG WEINBERG: Yeah. [LB336]

SENATOR ERDMAN: Thanks for coming. [LB336]

DOUG WEINBERG: (Exhibit 1) Once again good afternoon, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I'm the director of the Division of Children and Family Services in the Department of Health and Human Services. I'm here today to testify in support of LB336 which was offered by my division as a budget modification to the biennium budget. The Governor has included this modification and has accounted for it in his public recommendations to the Legislature. LB336, as written, proposes to allow the department to charge a reasonable fee to recover expenses in carrying out Central Registry checks. The department may waive the fee if the requesting party shows the fee would be an undue financial hardship. The department will use the fees to defray cost incurred to

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carry out such record checks. The Central Registry is a listing of individuals who have a substantiated allegation of child or adult abuse or neglect. Several entities request Central Registry checks to evaluate the background of potential employees or volunteers. Entities requesting these checks include, but are not limited to, hospitals, adoption and foster care agencies, law firms, nursing facilities, third party background check agencies, in-home service providers, schools, community service and faith-based organizations. The department also performs these checks for individuals requesting self checks, as well as requests submitted by out-of-state businesses. The department conducts over 120,000 Central Registry checks every year. LB336 permits DHHS to charge a fee of up to \$3 per check. The 13 states that responded to our survey charge rates that range from \$7 to \$30 per check. The department is recommending a \$2.50 initial fee per request, which will allow the department to offset current expenditures of \$300,000. Thank you for the opportunity to testify before you today. I urge you to advance LB336 and I'm happy to answer any questions. [LB336]

SENATOR ERDMAN: Senator Linehan. [LB336]

SENATOR LINEHAN: I can't hardly believe I'm going to say this, but as long as you're going to charge, just the paperwork involved alone, it seems like it's...\$2.50 or \$3...as long as you're charging, it just as well be \$5. [LB336]

DOUG WEINBERG: Well, we joke we backed into the \$2.50, because we wanted to charge a fee that would allow us to offset our staff cost. We have six individuals full time who do Central Registry background checks. So it was not intended to be a profit center; it was just to recover current costs. [LB336]

SENATOR LINEHAN: But in all seriousness, you got to have a bookkeeper, too. So is that cost included in here? [LB336]

DOUG WEINBERG: Yes, it is. [LB336]

SENATOR LINEHAN: Okay. All right. [LB336]

SENATOR ERDMAN: Any other questions? Senator Howard? [LB336]

SENATOR HOWARD: Thank you, Senator Erdman. Last one, okay. Tell me about the process that you have in place for entities that would like to claim undue financial hardship. [LB336]

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DOUG WEINBERG: We would have to develop a policy for that between now and July 1. [LB336]

SENATOR HOWARD: Do you have anything that's similar to this, any other charges that you apply for entities? [LB336]

DOUG WEINBERG: I don't believe my division does, but we would reach out to other divisions and other state agencies to see what type of policies they have in place. [LB336]

SENATOR HOWARD: Does Public Health charge a fee when you want to... [LB336]

DOUG WEINBERG: They do have fees, but what would we talk about? I'm sure we've already had discussions with them about what their procedures and policies are. [LB336]

SENATOR HOWARD: Okay, and then why did you consider just charging a flat fee to everybody? Why not start with maybe folks from out of state who want access to this information and charge them more? [LB336]

DOUG WEINBERG: Probably just to have a flat rate; it's easier to administer. You know you can always debate is it more fair or not. [LB336]

SENATOR HOWARD: Sure, and then you only asked 13 states. Are they just our neighboring states? [LB336]

DOUG WEINBERG: Not every state has a central registry. [LB336]

SENATOR HOWARD: Right. [LB336]

DOUG WEINBERG: Some states have central registries but are managed by the local...by the counties. Many states do not have any central registry. And even some states that do have central registries do not release public information, or they're on a very limited basis compared to Nebraska and some other states. So we try to contact as many states and we received 13 responses. [LB336]

