

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Health and Human Services Committee January 26, 2024

**HARDIN:** Good afternoon, and welcome to the Health and Human Services Committee. We like to think of it as the best committee here in the building. And my name is Senator Brian Hardin. I'm from District 48. That's as far west as you can go and still be in Nebraska, so Banner, Kimball, and Scotts Bluff Counties. And I would like to introduce, to you, the rest of us, starting with Senator Beau Ballard.

**BALLARD:** Beau Ballard, District 21, in northwest Lincoln and northern Lancaster County.

**DAY:** Good afternoon. I'm Senator Jen Day, represent Legislative District 49 in Sarpy County.

**WALZ:** Lynne Walz. I represent Legislative District 15, which is all of Dodge County and Valley.

**RIEPE:** Excuse me. Merv Riepe, District 12, which is Millard and the small village of Omaha, or Ralston. We always joke in Ralston that we're going to annex Omaha.

**HARDIN:** Also assisting the committee is our legal counsel, Benson Wallace, research analyst, Bryson Bartels, our committee clerk, Christina Campbell, and our committee pages, Molly and Maggie. A few notes about our policies and procedures. Please turn off or silence your cell phones. We will be hearing 4 bills, and we'll be taking them in the order listed on the agenda outside the room. On each of the tables, near the doors to the hearing room, you will find green testifier sheets. If you're planning to testify today, please fill out one of those, hand it to Christina when you come up to testify. This will help us keep an accurate record of the hearing. If you're not testifying at the microphone but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. Also, I'd like to note, if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by noon the day prior to the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you do have any handouts that you please bring 10 copies and give them to the page. We use a light system and each testifier today will have 3, 3 minutes. Sometimes we do 5, but today it's 3 to testify, depending-- and when you begin, the light will be green. And then it turns yellow. And then we hit the red eject button and it tosses you right out the top of the Capitol. So when the light turns yellow, that means you have 1 minute left. When it turns red,

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it's time to end your testimony and wrap up. When you come up to testify, please begin by stating your name clearly into the microphone, and then please spell both your first and last name. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved. We have a strict no prop policy in this committee. With that, we are going to begin today's hearing with LB856. Senator Fredrickson, come on down.

**FREDRICKSON:** All right. Hopefully I don't get ejected to the top of the Capitol today. Good afternoon. Thank you, Cice Chair Hardin and members of the Health and Human Services Committee. For the record, I am John Fredrickson, J-o-h-n F-r-e-d-r-i-c-k-s-o-n, and I represent District 20, which is in central west Omaha. I am very happy to be here today to introduce LB856, which is my personal priority bill for this legislative session. LB856 provides categorical eligibility for childcare workers to participate in the federal childcare assistance program. The bill is designed to attract workers into the childcare industry by providing them with no-cost childcare for their own children. The intent is to increase childcare worker recruitment and retention in order to fully staff childcare programs throughout our state. This will produce a multiplier effect, enabling more working parents to participate in Nebraska's overall workforce. LB856 is modeled after a successful-- a successful Kentucky initiative. After 1 year, more than 3,200 parents employed in childcare programs who were not otherwise eligible enrolled in the program. Approximately 5,600 children are now receiving subsidized childcare as a result of this. Adjusting these figures proportionately for Nebraska, this categorical eligibility would mean 2,175 parent providers into the childcare workforce, so just under 2,500 new childcare providers. With res-- research showing that each worker provides care for around 8 children, this bill would create stable care for more than 16,000 children in our Nebraska workforce. The LB856 concept is simple and measurable. More workers recruited and retained in our childcare workforce means more children served and more workers into our overall economy. According to a statewide survey, commissioned by the University Extension and We Care for Kids, 34% of parents in Nebraska with children under 5 reported refusing a work opportunity, promotion or change because of childcare costs. As we will hear from business leaders today, workforce development is our number 1 business

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challenge and childcare is one of the top 2 workforce issues we're seeing. Other states are also quickly working to adopt the Kentucky model to increase childcare in their own states, including some of our neighbors. Iowa, with the support of Governor Kim Reynolds, has already initiated its own pilot program starting in July of last year, which allows the childcare workforce to apply for the childcare assistance program for their own children, the same proposal that I am making here today. We have also seen indications that Colorado is also working on the same kind of eligibility for its own childcare workers, so it is becoming even more urgent that we move forward to create this eligibility as we compete for workers with our neighboring states. In bringing LB856, I have met with a vast array of stakeholders, some of whom are here today to testify in favor of the bill and others who have weighed in with letters of support. The response has been universally positive. I'm gratified by how many people from all across our state have weighed in with their personal stories and online comments. And I actually just learned a couple of minutes ago on the online comments, 31 of the 49 legislative districts are represented in support. I also met with Governor Pillen last year, prior to introducing this bill. I appreciate the Governor's commitment to addressing our state's childcare issues. One area of feedback I was happy to receive from the Governor's Office was the importance of making sure that we have a solution that works both for large and small childcare centers, as well as family childcare providers. The Governor's Office wanted to make sure we weren't picking winners and losers, and I agree. AM2158, which I have filed, ensures opportunities for all childcare providers. The amendment addresses the issues that family providers and small centers often face as it relates to the care of their own children. Currently, these providers, especially in rural parts of our state, are often not able to receive subsidies due to DHHS-- due to a DHHS rule that limits the ability to receive subsidies for care of their own children. AM2158 requires childcare employees to make reasonable accommodations so employees are not caring for their own children. But if reasonable accommodations are not available, parents can care for their own children while receiving the subsidy. So AM2158 will ensure equitable treatment to our providers and keep us in compliance with the federal childcare subsidy rules. The amendment also adds a requirement that DHHS submit an annual report to the Legislature so that we can actually measure the impact of this legislation across the state. While I have filed this amendment, I would ask that you advance this amendment in the committee. Now, I want to speak a little to the fiscal note, since I know you are all very interested in that. We, of course, expected a robust fiscal note with this bill,

