

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 2, 2022

STINNER: [RECORDER MALFUNCTION] I'm from Gering, and I represent the 48th District. I serve as Chair for this committee. I'd like to start off by having members do self-introductions, starting with Senator Erdman.

ERDMAN: Steve Erdman. I represent District 47, nine counties in the Panhandle.

CLEMENTS: Rob Clements, District 2, all of Cass County and eastern Lancaster.

McDONNELL: Mike McDonnell, LD5, south Omaha.

STINNER: John Stinner, Legislative District 48, all of Scotts Bluff, Banner, and Kimball Counties.

WISHART: Anna Wishart, District 27.

KOLTERMAN: Mark Kolterman, District 24.

VARGAS: Tony Vargas, District 7, downtown and south Omaha.

DORN: Myron Dorn, District 30, Gage County and part of Lancaster.

STINNER: Assisting the committee today is Tamara Hunt, and to my left is our fiscal analyst, Scott Danigole. Our page today is Jason Wendling. On the cabi-- on the cabinet to your right, you will find green testifier sheets. If you are planning to testify today, please fill out a sign-in sheet and hand it to the page when you come up to testify. If you will not be testifying at the microphone but would want to go on record as having a position on a bill being heard today, there are white sign-in sheets on the cabinet where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearings. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Order of testimony will be introducer, proponents, opponents, neutral, closing. When we hear testimony regarding agencies, we will first hear from the representative of the agency. We will then hear testimony for anybody who wishes to speak on the agency's budget request. We ask, when you come up, that you spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to committee members only while testimony is being offered. Hand them to the page for

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distribution to the committee and staff when you come up to testify. We need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearing with Agency 11, Attorney General.

[AGENCY HEARINGS]

STINNER: We will now open with LB911.

McDONNELL: Thank you, Senator Stinner, members of the Appropriations Committee. My name is Mike McDonnell, M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. LB911 is a bill that would increase state funding for the Nebraska 211 contact center operated by the United Way of the Midlands. In 2019, we passed LB641 to give us the opportunity to reestablish a 24-hours-a-day, 7-days-a-week operation at the Nebraska 211 contact center and provide coverage statewide. Since then, we have experienced historic flooding and a global pandemic, and 211 has been available for Nebraskans in need of assistance. When the original legislation was passed, we were committed to public-private partnership, then a 40:60 ratio, with 40 percent funding coming from the-- the-- from the state and 60 percent from private donations. With the large influx of calls and support services provided by 211, we find ourselves with 85 percent of the 211's funding coming from the private funding. This bill looks to increase 211's funding to grow with the pace of 211 service. We have gone from 72,000 contacts in 2019 to 248,000 in 2-- 2021. LB911 will also ensure local dollars stay in rural communities as the Nebraska 211 contact center will no longer have to charge the other United Ways across the state for this service. Here with me today is Dr. Pam Schwalb, chief operating officer for the United Way of the Midlands, and Matt Wallen, senior vice president of community impact for the United Way of the Midlands. This was something that we had discussed two years ago, was the idea that if we could take the 211 service, make sure it was operating 24 hours a day, 7 days a week, and start educating people like we have on some of the other eight N-11 numbers we have in the state of Nebraska, we could really let people know that through the private donations, which exceeds \$30 million in-- just in the-- in the Omaha metropolitan area. You look at \$12 million in Lincoln and \$8 million in Grand Island and all the people that want to give, they want to give to assist other members of the state of Nebraska. And right now, with this 211 center, and we can see the-- with the handouts, and I know Pam and-- and Matt will dive further into this. The idea of the more we can let people know there's help, people want to help, they want to donate their money to

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assist, and if you look at some of the housing which we're going to be discussing in this, this committee, and some of the other assistance with utilities and food, the idea that people want to be able to have a-- make sure they have a number they can call, it's private, they can have those discussions with a professional and make sure they put them in contact with the people that-- that can help them. Any questions? And I'll stick around for closing.

STINNER: Questions? Seeing none, thank you. Afternoon.

MATT WALLEN: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Matt Wallen, M-a-t-t W-a-l-l-e-n. I'm the senior vice president for community impact and analytics at United Way of the Midlands, located in Omaha. I'm here to testify in support of LB911, a bill that would increase state funding for Nebraska 211 contact center operated by United Way of the Midlands. This public-private partnership started in 2002 when the Public Service Commission designated the 211 telephone number to United Way of the Midlands for Douglas and Sarpy Counties. Over the next eight years, 211 was designated to United Way of the Midlands county by county, until Logan, McPherson, and Thomas were finally designated in 2010. The essential services offered to the entire state, all 93 counties, through the Nebraska 211 contact center were strengthened when the Nebraska Legislature passed LB641 with a 41-0 vote and Governor Ricketts signed it into law on May 29, 2019. Those actions provided the necessary resources for the Nebraska 211 contact center to commence 24/7 operations and ensure that communities in western, central, rural, frontier, all communities have easy access to an information and referral network of human services simply by dialing 211. Part of my responsibilities leading the community impact and analytics team is to have a pretty good understanding of the needs in our community and a pretty good understanding of the human services agencies that can help residents meet their needs. We then work with-- we then work to support those agencies' programs so they can help Nebraska residents that need it most. My prior experience, before joining United Way, gave me a good understanding of the public benefits available to residents through federal and state programs. What I see firsthand with the 211 contact center is a safety net of essential services when all other avenues have been exhausted. When people don't know where or who to turn to for help, they may have exhausted other benefits or they may be first-time callers that have found themselves in a difficult spot. We want to ensure that 211 is available for all callers 24/7. As I wrap up my testimony today, what I can share is that roughly 75 percent of the calls that come into the Nebraska 211 contact center are from families looking for

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assistance with rent, mortgage or utilities. Having the 211 conduit to available resources helps to keep families in their homes and helps to keep them safe. The 211 contact center has been an essential service through the floods in 2019 and through the pandemic we've all been experiencing the last couple of years. Contact volumes have not gone down at all. They appear to have returned to a new normal, which just keeps increasing year over year. I would be happy to address any questions you might have. I will mention that my colleague, Dr. Pam Schwalb, will be testifying right after me. She leads the 211 contact center and has included a lot of the center's data points and operational efficiencies in her testimony. I have also attached a letter of support from our board of directors as part of my written testimony today as well. Thank you for the opportunity to testify and be happy to answer any questions you might have.

STINNER: It's good to see you again. Any questions?

MATT WALLEN: Good to see you.

STINNER: Seeing none, thank you.

MATT WALLEN: Great. Thank you.

STINNER: Afternoon.

PAM SCHWALB: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Pam, P-a-m, Schawalb, S-c-h-w-a-l-b, and I'm the chief operating officer at United Way of the Midlands, located in Omaha. I'm here to testify in support of LB911, a bill that would increase state funding for the Nebraska 211 contact center operated by United Way of the Midlands. You've been provided data packets so you can see how your constituents utilized 211 last year, including the needs, both met and unmet. In addition to the letters of support from many around the state, you will find a copy of my full testimony. However, to best use my time with you, I want to focus on three points for you to take away about the Nebraska 211 contact center. First, the key impact from the funding we've received the last few years from the state, we now have specialists working every hour of every day to help those in need, and many more Nebraskans are aware of and using 211 services as a result of the concerted outreach and awareness. Second, the need for increased funding is driven by the increase in organic 211 calls. From when we first began the discussion with the Legislature about a private-public partnership, contacts have grown from 85,000 in 2018 to 248,000 this past year end. At this pace, we expect to exceed

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350,000 at the end of this fiscal year before seeing any sort of change in that trajectory. The challenges that people are facing are increasing in both number and complexity. Resource specialists, our folks on phones, are expected to do more real-time problem solving, spend more time to work through eligibility questions, and to now filter out fraudulent requests. The work has evolved considerably from directing someone to the nearest food pantry. And finally, the size of the increase: when the original legislation passed, this public benefit was funded at a 45:55 ratio, meaning 45 percent state support and 55 percent private philanthropy funded almost entirely from the Omaha community. This past year, the public-private partnership dipped to 17 percent state support and 83 percent private philanthropy from Omaha, as growth in contacts have far outpaced the volume in 2019. At this time, we are requesting a rebalance to a 40 percent share from the state. To put the funding increase into context, I'm going to give you three more numbers to hold onto. When you look at the growth since funding was first approved, 368 percent is the increase in call volume; 287 percent is our staffing increase; and 250 percent is the increase in cost. The cost efficiency is a result of offsetting growth through technological efficiencies, some of which were made possible because of funding from the state the last couple years, and some fee-for-service private contracts that help cover a lot of the shared costs. One last stat: The total cost of this public network to stand at the ready for all of our neighbors in Nebraska, whether it's for an individual's personal need, a regional disaster like flooding a couple of years ago and straight-line winds last year, or a multi-year statewide pandemic, the cost is \$1.20 per person, of which the state's portion would be 48 cents. We're humbled and honored to partner with the state and other supporters to provide this essential public service. And now I'm happy to entertain any questions you may have.