SENATOR HOWARD: Okay. And then when they're applying for undue hardship, really what I am thinking of for utilization for the Central Registry, are like foster care placing agencies, that you already have a contract with. [LB336]

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DOUG WEINBERG: Right. [LB336]

SENATOR HOWARD: And so is it possible that we're just robbing Peter to pay Paul and that your contracts with these foster care agencies who utilize the Central Registry regularly would then put those costs right back to you? [LB336]

DOUG WEINBERG: Well, you know, we pay a fixed administrative rate, as part of our per diem for foster care, to placing agencies. So it's our belief they'd be able to absorb that in their current administrative rates. [LB336]

SENATOR HOWARD: And you would never want them to sort of skip checking the Central Registry because they couldn't afford it. [LB336]

DOUG WEINBERG: No, absolutely not. No. And through our compliance monitoring process... [LB336]

SENATOR HOWARD: Right. [LB336]

DOUG WEINBERG: ...we do check for those other (inaudible). [LB336]

SENATOR HOWARD: Or discontinue their contract with you because it was overly burdensome for them to pay you \$3 every time. [LB336]

DOUG WEINBERG: That's correct. That is correct. [LB336]

SENATOR HOWARD: Right, okay. Thank you. [LB336]

SENATOR ERDMAN: Senator Williams. [LB336]

SENATOR WILLIAMS: Thank you, Senator Erdman. With the cybersecurity issues, how secure is this system? [LB336]

DOUG WEINBERG: This system...nobody else has access to it other than state employees. So... [LB336]

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SENATOR WILLIAMS: And are all requests that come in, what you call checks, is that all done electronically and responses done electronically? [LB336]

DOUG WEINBERG: I believe the responses are typically done by mail. There probably is an electronic option. But all the work with the database is done by our state employees. So it's not like an on-line system where somebody would access into the database. [LB336]

SENATOR WILLIAMS: So there has to be some system, though, of checking that the people that are requesting information qualify that information. [LB336]

DOUG WEINBERG: That is correct. We need a release from those individuals. [LB336]

SENATOR WILLIAMS: Okay, that's how you do it; you do it that direction. [LB336]

DOUG WEINBERG: Yeah. [LB336]

SENATOR WILLIAMS: Okay, thank you. [LB336]

SENATOR ERDMAN: Senator Kolterman. [LB336]

SENATOR KOLTERMAN: Thank you, Senator. So you get a release that they have to sign before you can actually access the database? [LB336]

DOUG WEINBERG: Before we release the information. [LB336]

SENATOR KOLTERMAN: Before you'd release the information. [LB336]

DOUG WEINBERG: So these would be checks made on, you know, potential employees of these various agencies. [LB336]

SENATOR KOLTERMAN: Right. [LB336]

DOUG WEINBERG: So as part of the employment process, through the application process, at the point where they're being considered for a job offer, they would sign a release for various background checks, including Central Registry. [LB336]

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SENATOR KOLTERMAN: So how...I guess my question is how thorough do you get with...how thorough does this central database...how thorough is it? [LB336]

DOUG WEINBERG: We actually have two databases, two systems. The more current substantiations are in N-FOCUS, which are our system of record for today. But N-FOCUS was implemented probably back in the 1980s. We had a more manual system called C1, which tracked substantiated allegations prior to the implementation of N-FOCUS. So one reason why it is somewhat labor intensive is that we're checking two systems. [LB336]

SENATOR KOLTERMAN: So you're just looking for previous history? What are you discovering when you're... [LB336]

DOUG WEINBERG: We are discovering substantiated or founded allegations of adult or child abuse or neglect. [LB336]

SENATOR KOLTERMAN: And that's all you're looking for. [LB336]

DOUG WEINBERG: That's all we're looking for through this registry. So this is very different than, say, a State Patrol background check. [LB336]

SENATOR KOLTERMAN: So it's not like a background check by any means. [LB336]