STINNER: Senator Kolterman.

KOLTERMAN: Go ahead, Senator.

STINNER: I was just going to ask, and I'm looking at my own district--

PAM SCHWALB: Sure.

STINNER: --somebody in Scottsbluff calls 211, needs help on utilities, then what happens? You just give them a telephone number, or do you have a case manager that helps them?

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PAM SCHWALB: So utility assistance and rent assistance is a different animal because, in that case, 211 has been con-- it is contracted to help take the application to provide the actual funding. So we partner with NPPD, OPPD, MUD, Goodfellows and others that we can pledge funding for individuals that they have raised. So using Scottsbluff, for example, somebody calls from that area, says, I've been given a shut-off notice, can you help me pay this month's bill? And so we will look through all of the resources we have. If they are an NPPD customer, Omaha World-Herald, the funds we get from Goodfellows can serve anyone in the state of Nebraska. They put \$1,000-in-your-lifetime limit on that. So we'll check with this individual. Have you ever received Goodfellows funds? Oh, no, I see you haven't. You have \$1,000 for your lifetime, and we make that connection. So when I talk about talk time or handle time is increased, that's the kind of problem solving. In some cases, we might tap into three different funds of money we've been made available to-- to assist with to help somebody with a rent assistance or a higher expense item.

STINNER: There was another question I have, and it has to do with rental assistance.

PAM SCHWALB: OK.

STINNER: And of course, we have this pot of money that apparently we're not using, and then we have another pot of money that we could be using over the next four years. What's your experience that you see as far as using this rental money or not using this rental money? Is it hard to access the money?

PAM SCHWALB: Great-- good question. So as you're aware, the first tranche of funds that went out, some went to the city of Omaha. Some went to Douglas County, Lincoln, Lancaster County, and I believe the state. There might be others. Those are the four I'm aware of. We were contracted with by the Metro Area Continuum of Care for the Homeless, which is an agency in the Omaha area. The city of Omaha hired them to disburse the funds, and there's certain required qualifications. You must live in the city of Omaha, is one of the big ones, and impacted by COVID and so on and so forth. MACCH contracted with 211 to be the call center, so at all of the-- whether it's their website, any public information about it, they said first call 211. And so we sort of pre-qualify. Oh, I'm sorry, you live in Sarpy County, here's a number you could call to see if there's housing assistance available there, so, yes, you do live-- were you impacted by COVID? So we try to do some of the pre-qualification. If it's

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elderly or someone that has vision or hearing disabilities, we will work with the person on the phone to actually take the application. And then we submit it into the-- they use Apricot, the system where all of the applications come in. Someone reviews those applications, makes a decision on funding, and then the checks go out. That is our number-one call. We receive, just for the city of Omaha, about 2,000 calls a week, and that has not slowed down, even though this funding has been going on since March. I guess the funding started April. We stood up March of 2021. And again, they can call us from anywhere and we're going to look at where we might be able to either help or refer them to. In terms of others in need of the funding, once a quarter, I facilitate a call with all of the United Ways across the state. There are 16 of us, and we just had our quarterly call two weeks ago, and this is still a need, hearing from the-- all of my counterparts at the local United Ways. It is still a need. No one is saying I can't spend it or I've got money here, I can't figure out where to put it, so, I mean, that's the only experience I can provide in that regard. The article that was in the paper over the weekend, Karen Rathke, who is the executive director for Grand Island, I think she talked quite passionately about the need for additional funding in her area.

STINNER: So if we could go to 211 and really kind of get an idea of what the demand is today. The one thing that I heard from landlords is when-- I was a landlord at one time, so I know how this works. There was a prohi-- prohibition against throwing tenants out, OK? During that time, very few of the tenants, even though they could apply for rental assistance, said, hey, you can't throw me out anyhow. There is too much information that I have to provide. I think they had to provide like pay stubs and things of that nature, so they couldn't get anybody to apply; or I'm sure there were people that would, but that was the complaint: too hard to apply, too much information that we had to provide, and, oh, by the way, you can't throw me out. So when that ended, did you see a big spike or did--

PAM SCHWALB: Thirty days, because it was well-publicized when the eviction moratorium would cease. About 30 days before the moratorium, we began to see housing calls increase significantly before that. We-- again our job is to help those, the vulnerable populations, those in need. We, within the qualifications set, do everything within our power to find assistance for people, yeah, so.

STINNER: At that time, they still had to provide information that they were affected by COVID and some of them weren't affected or [INAUDIBLE]

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PAM SCHWALB: Right, you have to somehow demonstrate--

STINNER: Now that restriction is off, is that correct?

PAM SCHWALB: I think on the next tranche of funds.

STINNER: That's what I meant [INAUDIBLE]

PAM SCHWALB: Yes, the next tranche of funds, that restriction is gone. It is challenging. A lot of people don't understand, but I'll-- I'll tell you in our-- and we've done this work pre-COVID for many years, mostly for utilities. But again, as long as Goodfellows has been around, we've also provided rent assistance, so we-- we do this type of work quite a bit. If you tell people, help them through the process, actually help them navigate the system, all right if you want to demonstrate, here's what I need, did you file your taxes last year? How about you send me a copy of your tax return because that's going to have Social Security number, their wages there. So in some cases, you just have to help the individual with the paperwork. In every instance, if you need the money, you will work with someone that's going to work with you to meet the eligibility requirements and the paperwork that's required for that.

STINNER: OK. Senator Kolterman, did you have a question?

KOLTERMAN: Well, you-- you alluded to a lot of it, Senator Stinner. I appreciate that. But I guess my question is, last week we heard that there's \$44 billion left in the funds that have been allocated thus far, and there was not going to be an attempt to attach those additional funds. Do you feel-- I mean, the-- the philanthropists of Omaha, the Goodfellows are really good fellows. They-- if they know that the monies are available to the federal government, will they continue to-- will they continue, in your opinion, will they continue to step up to the plate and keep contributing if they know that there's money left on the table that can't help these people as well?

PAM SCHWALB: So you ask a fabulous question, and if you think about it, all the money that's given out from Goodfellows comes from donations during-- from Thanksgiving to Christmas, right? Individuals. So I think it might be more about the-- your neighbors, our-- my neighbors, your neighbors that-- will they decide, yeah, I was happy to give \$100 to Goodfellows last year, but if the state is going to release funds to go to-- which will eventually go to other states-- that's what the newspaper article said this weekend-- why should I bother to give the \$100 out of my pocket? So it could affect

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it. If you have a giving heart-- you know, a couple of years ago, when the tax deduction for charitable contributions basically went away, we were very worried, we, United Way of the Midlands, on whether or not this was going to affect-- impact giving. One of the things that gave us confidence was back in the Reagan administration there were similarly a period of time when the charitable deduction was taken away and that year giving increased. People that want to give to help others, they do it whether they have the tax benefit or not. Whether or not the state gives back the money, I think your typical neighbor will continue to give to help out. They can only help so much. I mean, I--

KOLTERMAN: And one follow-up question.

PAM SCHWALB: Sure.

KOLTERMAN: In your experience, you deal primarily with Omaha, but you know the-- you know what goes on across the state--

PAM SCHWALB: Correct.

KOLTERMAN: --because of your relationship with other Goodwills. Is the greater state of Nebraska, what you see, as philanthropic as the people of Omaha?

PAM SCHWALB: You know, we were all affected by COVID across the state, the nation, the world, and there are more resources to help those in need in more urban areas, Omaha has-- Omaha, just by way of its population, has more resources to help out those in need than maybe Scottsbluff. So when COVID hit particularly hard, the middle of the state-- use Grand Island again because of the preponderance of meatpacking plants. It is amazing, whether you lived in the Grand Island area or not, when you heard how a community was unduly impacted compared to others within the state, it-- it's the people that stepped in and helped. Flooding, that could be the best example of all. We raised money for those impacted by floods, and if it's in your area at Fremont, you are really impacted by flooding, where-- where other parts of the state weren't so much. We collected money that wanted to help those impacted by flooding from not only the entire state, but, I want to say, 48 out of the 50 states. Again, people step up when there's a disaster and-- and help out, and that's-- that's a fabulous thing. So I think many will still help. I think the number won't be as much. How about that for my opinion?

KOLTERMAN: Thank you.

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WISHART: Any additional questions?

DORN: I-- I got--

WISHART: Senator Dorn.

DORN: Thank you, Senator Wishart. Thank you for being here. I guess 24-7, you-- you-- what-- and maybe when Senator McDonnell brought this to the fore, I didn't catch that part, it was 24-7. I don't know if it was then or what-- what-- when's decision they make for that? And do-- do-- I call it, a good share of the calls come, I call it, in the daylight hour for what-- talk about that.

PAM SCHWALB: Yeah, that's a great question. In 2017, the board of directors of United Way of the Midlands said why are we in charge of 211 for the entire state? Why is that our responsibility? And again, at that time, we didn't have state funding, and so pretty much all the funding other than some of the United Ways would pitch in and so forth. Why are we paying for it? So they had three questions. They asked us to convene a task force and asked-- and wanted three questions answered: Is United Way of the Midlands the best one to operate the 211 call center; is it redundant; is someone else already doing that out there, because nonprofits can't afford redundancy; and are we being as efficient as possible? So a task force of members, mostly from the Omaha community but not entirely, we had one United Way that was represented there. We had a gentleman from Boys Town who runs their crisis hotline. He was there. We had someone who runs a hotline for Physicians Mutual. We had a board member and we had agencies that we refer to, so it was a-- it was a very well-rounded, diverse group and-- and they reported to the board on the findings. So this went on until about February 17: The recommendations that came out: management should stay with United Way of the Midlands, reduce costs via operational efficiencies, and, oh, yeah-- bless you --enhance service provided, build awareness and education, pursue additional funding, so, yeah, keep doing it, but you have to do it more efficiently because we can't afford what you are. We cut 24/7, so we did what you just asked. We looked over the previous year, so number of calls by hour in the day, and what we learned was you get-- you get a pretty steady stream of calls till about 7:00 or 8:00 p.m. because you have those who work that can't call until they get home or after dinner or homework, whatever. So we have pretty good volume till 7:00 or 8:00 p.m. and half-days on Saturdays, so from about 8:00 a.m. till noon on Saturdays, same thing. You have pretty decent call volume, less. So if we had to pick where we could do the most good, so we took away, in order to meet the requirements of the board, the

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after-hours. There are still people that have challenges after hours. One of the things when we came to the Legislature in 2019, we said we really want to go back to 24/7, we want to be available. And this would have been February of '19, and did the floods hit March of '19? Yes, remembering that, which we didn't get approved quite yet and we didn't get the funding quite yet, most of the flooding was behind us, but my goodness, we had a lot of data about that. So first thing we did with the \$300,000 that we were provided that first year, we went 24/7; we hired staff to do it. It wasn't our idea, but it was a great idea. A few senators said, I've never heard of you, I don't think my constituents know about you, and these were more, I'm going to say, outstate, probably not popular, but outstate from Lincoln, Lancaster County and Omaha, and we said absolutely. So \$85,000 of that \$300,000 went to outreach, and we did things like rural radio, billboards. We tracked where there's high traffic volume going in and out of these areas. We partnered with local newspapers. We did outreach with first responders. It might be a small town, but there's probably at least one police car and one, you know, fire department. And so we met with them. We provided cards. We said, we're going to show up at the worst time in people's lives, you'll handle what you handle, and then give them this card and we'll take it from there. So that's-- you know, again, the things we did the most with the first couple of years was to make more people aware, and, boy, are they, and then the after hours, so, yeah. And now I mentioned that some of the funding, obviously, if we're asking the state for \$955,000, next year we expect our budget's going to be about \$2.4 million, so we need to find the other \$1.4 million somewhere, private contracts, and most of our private contracts require 24/7. But they're helping now to cover some of that cost. You really can't have one person a shift because what if that person gets sick? But now we have the volume from-- from other contracts to help share in the cost. We now need three people on nights and evenings based on the volume.

WISHART: Any additional questions? Seeing none, thank you.

PAM SCHWALB: Well, thank you so much for your time.

WISHART: Additional proponents for LB911? Anybody in the opposition? Anyone in neutral? Welcome.

DAN WATERMEIER: Good afternoon, Vice Chair Wishart, and Appropriations Committee, I am Senator Dan-- excuse me-- Commissioner Dan Watermeier, spelled W-a-t-e-r-m-e-i-e-r. I represent the commission's 1st District and I'm the current chair of the Nebraska Public Service Commission, and I'm here to testify neutral on LB911.

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The commission administers the grant program for the 211 Information and Referral Network and does through-- through a transfer of the interest earned from the Nebraska Universal Service Fund or the NUSF. As described in the fiscal note, \$300,000 is currently appropriated annually for the support of this program from that interest. In order to support the additional funds requested, another \$655,000 would have to be appropriated. The fiscal note that was submitted lists the additional support for this program as General Funds, since the bill gave no indication of something otherwise. Thank you for the opportunity to testify and be happy to answer your questions.

WISHART: Thank you. Any questions?

DORN: Yeah.

WISHART: Senator Dorn.

DORN: Yeah. Thank you, Senator Wishart. Thanks for being here.

DAN WATERMEIER: Yeah. Senator Dorn.

DORN: I guess, is there-- is there-- in that fund, is there additional funds available--

DAN WATERMEIER: There are.

DORN: --that aren't being used?

DAN WATERMEIER: The fund today is around \$101 million. Last year, it generated \$1.4 million, but your bill talks about generating it from '22-23 fiscal, '23-24 fiscal, so you're just es-- anticipating what it might be in the future. And so I know when this bill came to the floor, Senator McDonnell and I had talked about that when I was involved in Appropriations, that \$300,000 was a safe number at that time, so, yeah.

DORN: 'Cause the, I call it, the interest would have to be maintained--

DAN WATERMEIER: Exactly.

DORN: --I mean, that-- that growth in that funding--

DAN WATERMEIER: Right.

DORN: --to be able to fund it out of there [INAUDIBLE]

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DAN WATERMEIER: Right, exactly. And most of those dollars that are-- now are appropriated and allocated, I would say--

DORN: That was--

DAN WATERMEIER: --aren't just spent yet.

DORN: Yeah.

DAN WATERMEIER: They aren't spent. So there's always a risk that that--

DORN: Oh, they are allocated [INAUDIBLE]

DAN WATERMEIER: They are pretty much at-- they're--

DORN: They are appropriated. That was my question, was--

DAN WATERMEIER: Yeah.

DORN: --is there--

DAN WATERMEIER: Yeah. In our world, in the commission, we would call it allocated.

DORN: OK.

DAN WATERMEIER: And if you were to swipe away all the funding today and it would stop generating revenue and we'd have to spend around-- we'd only have \$5-7 million left over. The last numbers I saw, anyway, less than \$10 million would be totally unallocated.

DORN: OK, thank you.

DAN WATERMEIER: If that-- I think that's an estimate.

WISHART: Any additional questions? Seeing none, thank you.

DAN WATERMEIER: All right. Thank you for having me.

WISHART: Any additional neutral? Seeing none, Senator McDonnell, you're welcome to close.