DOUG WEINBERG: No, and most employers require a background check as well. [LB336]

SENATOR KOLTERMAN: So if...okay, so if you have a background check, is that above and beyond this Central Registry? [LB336]

DOUG WEINBERG: A background check would not include these substantiations. [LB336]

SENATOR KOLTERMAN: Okay. [LB336]

DOUG WEINBERG: We don't share that information. [LB336]

SENATOR ERDMAN: How long does it take you to get that back when you look for the information? [LB336]

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DOUG WEINBERG: It varies, depending upon workload and staff availability. [LB336]

SENATOR ERDMAN: So is that week or 10 days? Or... [LB336]

DOUG WEINBERG: I don't know if I have statistics with me, but it can be several weeks for a turnaround. This is a very manual process today. [LB336]

SENATOR ERDMAN: Okay. Senator Kolterman? [LB336]

SENATOR KOLTERMAN: Yeah, this intrigues me because we've been...in banking and insurance we've been talking about background checks a lot and the fact that a lot of people get fingerprinted for background checks. And this, in essence, is the same type of thing... [LB336]

DOUG WEINBERG: Um-hum. [LB336]

SENATOR KOLTERMAN: ...except it's not apparently, not near as thorough as what you might go through if you're applying to be a title agent or things of that nature. [LB336]

DOUG WEINBERG: Right. That is correct. [LB336]

SENATOR KOLTERMAN: Okay. [LB336]

SENATOR ERDMAN: Senator Linehan. [LB336]

SENATOR LINEHAN: I know we...it's time to be over. So just so I'm clear, this isn't somebody is found guilty; this is...explain exactly if somebody is in your registry, what have they done? What's the... [LB336]

DOUG WEINBERG: The process would be, we get a call to our hotline. [LB336]

SENATOR LINEHAN: Okay. [LB336]

DOUG WEINBERG: So someone is reporting potential abuse and/or neglect. We go through a screening process, using a structured decision-making tool to determine whether or not that allegation raised to the level of taking it in for investigation. So those that rise to that level--we'll actually open up a case for investigation, and we will send our workers out to investigate, to meet

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with the family, to meet with relatives, to meet with the person making the allegation. And then a percentage of those are actually founded, or substantiated... [LB336]

SENATOR LINEHAN: Okay. [LB336]

DOUG WEINBERG: ...which then opens an ongoing case and ongoing case management and services. So it's those that are founded or substantiated that we then place on our Central Registry. [LB336]

SENATOR LINEHAN: Okay, thank you. And that's helpful. [LB336]

SENATOR ERDMAN: Anyone else? Senator Howard. [LB336]

SENATOR HOWARD: Thank you, Senator Erdman. Just for a point of clarification, we also check the Central Registry for foster parent applicants, as well? [LB336]

DOUG WEINBERG: Um-hum, yes. [LB336]

SENATOR HOWARD: Thank you. [LB336]

SENATOR ERDMAN: Senator Kolterman? [LB336]

SENATOR KOLTERMAN: Thank you, Senator. I'm trying to get this all straight in my head because, you know, we're talking about people here that you're checking to find out background information on that possibly could be taking our kids into their homes. And you know, in the past year, if you've read the reports, I mean we had two deaths and all kinds of other problems. [LB336]

DOUG WEINBERG: Um-hum. [LB336]

SENATOR KOLTERMAN: Is it, in your mind, in your estimation, is what we're doing thorough enough to eliminate some of those problems? Or would we be better suited to even expand on that and really charge what it needs to be charged to protect the kids? [LB336]

DOUG WEINBERG: Well, I can't speak for schools or other agencies that hire individuals that deal with children or adults. But for example, for our foster care agencies and our foster parents, we require not only a Central Registry check but also a thorough background check. [LB336]

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SENATOR KOLTERMAN: Okay. [LB336]

DOUG WEINBERG: So this is just one component, one relatively small component. [LB336]

SENATOR KOLTERMAN: Okay, so this is just one aspect then. [LB336]