McDONNELL: I'd like to thank Mr. Watermeier for being here and working with him on this over the years. He's been extremely helpful. With the idea of the-- the fund and having \$1.5 million and-- and roughly in the interest on that fund, we thought it was safe at this

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time. We will be talking with the committee, of course, about General Funds, but we are looking at \$655,000 in addition to the \$300,000 we have right now for the 211 center. When we all ran for office, you know, I think the common theme amongst anyone that runs for public office is you want to help, you want to try to make a difference. And so I think we come down here and we try to do that. The difference sometimes is there's people that call and tell you stories and they'll share things with you that you never thought they would-- would share, but it'll pull at your heart strings and there's nothing you can do. There's no-- really, as a state senator, there's-- there's nothing. At that point in time, that's what one of the reasons why I got involved with United Way of the Midlands and the 211 center. It was based on those phone calls that I didn't know what to tell these people. I didn't know where to direct them for help. Now, if you look at that idea outside of, of course, a medical emergency, someone break into your home, a fire, you tell people to call 911. Now you can call them, tell them to call 211 on anything else, anything else, 24 hours a day. And think about this in your life, when you had that moment in time, maybe it was 2:00 in the morning, where you needed to call a family member, a friend, a neighbor, and they answered. There's a lot of people out there that don't have that family member, friend or neighbor they can call, and they call 211, and that makes a huge difference in their lives and their family's lives. That's how this money is being spent and the-- and the investment and all the people out there in our communities. And if you look at one of those handouts, the-- the impact on all legislative districts, it's on the back of one of the sheets, but those people called for help and there was other people in those communities throughout the state that made that donation, as Dr. Schwalb said; you know, \$100 dollars here, \$50 here, that's going on throughout the whole state to try to help your neighbor. And then you might not ever know what neighbor you helped, but it definitely made an impact. And so you're talking about millions and millions of dollars being donated. This money, this 211 center, makes sure that we put those people in contact with the people that gave that money to help them. Any questions?

STINNER: Questions? Seeing none, thank you.

McDONNELL: Thank you.

STINNER: That concludes our hearing on LB911. Excuse me, I have three proponent letters, online letters, and one neutral on LB911. And that concludes our hearing on LB911. We'll now hear LB1151. Afternoon, Senator McCollister.

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McCOLLISTER: Thank you, Senator Stinner. I believe this is the first time I've appeared before the Appropriations Committee in my eight sessions.

STINNER: We are honored, sir. (LAUGHTER)

McCOLLISTER: Good afternoon, Chairman Stinner and members of the Appropriations Committee. I am John, J-o-h-n, McCollister, M-c-C-o-l-l-i-s-t-e-r, and I represent the 20th Legislative District in Omaha. The building we are meeting in today has been recognized as an architectural and artistic wonder, and it's in-- it's 90 years old this year. Like all buildings, it requires continuous effort to maintain, preserve and restore and enhance. Our Capitol is unique in another way. Operations and upkeep of other buildings is funded from rents paid to DAS. That's not true for the Capitol. No rent is paid by any agency for the use of its space, with the result that operations and upkeep are funded entirely by General Funds. In the past, maintenance and preservation and restoration and enhancement of the building characterized by-- is characterized by large projects and limited additional funding. The current large project, the HVAC project, is scheduled for a ten-year effort budgeted at \$106 million. In the '90s and early 2000s, about \$57.5 million was spent on the exterior masons-- masonry of the building. Before that-- before that, there had been an HVAC project in the early '60s. In addition, from time to time, the Legislature has appropriated funds for rehabilitation of offices by its-- used by its members and staff. In 2001, the Appropriations Committee initiated program 901 with the intent to appropriate \$1 million a year for maintenance of the Capitol. That effort went force-- it went forward fitfully. Sometimes there was a \$1 million appropriation, sometimes less than a million dollars was appropriated, and sometimes nothing was appropriated at all. The effort simply couldn't be sustained due to budget constraints. I'm suggesting that we have an opportunity to create a reliable building source for the future maintenance, preservation, restoration and enhancement of the Capitol. I am suggesting that we create a fund and capitalize it with two-- \$20 million from the Cash Reserve, limiting withdrawals to 4 percent of the fund amount on January 1 of each year. The result would be at least \$800,000 available each year without resort to General Funds. Any money used would have to be appropriated, so it would be wise to spend less than the \$800,000; that decision could be made, but it also would be something and something better than the fits and starts that we have characterized past funding efforts. The additional-- the need for additional and ongoing funding is shown in the Capitol Commission's Capitol Master Plan for the conservation of Nebraska State Capitol,

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last reviewed for the 2017-2019 biennium. That plan shows more than \$10 million of needs that will not be addressed by the HVAC, and the cost estimates are now five years old. The cultural preservation endowment supporting the Arts Council and the Nebraska Humanities Council is an example of this kind of fund that has been made to work, eliminating a need for General Funds. Finally, I want to again note that we are working on a 90-year-old building. Its 100th birthday is approaching, hopefully, with a stream of funding that will be created by LB1115 and we can have it in good shape for the celebration. The fund I am proposing can also be made to work and help assure Nebraskans that we are good stewards of their Capitol. One last note. I was contacted by the Treasurer's Office since the bill was introduced and notified that it needs some kind of additional language outlining who shall administer and appropriate the new fund. If the committee wishes-- finds the bill workable, I'm happy to amend the bill to include this information based on their recommendation.

STINNER: Thank you. Questions? Senator Erdman.

ERDMAN: Thank you, Senator Stinner. Thank you, Senator McCollister. Who-- who brought this bill to your attention?

McCOLLISTER: The Capitol Commission.

ERDMAN: So \$20 million, use only 4 percent a year, \$800,000, and so-- and it can receive funds from any source, is that what-- that what the bill said?

McCOLLISTER: Yes, sir.

ERDMAN: So who's-- who is the administrator? If you bring us an amendment, who is that going to be?

McCOLLISTER: Well, that's what we need to figure out. You know, we need to figure out an appropriate agency that-- that would administer this. Whether the Capitol Commission is suitable for that, I don't know.

ERDMAN: Wouldn't that be your job to bring us the amendment with who's going to do that?

McCOLLISTER: Well, I just got the information from the Treasurer, so I think we need to wrestle with that before we figure out the amendment. But we first need to figure out if the bill has any appeal to the Appropriations Committee.

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ERDMAN: The fiscal note also says as introduced the bill contains incomplete information, not date to provide or when the funds to be transferred and any other information regarding the appropriations when the balance is determined (INAUDIBLE). So you got some-- you got some issues to deal with on this bill before it's--

McCOLLISTER: Well, it's--

ERDMAN: --ready.

McCOLLISTER: Yeah, I think most of the projects that the Capitol Commission has done has come from the rainy-day fund. I don't think there's been any General Fund impact, although I can't testify to that.

ERDMAN: Thank you.

STINNER: Just for your information, the HVAC comes from General Funds, but that's beside the point. If it deals with the Capitol, improvements in the Capitol or repairs, it is the Capitol Commission. That's the appropriate body that would handle this.

McCOLLISTER: I just might mention, I think we set up a program for the University of this sort, and I think it makes good sense.

STINNER: We could sell a bond issue. Anyhow, any additional questions? Seeing none, thank you.

McCOLLISTER: Well, thank you. Now I can add this to my bucket list.

STINNER: It's a-- yeah, it's a collection and I saw you had your photography here and [INAUDIBLE]

McCOLLISTER: Yeah, no, I hope I took some good pictures. Thank you very much.

WISHART: Capitol photography.

VARGAS: Yeah,

STINNER: Is that who it was?

VARGAS: Yeah, I am.

STINNER: Wow, we'll see--

McDONNELL: How the (INAUDIBLE) goes.

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VARGAS: Got paparazzi.

WISHART: I've never had-- I've never had the Capitol photographer do that.

_____ : Yes, you have.

STINNER: OK, thank you.

KENT ROGERT: Senator Stinner, members of the Appropriation Committee, my name is Kent Rogert, K-e-n-t R-o-g-e-r-t, and I'm here today in support of LB1151 on behalf of the Association of Former Legislators, the future you. We don't do much with our association, except this is our-- this is our favorite place. It's our office. It's where we became, you know, part of the-- part of the political process, and we want to make sure that it stays in good shape. The building-- and this has kind of been an ongoing process, not only us, but others for many years. The building was built during the Depression and it ran out of money. So while they were constructing it, they pulled all the art projects out of the building plan. The dates are going to be a little wrong because I didn't fully research, but I-- I believe sometime in the '60s they added some art on the second floor. They raised money to do so. In the '90s, they went up to the 14th floor vestibule and added the art that's up there. And then in the 2010s, we helped get some money raised to put the fountains in the courtyard. And then as of last year, our association has raised and holds a million dollars in an account through which the endowment we spend every year to beautify those gardens with plants and shrubbery and flowers and all that good stuff. So we-- we support-- we-- I thank Senator McCollister for doing this. We brought the bill to him, the idea. We left some of the numbers a little vague for your best decisions on where to put it, who to handle it. As he mentioned, the 901 program was started in 2002. The Legislature and Governor Johanns did put those things together. Most of-- most of the time, they spend far less than that on an annual basis, except for the big projects like the HVAC project we're working on today. So this would essentially be the amount of money that we would have spent in the past 20 years. We put that money in an account and draw down. Our funds-- our fund performance with the state has been well over 4 percent for the last several years, so I think it would be sufficient and we wouldn't have to come ask for money every-- every time we need a project. I think there are some \$200 million in projects in the master plan that are set to be looked at over the next 20 years.

STINNER: OK. Additional questions? Seeing none, thank you.

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KENT ROBERT: Thank you.

STINNER: Any additional proponents? Are you a proponent?

McDONNELL: No, I'm just going to jump in the seat because everyone back in the room here is here for my next bill.

STINNER: OK, any opponents?

ERDMAN: How do you know that?

STINNER: Anyone in the neutral capacity? Seeing none, there is LB1151, two proponents from the online letter, and that concludes our hearing on LB1151. We'll now open on LB1197. Senator McDonnell.

McDONNELL: Thank you, Senator Stinner, members of the Appropriations Committee. My name is Mike McDonnell, M-c-D-o-n-n-e-l-l. I represent Legislative District 5. LB1197 will increase the appropriation for the Vocational and Life Skills Grant Program by \$500,000 for fiscal year '22-23 to the Department of Correctional Services. The Vocational/Life Skills Program was created by LB907 in 2014, with the goal of increasing employment for individuals who are incarcerated or who have been incarcerated within the prior 18 months with the goal of reducing recidivism. Currently, programming is offered in all ten Nebraska correctional facilities and in the community and community-based partnerships. Services provided under the Vocational and Life Skills Program include mental health programming, housing, vocational training, job readiness skills, college courses, behavioral therapy, job certifications and more. We passed in 2014, the legislation was to provide funding to aid in the establishment and provision of the community-based vocational training. Two years ago, we increased the funding available and requested the private sector put skin in the game to access these additional funds since the training provided will benefit these employers by placing participants directly into the workforce. This request is to continue a cost savings investment that-- that has worked and provided this community with an update on the successes the program has achieved. Two years ago, we increased funding for this program by addressing the shortages we've seen in our skilled trades and workforce. We know that one of the biggest needs of people coming out of the correctional setting is a good, well-paying job. Because of the work of this committee, individuals coming out of the criminal justice system now have immediate access to well-paying jobs with benefits and direct access to paid apprenticeship programs if they simply do the work that is required of them. All the current grantees of the

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Vocational and Life Skills Grant Program are doing great work, and many are providing skills that translate directly into the growing our workforce. Today, we have some people with Project Reset, the newest partner, to give us-- to give you an update on the direct impact this community has had. Joining me today is Abby Cassell, the program director for Project Reset, Desmond Edwards, a current mentee, and Aaron Hanson, the legislative liaison for the Omaha Police Officer's Association and executive director of the Nebraska Center for Workforce Development and Education. We've been discussing building a new prison. We've been discussing programming. We've been discussing the idea of what-- what do we do with the centers and what's the next step? I think there-- there's all three things that we have to discuss, and one's being worked out right now to give the Governor credit when-- and-- and looked at the pay of the correctional officers and made sure that that pay was increased through the collective bargaining process. And now we're having discussions on brick and mortar, also that programming part and the idea of, do those dollars really make a difference? Do they really have an impact? And then selfishly, as a state, we need skilled tradespeople. We're going to build a-- one of the largest buildings in the history of Nebraska with a partnership in the private sector and the federal government and us in the next project, \$2.6 billion, 2.5 million square feet, potentially 38,000 people on the job site for three to four years. Is this the right thing to do? Is this the right thing to do with-- for someone that was incarcerated, that has served their time, that has made mistakes, but wants to put the past in the past? I think so. But is it the right thing to do for the state of Nebraska? Yes, it is. Based on the idea, sure, we need brick and mortar. Yes, we need to pay our correctional officers correctly. But at the same time, we need good programming and this program is working. And when you hear the testimony today of the people behind me, I know you're going to know this was a good investment and we should look at funding it further and continue this program to help those people that have served their time, that want to put the past in the past and have that skilled job to feed their families and be part of their community that they could help build. Any questions?

STINNER: So, Senator, when I-- when we passed this the last time, I think it was \$500,000 we put-- and it was supposed to be matched by the community. You have the unions involved and-- and it was eligible. I think the people who were eligible were people who were about ready to be paroled within six months or-- or [INAUDIBLE]

McDONNELL: Eighteen, so-- so an individual that was released within 18 months, and you're correct about the partnership. It's that

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private-public partnership. It's that idea of the in-kind partnership, either with someone teaching or someone making that dollar donation to match the \$500,000 that we invested from the taxpayers with the idea of having the job would lead, and that training would lead, to a federally approved apprenticeship program. When you hear the testimony, you see the statistics that they have and their success rates, I think you're going to be very impressed with the \$500,000 that we've invested, and that's why we're looking at another \$500,000 for the future.

STINNER: So what kind of paid-- are-- are they-- after 18 months, obviously, they get paid during the time they're in the program, I believe. Now--

McDONNELL: And that's the-- the time frame for someone who's been released is 18 months. So let's say John Doe was released yesterday and they're interested in becoming a plumber. They will be starting as an apprenticeship plumber whenever that class would start, but they would be treated like everyone else in that class based on the benefits, the raises, I mean, as long as they-- they show up on time, work hard and pass those-- those tests that they have to become a journeyman plumber.

STINNER: Very good. Any additional questions? Senator Erdman.

ERDMAN: Thank you, Senator Stinner. Thank you, Senator McDonnell. So the fiscal note says, in the explanation it says, this is a one-time \$500 [SIC] expenditure for '23, but it doesn't say that it's going to continue on to '24. But in the-- in the numbers, they've got \$500 [SIC] both years.

McDONNELL: Yes. The intent is that this program works like all programs. When we do the budget with the people that are going to be here next year, showing that success, of course, we want to go ahead and continue that program. But right now, you currently have-- with the-- the calendar year, you have contracts that through corrections have been signed to do the work that the people behind me are going to be talking about. We would like to see it get into the idea of the fiscal year to where we match the state's July 1 to June 30 year.

ERDMAN: No, the back side of the fiscal note, they ask the Department of Corrections and they have \$500,000 one time. [INAUDIBLE]

McDONNELL: Yeah, no, we're asking for \$500,000 going forward, based on the current program that's in existence, from July 1 to June 30,

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but also \$500,000 being put in the next budget cycle. So we will make that correction.

ERDMAN: OK.

STINNER: Senator Vargas.

VARGAS: Were you-- were you done, Senator Erdman?

ERDMAN: No. OK.

VARGAS: Thank you for bringing this bill, Senator McDonnell. Can you talk to me about the potential number of people that will be reached by this \$500,000-- I'm following Senator Erdman's, you know, gauge here. He's been talking a lot about how many people we'll reach by the amount of money that we're doing; can't remember the example he had the other day, but, yeah, it'd be helpful to see how much we're actually reaching with \$500,000.

McDONNELL: So I'm not trying to steal Director Kossow's--

VARGAS: And if it's easier to push to-- to one of the other testifiers--

McDONNELL: She's-- yeah, she's going to have this--

VARGAS: I can do that. That's fine.

McDONNELL: When you guys see the handout--

VARGAS: That's fine.

McDONNELL: And then if not, if your questions aren't answered, of course, I'll finish in my closing.

VARGAS: Yeah. That's fine.

McDONNELL: But I think all that information is in here.

VARGAS: Yeah.

McDONNELL: And if it's not, I'll talk to you about it at the end of my--

VARGAS: Yeah, that's good. Yeah, we'll do that. Thank you.

STINNER: OK. Very good. Any more questions? Seeing none, thank you.

McDONNELL: Great.

ABBY KOSSOW: Good afternoon, Chairman [INAUDIBLE]

STINNER: Good afternoon.

ABBY KOSSOW: Thank you for having me today. My name is Abby Kossow, and I'm the director of Project Reset. I want to first thank the committee for your support of the VLS funding in the past and the opportunity that it created for Project Reset to emerge.

McDONNELL: Spell your name.