DOUG WEINBERG: One element. [LB336]

SENATOR KOLTERMAN: And you're just trying to recover your costs here. [LB336]

DOUG WEINBERG: Right. [LB336]

SENATOR KOLTERMAN: Okay, thank you. [LB336]

SENATOR ERDMAN: I have a couple questions, I guess. Those other states seem to be interested in making a little more money. We're more efficient than they; maybe we could do it for them as well if we can charge them \$7 to \$30, we could make a little money (laughter). But I was... [LB336]

DOUG WEINBERG: I'll withhold comment. [LB336]

SENATOR ERDMAN: Yeah, I was glad to hear your comment, or your answer, to Senator Williams to ask if the Russians had access to our information; I guess they don't. [LB336]

DOUG WEINBERG: They do not. [LB336]

SENATOR ERDMAN: So that's good. Can you, in a statement or two, explain to me the process that you use, that your agency went through to determine these certain programs that were considered for elimination. How did that go? How did that conversation go? [LB336]

DOUG WEINBERG: These discussions began over six months ago, back in late spring--May, early June--as we began to look forward towards the upcoming biennium budget and began making preparations and doing analysis and review. And so these are very, very thought out. There's been a tremendous amount of discussion, not only within the division and within the department, even with the Governor's office and the Governor himself. So these were not knee-jerk reactions; these were well thought out. Any type of budget cut is painful; they're not easy decisions. If these were easy programs to get rid of, they wouldn't be here in the first place. So I

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believe these were the cuts that would be the least disruptive and cause the least amount of harm to children and families in Nebraska. [LB336]

SENATOR ERDMAN: Okay. All right, thank you. [LB336]

SENATOR KOLTERMAN: One more. [LB336]

SENATOR ERDMAN: Senator Kolterman? [LB336]

SENATOR KOLTERMAN: Yeah...thank you, Senator. And I appreciate hearing that. Out of...there's four here today. Do you know how many more we have coming? [LB336]

DOUG WEINBERG: Oh, these are the only four that are related to my division. [LB336]

SENATOR KOLTERMAN: As far as the budget is concerned... [LB336]

DOUG WEINBERG: But I can't speak for the other divisions. [LB336]

SENATOR WILLIAMS: Your division. [LB336]

DOUG WEINBERG: Yeah, for my division. [LB336]

SENATOR KOLTERMAN: That's what I mean, your division of the budget. [LB336]

DOUG WEINBERG: Yeah, this is it for my division. [LB336]

SENATOR KOLTERMAN: Okay. [LB336]

DOUG WEINBERG: You know, as far budget modifications that require change in legislation. [LB336]

SENATOR KOLTERMAN: And did you go to Appropriations and make the same pitch to them? [LB336]

DOUG WEINBERG: We have not had that hearing yet. [LB336]

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SENATOR KOLTERMAN: Okay. [LB336]

SENATOR ERDMAN: Good questions. Any other questions? Senator Crawford. [LB336]

SENATOR CRAWFORD: Thank you, Senator Erdman. So just because we were looking at the big picture before we exec on these bills, so these are the ones from your division. [LB336]

DOUG WEINBERG: Yes. [LB336]

SENATOR CRAWFORD: From your conversations with other directors of divisions, are we expecting a similar package, similar...are there other bills that we should be expecting in terms of other divisions from the department? [LB336]

DOUG WEINBERG: I know that every division has budget modifications, but I cannot speak to which of those modifications, if any, require change in legislation. I'm sorry. [LB336]

SENATOR ERDMAN: Thank you. Anything else? Okay, thank you very much. Are there any proponents that would like to speak? Anybody in favor? LB336. Any opponents? Good afternoon, thank you for coming. [LB336]