ABBY KOSSOW: A-b-b-y K-o-s-s-o-w, sorry. Having this opportunity to be part of something that can have such a profound impact is not something that my staff and I have taken lightly. For the past 15 years, I served as a gang unit probation officer for Douglas County, and my staff comes with similar backgrounds. Through those experiences, we saw firsthand the challenges that justice-involved individuals face by seeking employment. Often, the individuals we supervise had more access and support to seek their income through illegal means than they did to obtain gainful employment. A path to a sustainable legal income was hard for them to see, bec-- and because they could not see it, it was even harder to convince them that they could achieve it. Those that were successful at the street hustle were even harder to convince. What nine-to-five job could offer the same level of income they had learned to achieve? Lack of transportation, lack of education and criminal records, in their eyes, had limited their employment options. They felt stuck and dependent on what was familiar to them. Through Project Reset, we are able to provide a clear pathway and the level of support to assist them in obtaining a solid career in the trades, one that only-- not only provides them a livable wage, but also healthcare and a retirement plan. What is unique about our model is that we start small, and our process is not quick. We focus on a sustainable end game for our participants. We know we are not doing them justice if we pair them up with their dream job, but don't provide them the skills they need to retain it. Through our Core Foundations program, we help them obtain their identification documents. Many of our participants have never attempted to obtain their driver's license, and some have fallen in a hole so deep with fines and fees they don't know where to start to get it. In addition to obtaining their documents, we partner with them to create a viable transportation and housing plan, create a trade-based résumé, and we identify any areas of risk or barriers they're currently facing and help address those

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with community resources. Providing wake-up calls, backup transportation and having a level head to bounce a bad day off of are just a few of the services our participants receive once they're assigned their mentor. Mentors work with the participant to find initial employment that takes into consideration their abilities and any initial obstacles they were facing. During this time, through collaboration with our employer partners, soft-skill development and job retention is addressed with the participant. Once a participant has proven their desire to work and willingness to develop new skills, mentors then help them explore the different trade paths available by taking them on job site visits, union tours, and introduce them to professionals in their field of choice. Industry-recognized trainings, mock interviews and other trade-based skill development are offered through the program to the participants to help get them in the best position for us to get them into their trade-based positions. Once they are in their trade-based position-- positions, there's intense support provided to the individual to help them over-- overcome any initial obstacles when starting the new employment. These positions often put them in a track to gain acceptance-- acceptance into a skilled apprenticeship or other "earn while you learn" opportunities. Participants wishing to achieve acceptance into an apprenticeship are provided aptitude-test tutors, assistance from a trade coach, industry-specific mentors, and apprenticeship insight packages that help them understand the process. Looking through our packet and our numbers, when you look at who's obtained pre-apprentice and apprenticeship, they may not seem significant. But this is not an easy process, it's not a quick process, and if you look at the impact of just one new apprentice on our community that has a reentry background, it's profound. This individual can now support themselves, their family, they're no longer receiving state assistance, they are a taxpayer, and they're having a positive impact on the generations that come after them. Everyone that comes to us will not reach this level. It takes hard work and a lot of effort on their part. Some are ready for that, and some are not. Many have come back to us because of this. For those that complete our Core Foundations, they are now carrying state identification or are now legal drivers for the first time, allev-- alleviating the strain on our court system. Those that just wanted a job and a work source now have one, and when they are ready, they are aware that there are career tracks out there and the support that they need to have a successful career. Our current highest referral source is our participants, and that's a statistic that I hope remains true. I believe their validation speaks volumes for the work we're doing. I believe the work that we're doing is important, but

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the work of our participants is really where it's at, and I would like to introduce you to one today that I brought with me today, Desmond Edwards. Desmond and I met under my previous role. He's been involved in the court system since he was a juvenile. He's had gang involvement, and he was also a recent victim of a shooting. But Desmond also has an extremely strong work ethic, and he's intelligent and he's very inquisitive. He came to work with us with a job that was less than desirable. He did not have his driver's license and he was looking for more. So I'm going to let Desmond come up and tell you what he's been able to accomplish in the last year.

STINNER: Very good. Just a moment, please. Is there any questions? Seeing none, thank you.

ABBY KOSSOW: Thank you.

STINNER: Afternoon.

DESMOND EDWARDS: How you doing today? My name is Desmond. Just to piggyback off what she said--

McDONNELL: Spell your name.

DESMOND EDWARDS: Huh?

DORN: Spell your name.

DESMOND EDWARDS: D-e-s-m-o-n-d, last name Edwards, E-d-w-a-r-d-s. Just to piggyback off what she said, I didn't have no driver's license. I was-- had fines I needed to get taken care of. I was not OK with the job I was at, kind of like in the standstill a little bit in my work area, I guess you would say. I have made mistakes that held me back from places I wanted to go far as like what I wanted to do career-wise, so I had to take a different route and I didn't really know where to go or how to approach it. And one day she gave me a call and said, I got-- I got an opportunity for you all I think you would like. So I went up to the office and she presented me with a list of trades. I think it was electrician, plumbing, and then plumbing really jumped out to me, like this is kind of like what I want, because I met a guy also that was there with her and he told me about like the-- the basic-- what's the-- what's their job, like what's the-- what are they there to get done, far as like in a commercial building, and as I've been on the job site, I've been learning a lot how to read a print, basic hand tools that I've learned at the shop that they set up with us, this-- how to use a bandsaw or a quarter bend or just basic things that I wouldn't have

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learned just in the place I was at before. Also, the-- the things that they provide, far as like refreshing me up on like dividing fractions or, like, just-- just the opportunities they gave us, far as getting us ready for those trade tests, because you have to take a test to get into the plumbing union, so I needed help refreshing my-- how to use a tape measure or how to take a foot minus 14 inches or just simple stuff like that. And I was able to re-know that because they provided us with help, classes or, like she said earlier, that a person from our plumbing area or like the union who volunteered to come and show me, just-- and like she said, everybody is not going to be perfect and everybody not gonna succeed, but it's just like people like me who got the passion to change and passion to change their life around, go a different path. So I really thank the program and I thank the ladies behind me for really believing in me when I didn't believe in myself pretty much. And I really think that the program is-- is a good benefit because in school they teach you about college and they don't really harp on the, oh, you can get a trade and be successful financially, so I feel like that's a good route that these guys are going.

STINNER: Very good. Any questions?

DORN: Yeah.

STINNER: Senator Dorn.

DORN: Once you're in this joining this program then and going through it, is how often-- how often do they meet with you? Are you weekly or monthly or is there any set time?

DESMOND EDWARDS: I don't know if Abby likes me, but she-- she frequently checks up on me a lot, frequently. She asks me how I'm doing. When she called me the last week to tell me she's hiring me a tutor, like I said, I have to take that test to get into the plumbing union and that's coming up the first week of March, so I'll take a-- I'll be meeting with a tutor at the office every Tuesday or Thursday for the next week until I'm eligible to take that test.

DORN: Thank you.

STINNER: Additional questions? Seeing none, thank you for coming in.

DESMOND EDWARDS: Thank you.

AARON HANSON: Senator Stinner and Chairman Stinner and members of the Appropriations Committee, my name is Aaron Hanson, A-a-r-o-n

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H-a-n-s-o-n. By career, I'm a Omaha Police sergeant, 25 years of service with OPD. I am here today representing two organizations, the Omaha Police Officer's Association, of which I'm the legislative liaison, but also the Nebraska Center for Workforce Development and Education, of which Project Reset, which you've just learned about, is a subgroup. This is a very valuable program. I was very fortunate as a young man. I had-- I had never lived or worked west of 72th Street as a young man until I got hired by the police department. I was a North High grad, Nathan Hale grad. I don't know if anyone's familiar with-- with Omaha, but I was a-- I was a south Omaha, north Omaha kid, went to college for a few years until I realized my skilled trade, which was police work. Went to the academy, left college to go to the academy, and thank God for that skilled trade because it has allowed me to raise my four kids in dignity, give them good healthcare, afford a good house for them to live in. And I think flash forward 25 years with the experiences that I've had serving on the gang unit for most of the last decade, which gave me the opportunity to deal directly with many of these most challenged families and individuals, that happened in my career at the same time that I had teenage kids. And what I realized quickly is there's a lot of-- a lot of similarities between my teenage kids and the teenage kids that I deal with on the street. The missing component is structure. The missing component is support and mentoring. And so when I was asked by people who were starting the effort, known as the Nebraska Center for Workforce Development and Education, to volunteer my time, initially as a board member and now temporarily as the volunteer executive director, I jumped on it, because in Omaha we get a lot of support and a lot of pressure-- positive pressure from Chief Schmaderer and from Tony Conner, Sergeant Tony Conner, the president of the Omaha Police Officer's Association, that not only do we need to find real-time solutions to stopping violence, which I think we've always been consistently vocal on down here in Lincoln, but to achieve the long-term public safety gains, we've got to find a way to redirect and assist people who need that help the most. In my experience, after recruiting who I consider some of the best subject matter experts in the state, project director Abby Kossow, who was one of the most experienced gang probation officers in the state, her second-in-command, Christine Trosper, who was also probably one of the most expert gang probation officers in the state, we wanted to recruit that staff that not only was empathetic and could be supportive and good members, but they needed to understand the barriers and the challenges. And a lot of those barriers and challenges are the soft skills, the labor-ready skills. And I think the young man that you heard from here recently, in his testimony, he

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nailed it. It's that constant mentoring. It's that constant support, and not only the mentoring and support, but that specialized mentoring, understanding the challenges that many of these young men and women go through, not only to help them today-- and this is where it really sinks in deep, as a-- as someone that's in these homes constantly, know many of these families, not only to help them, but the more young challenged men and women today that we can redirect into a more productive future in skilled labor trades, make them contributing taxpayers with retirement benefits and healthcare, we are not only breaking cycles of poverty for their children, we are creating generational wealth anew. And that is very important not only for the individuals in front of us, but for their future generations. I'm a big believer in the effort. I've seen it work. I've worked with many young men that, years in the past, I've been at their shooting scenes and now I see them doing productive work as a skilled tradesman. As a police professional, it does my heart good. I think these are efforts that we should be supporting, and I appreciate your support and consideration. I'll answer any questions you might have.

STINNER: Any questions? Senator Vargas.

AARON HANSON: Yes, sir.

VARGAS: Yeah, thank you for being here. And I'll ask this question that I was-- I was asking Senator McDonnell, which is just about reach. So you're a subgrantee of this program, and I noticed-- I pulled up the report because I was trying to learn a little bit more about the other programs, about six other-- well, actually more than that, about seven or eight other grants, subgrantees of the most recent report, and so you'd be one of the subgrantees that would be eligible for these-- this infusion of \$500,000 if we move forward, right, correct?

AARON HANSON: We would hope so, yes.

VARGAS: OK. So in the least-- the latest report has from July reached about 78 people through programming in July of 2021. That's the last report, at least, I have. About how much were you granted, like what's the-- I don't know if you could tell me about how much you were granted in a cycle on the quarter and how many people do you reach in that cycle? Trying to get the-- the amount we spend per person.

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AARON HANSON: Sure. Well, we have-- we have our-- the pamphlet that was prepared and was handed out by Abby Kossow and Christine Trosper, that was our year-end review for 2021. And if you go to page-- if you-- if you count the cover as page 1, page 2, page 3, page 4, our impact, there was 325 participants served at that-- reflected in that year-end report. And then if you go down below services rendered, you can walk through the number of people that received various steps along the way in their progression. And as-- as project director Kossow had mentioned, some individuals take much more time because we don't shy away from the challenging individuals. We think that's where you get the biggest bang for the buck. But as you can see, if you move through that-- that 325, we had 175 that had-- that were at their Core Foundations phase and passed through that, 154 that had progressed to the work source job placement; 74 of them had been actually placed in trade-based job placement; and then with the 10 added into-- or plugged into a pre-apprenticeship and 9 into an apprenticeship. There's two things that I think are important to bring up that directly correlate to your question. Number one is caseload. We have found, and it's our business model, that if your caseload is not carefully balanced, you're not going to help anybody. We have a very careful caseload maximum of 25 participants per coach, per mentor, because if that number gets too big, then, if it gets up to 100, you're-- you're not-- you're watering down the mentor. But secondarily, that is why we feel so strongly about making sure that we have that staff that is immediately available, checking up on these individuals, because some need more attention in real time than others, so.

VARGAS: And just to follow up, so the 325, which is helpful, I saw that when I was reading through it. How much did you receive in 2021?

AARON HANSON: We received a half-million dollar grant for 2021, which we had to find a match for it, yes.

VARGAS: So for-- so \$500,000 helped you reach 325 participants?

AARON HANSON: Yes.

VARGAS: OK. That's helpful. Thank you very much.

STINNER: Additional questions? Senator Erdman.

ERDMAN: Thank you, Senator Stinner. Thank you for coming, for what you do. So 325 people at the top, and then you said number served, so

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evidently it must-- some duplication here because those numbers add up to way over 400 people.

AARON HANSON: They progress, so some people will drop off. Some people-- some people will find a place-- maybe they'll go through the program and they're counted in that 325, but they may get to a point where they're in a work source, job placement, and they may say, you know what, I'm happy where I'm at right now, I'm going to leave the program, maybe come back later. Sometimes we plug someone into a job that they're on a path to an apprenticeship and they say, you know what, maybe the apprenticeship isn't for me, I'm going to stay at this job that-- that you connected me with, because an important part of our business model is we believe firmly that, until you have that established work history, until you show you can show up to work on time every day for a certain amount of time, that's the pass through. That's the proving grounds for getting into the apprenticeship. We don't just want to pass someone right through into the apprenticeship without knowing that those-- that they're ready to work and serious about it.

ERDMAN: So how many support people do you have working in this-- in this-- in Project Reset?

AARON HANSON: We have five.

ERDMAN: Five?

AARON HANSON: Yes.

ERDMAN: So where's the majority of the money going? If you've got a million dollars, you got \$500,000 in grant and \$500,000 from the state, where does the million dollars go?

AARON HANSON: Well, I would say the majority goes to payroll for those five, and that would be Project Director Kossow, that would be her second-in-command, Christine Trospen. And then we have two individuals that are focused and they're also former probation officers that focus nothing-- on nothing other than direct mentoring, which also Project Director Kossow and-- and Christine Trospen, they will-- they will mentor, as well, on the side. And we have a staff member that's directly responsible for the intake, the data, the day-to-day operations. Essentially it's like an office manager position.

ERDMAN: Do you provide any funds for the participants as far as housing or anything like that?

AARON HANSON: We-- we have funds, like if they need assistance with transportation, we will provide funds for transportation. So, for example, we have prepaid Uber and Lyft accounts so that, if you have an individual that maybe they're ready to get into the workforce but they just don't have a driver's license or a car, we will provide them with that transportation. We will provide them with boots. We will provide them with tools. We'll provide them with tool bags, work pants. Essentially, anything that stands in the way, a barrier between them and being able to be a productive worker, we will help them with that. Ultimately, we would like to walk down the path of assisting them more formally with-- with housing, but that's-- that's-- that's a project down the road that-- that we're not designed for right now.

ERDMAN: So-- so I would assume that somewhere you have a relationship with those people in the trade? Somebody-- some construction people, whoever's hiring these people, you must have a relationships with those people?

AARON HANSON: We do. So actually, we've got a lot of contacts, both in the skilled labor trade unions, but also in the contractors. And so it is not uncommon-- well, first off, let me step back. Each of these individual trades have their own culture. So the bricklayers' culture is different than the electricians' culture, is different from the plumbers' culture. Sometimes the different contracts have a different culture-- the contractors have a different culture. And so Project Director Kossow and-- and-- and Christine Trospen, it's their job to navigate those different cultures, understand who's hiring for what, who would be a good candidate to be plugged in, because even though Desmond Edwards is a perfect plumber apprentice, that was-- that's what he was passionate about, we don't want to force him to be a bricklayer. We want to help him progress in a career that he's passionate about, because ultimately that's how you're going to keep people engaged. So it is not uncommon for us to be constantly contacted by skilled trade unions looking for apprentices, but then also the contractors. I'm on the fugitive unit right now, and I'll tell you, a normal part of my day, when I go to get my coffee at 4:45, in the morning, I'm usually knocking on the windows of the contractors in the parking lot of the gas station, asking who's hiring, and-- and you'd be shocked. They're all looking for people. They all want people with good soft skills and life skills, and they're willing to pay for it. So even those type of contacts are good because then you can connect Project Reset management with those contacts and they'll turn right around and find them a good-- a good applicant, a good mentee.