KENT ROBERT: (Exhibit 2) Good afternoon. Chairman Erdman, members of the HHS Committee, my name is Kent Rogert, K-e-n-t R-o-g-e-r-t, and I'm here today representing LeadingAge Nebraska, which is a association of nonprofit and government-owned nursing homes or assisted living facilities in the state. We're here today in opposition to LB336. And I first am apologizing to Senator Riepe; I did not have the chance to speak with him on this ahead of time, as we just kind of got this today. Nursing homes are actually also required to do this test on their employees, via the rules and regulations over at the department. Any particular facility can spend, at this level, up to \$500 a year and, in the face of, of course, budget cuts where we're looking at a 3 percent provider decrease in the proposed budget, this is just another, as we would say, robbing Peter to pay Paul in this effort. So we would respectfully ask that you do not advance this particular measure. [LB336]

SENATOR ERDMAN: Okay. Any questions? [LB336]

KENT ROBERT: Thank you. [LB336]

SENATOR ERDMAN: I have a question. [LB336]

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KENT ROBERT: Yes, sir. [LB336]

SENATOR ERDMAN: How many people in those division, or of those nursing homes, are going to be affected by this? Is it a huge number? [LB336]

KENT ROBERT: All of them. [LB336]

SENATOR ERDMAN: Can you give me a number how many? [LB336]

KENT ROBERT: That I can't tell you. You know, there's probably...if we're serving 5,000 people, we'll have several hundred employees. [LB336]

SENATOR ERDMAN: Several hundred at \$2.50 a pop. [LB336]

KENT ROBERT: Yeah. [LB336]

SENATOR ERDMAN: Okay, all right. Thank you. [LB336]

KENT ROBERT: Thanks. [LB336]

SENATOR ERDMAN: Any written testimony? [LB336]

TYLER MAHOOD: (Exhibit 3) Yes, I have a letter signed by Peg Harriott of the Children and Family Coalition of Nebraska, opposed to the legislation. [LB336]

SENATOR ERDMAN: Okay. Is that it? Thank you. Senator Riepe, would you like to close? [LB336]

SENATOR RIEPE: Thank you, Chairman Erdman, and thank you for all of you...to the committee. Again, I want to thank everyone that has testified for and against today. I think we...obviously the discussion is an important dialogue that we need to have. I also sense that Senator Kolterman here appears to be somewhat less than enthusiastic about additional budget cut hearings, so...(laughter). Also, I want to remind the committee of--I think it was one or two sessions ago--about...and I, too, Senator Linehan, asked the question: Why \$3? Again, when you're setting your rates, then any percent after that gets more and more difficult. And I was reminded, and some of you will remember, when Senator Campbell introduced the marriage increase rate and that became a major floor debate. And just to take it up what was \$18 or

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something like that, and it went on for hours. So that might be part of the explanation as well. I don't have additional comments, but I would entertain...again, I didn't want to waive off the closing, to give you an opportunity to ask me if we need to follow up on some information. And we will follow up on your piece. [LB336]

SENATOR ERDMAN: Are there any questions? Senator Crawford. [LB336]

SENATOR CRAWFORD: Thank you, Senator Erdman. And thank you, Senator Riepe. If you don't mind, I know that one of the challenging tasks of the Chair is bringing these bills. And I thank you for your work as chair, to bring these bills and discussions to us. So the ones we've had today have been from one division of the department. Are there other key packages that we should expect from the other divisions as well? [LB336]

SENATOR RIEPE: First of all, we don't believe in surprises. [LB336]

SENATOR CRAWFORD: Right. [LB336]

SENATOR RIEPE: And no, there are not additional ones to be brought forward that we're aware of. [LB336]

SENATOR CRAWFORD: Okay, okay. [LB336]

SENATOR RIEPE: And there won't be; we're too close. [LB336]

SENATOR CRAWFORD: Okay, thank you. [LB336]

SENATOR ERDMAN: I don't believe that to be the case; I don't think there is. Okay. All right, anything else? That will conclude the hearing on LB336. Thank you all for coming. See you tomorrow. [LB336]

SENATOR RIEPE: Thank you, Mr. Chairman; thank you. [LB336]