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STINNER: Is this program exclusively in Omaha, right now, is it not?

AARON HANSON: Right now, we're Omaha-based, but I know that they don't turn people away if they're from Council Bluffs. Actually, I know they've placed individuals in western Nebraska. I know that Abby and Christine have placed individuals for employment, I think, out in-- in Kearney and other-- other cities around. But the business model could easily be expanded and duplicated because the need is pretty consistent across the state.

STINNER: Agreed. Senator Wishart.

WISHART: Well, thank you so much for being here and for everything you do. Speaking to the business model being expanded, has there been any conversation? So what age is it typical for a young person to enter into a gang situation?

AARON HANSON: A great line of questioning. I would say age 13 to 14, unfortunately, in this day and age, maybe even 12, depending on the-- the gang or the family.

WISHART: So that's a middle school age?

AARON HANSON: Middle school, late middle school to early high school, yes.

WISHART: Has there been any discussion on-- well, I'll ask you this. Typically with schools-- my husband's a middle, went from being a police officer to a middle school guidance counselor, so just from some of my conversations with him, typically in schools, sort of, the school will know and get some-- some signs, excessive absenteeism, for example, that a kid is making decisions that may not be-- that may be leading towards the justice system.

AARON HANSON: Yes.

WISHART: Yes.

AARON HANSON: I've seen that counseling.

WISHART: Is there any thought about reaching these youth at that late middle school phase with a program like this, but for younger youth, to start them on to this path? Because I could see a lot of pain being avoided if they started early.

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AARON HANSON: So under the Nebraska Center for Workforce Development Education, we do have another sub effort and it is called the T.O.O.L.S. pro-- it's called the T.O.O.L.S. Program, and it is specifically focused on your-- your junior high, high school-age kids that they're not-- they're not at the age where they're-- they're progressing and can work into the workforce, but we expose them to-- to exactly as you're-- as you're speaking about, the skilled labor trade exposure. We've got a couple other nonprofits that we coordinate with, that we're trying to research funding sources or partnerships to bring in. There's a nonprofit called Team Bike Rescue of Nebraska, and they turn bikes around. They'll take book bikes that are donated to them, they'll fix them, and they'll give them to kids in the community. But what they also do is they'll teach kids how to fix bikes. And so think about it. To your point, Senator, can you think of one other science, technology, engineering and math field that a junior high kid or a young high schooler would probably be more interested in than getting his hands dirty, figuring out how to fix his bike when the chain falls off, or how to fix his tire, or what to do when the handlebar gets crooked? And so that is an effort we're-- we're-- we're working on now. We would definitely like to expand that in the future. And if I could continue, there's two other areas that, to your point, that I do think we need to tighten up and look at. Number one is the juvenile, the juvenile justice population. I really think there's a lot of opportunity in the-- in the juvenile justice population to direct them early into exposure to the skilled trades and labor readiness, but then also the misdemeanor probation crowd, which is typically that's going to be that bridge to juvenile justice, misdemeanor probation, adult probation, prison. I agree with you completely. If you can disrupt that trend line, either in the school, in the juvenile justice system, or in the misdemeanor probation phase, I think you really could be successful in cutting off a lot of that pipeline to the prison.

WISHART: Do you know approximately how many youth are in-- currently in the juvenile justice system on this misdemeanor?

AARON HANSON: Oh, boy.

WISHART: And don't-- don't worry, It's a--

AARON HANSON: It's a lot. I think it's-- it's-- I think it's a significant number, at least in Douglas County.

WISHART: OK.

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AARON HANSON: But I don't know what it would be statewide, but I think it's a-- I think it's a significant number.

WISHART: OK.

STINNER: Additional questions? Senator Erdman.

ERDMAN: Just a comment, Senator Stinner. Western Nebraska is Kearney?

AARON HANSON: I'm sorry. Well, for me, I'm on the east. I know that's a constant--

ERDMAN: Do you realize Kearney isn't even central Nebraska? Cozad's in--

AARON HANSON: I'm a far eastern Nebraska guy, so yeah.

ERDMAN: I just--

AARON HANSON: It feels like western Nebraska to me, when I--

ERDMAN: OK.

AARON HANSON: --when I hit the arch.

ERDMAN: You can go far out there. We're-- we're OK out there. We'll take care of you.

STINNER: Additional questions? Seeing none, thank you very much.

AARON HANSON: Thank you.

DANIELLE CONRAD: Hello.

STINNER: Hello.

DANIELLE CONRAD: Good to see you, Senator Stinner and members of the Appropriations Committee. My name is Danielle Conrad, D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I'm here today on behalf of the ACLU of Nebraska, and it's-- warms my heart to be back in the friendly confines of the Appropriations Committee executive and hearing room. So this is always just a fun trip. I want to thank Senator McDonnell for introducing this important legislation, and we just wanted to lend our voice and show our support for, I think, a commonsense measure to advance our shared public safety goals and to put a finer and clearer point on the fact that we do have those, right? We all want safe communities. We all want better outcomes from

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the challenges that are before us. And by supporting second-chance employment programs, we can have better outcomes for everybody who's system impacted and we can meet critical needs in our economy that really help-- help us break these cycles and move forward together. So this is a pretty modest investment, but I think that programs like this have demonstrated a lot of success and are worthy of support and expansion. Happy to answer questions.

STINNER: Questions? Seeing none, thank--

DANIELLE CONRAD: Okay, thank you so much.

STINNER: Thank you. Any additional proponents? Any opponents? Anyone in the neutral capacity? Senator, would you like to close?

McDONNELL: Yes, thank you. It's been a long day for everybody, but just a couple of follow-ups. We'll get you more details on the budget. I know Director Kossow will work on that. The idea of Desmond being here today and telling his story-- Desmond, thank you-- there's thousands and thousands just like him out there that are looking for an opportunity, that are looking for a way to say the past is in the past, I really do have a dream, didn't know what it was, possibly for a while, but I want to-- I want to learn a trade and I want to be able to provide for myself, my family, be part of society. We can look at the numbers and we can break them down. And I gotta tell you, I was pretty naive about the soft skills and how much time it takes. And they have stories of just, for example, a mother that couldn't get her son out of bed at 6:00 a.m., his father is in prison, and if he doesn't get out of bed and get to the job site, he's going to be fired. And they're on the phone at 6:00 a.m. saying, you better get up and get moving fast. Now I would have never thought that was going to have to be an issue, but that's-- that's part of the program. That's part of the assistance they're giving, the work they're doing. And then once they get on the job site, think about not knowing anything. Now, as senators, a lot of times we've walked in this building and our first year, we, you know, first day, we didn't know much and how intimidating that is. Now you need somebody to lean on. And I think people on the job site, as long as you're willing to work and try, they're going to-- they're going to help you and they're going to try to make sure that-- that you get the opportunity and they're going to teach you, but to have someone else to lean on, and that's what this staff is doing. You can talk about the five people and then the jobs they're doing and the breakdown of how many boots they bought and how much time they spent and how many tools they bought, and we will get you all that information. But it's more of

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the impact they're making on these individuals. And let's just talk money then. It would save us \$40,000 a year if I don't have to put somebody back in prison. If we have to incarcerate somebody, that just saved us \$40,000. So we start calculating it per hour, what they're doing, and then we start breaking it down. It's all broke down in here, how much they're paying in taxes, what they're they're-- they're not having with public assistance, no longer needed because of those benefits and wages, and now their family members, their family members are part of that health insurance program. So think about all those things. But I gotta tell you, I was-- I was very naive and I wanted stats fast, and they've been working on this for the last year, approximately got started a year ago this month, and it just isn't that easy. Any-- each individual has different needs and different issues, and there's just a lot of assistance it's going to take. And we talk about programming. We talk about brick and mortar and we talk about correction and their pay, and I know we're going to work on all those things, but that the assistance, these people and the programming, this is working. This is working. And again, look at these, go through this. I know they're going to be here to answer any of your questions and they'll come back down. But this is working and it is making a difference for these individuals, but it's also making a difference for the state of Nebraska.

STINNER: Very good. Questions? Seeing none, thank you very much.

McDONNELL: Thank you.

STINNER: That concludes our hearing on LB1197 and our hearing for today.