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so we were not surprised to see a \$21 million price tag. The facts are it is not possible to address the childcare crisis in a truly meaningful way without investment. First, I want to point out that the cost of doing nothing is \$489 million annually, from missed work opportunities due to the lack of childcare access, according to data from First Five Nebraska. The Fiscal Office worked hard on the fiscal note on this bill, and DHHS gave an honest assessment of the costs. I would point out to the committee's attention that Iowa did produce a fiscal note on the state's program when it was brought as a bill. That fiscal note was considerably less at \$6.8 million, so our actual costs could also be less. But even at \$21 million, this is an investment that will pay dividends. I have spoken with members of the Appropriations Committee, and I will continue to work with them to ensure that we have the funding to accomplish the goals of this legislation. In my opinion and in the opinion of the business and economic development leaders of our state, we must move forward to address our childcare workforce shortage in a significant way this session, because addressing it is essential is central to fixing our overall workforce issues, and that will require making it a priority investment. I also want to mention briefly that a portion of the letter you received from DHHS refers to a potential conflict with federal regulations. However, the other states who are already providing this categorical eligibility for childcare workers have not had any issues remaining in compliance with federal law, demonstrating that it is allowed. Further, since state funds specifically will be used for this population, as noted on the fiscal note, we are clearly allowed to supplement beyond the 85% state median income. The bottom line is there's no conflicts under the federal law with LB856. I just wanted to clarify that up front in case there were questions with that. I'm anxious for you all to hear from the incredible testifiers behind me, so this will end my prepared introduction. I ask that you advance LB856 with AM2158, and I'll be glad to answer any questions that you may have.

**HARDIN:** Thank you. Any questions? Senator Riepe.

**RIEPE:** Thank you, Chairman Hardin. Senator, thank you for being here. Thank you for the hard effort that you put into this project. I know you've done a lot of good, hard work. A question that I have is, are you in any way proposing a pilot or a sunset on this particular legislation or is that a consideration?

**FREDRICKSON:** So that's a great question, Senator Riepe. I-- the way the bill currently is written and with the amendment, we don't have that in place.

**RIEPE:** OK.

**FREDRICKSON:** I am certainly open to conversations if, if this committee thinks, for example, a sunset would be more prudent. That's, I think, something that is certainly worth considering and I'd be open to exploring that as an option. What's most important to me is that we do something that's actually going to be effective and work. And so, if we need a sunset on that to say, hey, after a year or two, whatever that looks like, this isn't working. We need to pivot in a different direction. Great. I feel really confident this will work after a couple years, given what we're seeing in some of the other states who are implementing.

**RIEPE:** Another question, if I may, Chairman? My other question was this-- I'm assuming that the dollar value of this kind of-- will be reportable to state and federal income tax?

**FREDRICKSON:** To the subsidy itself or--

**RIEPE:** That's just a question. Is that your perception, that they would have to declare that and then have to pay tax on this benefit? It might be, might be \$5 or \$10,000.

**FREDRICKSON:** Um-hum.

**RIEPE:** And I'm sure that the tax collectors will want to get their share.

**FREDRICKSON:** It's possible. I, I don't know the exact answer. I can certainly look into that a bit more, but yeah.

**RIEPE:** I just didn't know [INAUDIBLE]. I was trying to look through Kentucky's to see if they talked about that.

**FREDRICKSON:** Oh, yeah.

**RIEPE:** I didn't see it, but.

**FREDRICKSON:** Yeah.

**RIEPE:** Thank you for being here. And I know you have some, some subject experts that are going to follow, too, in addition to yourself. Thank you, Mr. Chairman.

**HARDIN:** Senator Cavanaugh.

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**M. CAVANAUGH:** Thank you. Thank you, Senator Fredrickson. I'm not as much of a fan of sunsets as others. So we can have a conversation about that, except for if we're talking about an actual sunset outside. So the fiscal note, and I'm sure I will dig in on this with others, you, I, I, I estimate were very gracious in your opening comments about the fiscal note. 77.5% of the childcare employees have children under the age of 6. There's no explanation as to where that information comes from. Do you have any thoughts or do you think any of your testifiers might have thoughts on how that might not be an accurate assessment?

**FREDRICKSON:** My testifiers may elaborate. I mean, my understanding is that those are based on estimations, of course, like any fiscal note would be. But as I said in my intro, I think the Fiscal Office did work hard on this. I think there was, there was-- they were doing their best attempt at an honest assessment. Iowa's fiscal note was at \$6.8 million. And as we all know, Iowa's population is quite a bit higher than Nebraska's. And so, I think there is compelling reason to think this wouldn't be as-- quite as costly as it says.

**M. CAVANAUGH:** Yes. OK. Well, thank you. And I also would just like to say for the record, I did offer to be a baby holder during this hearing, so just-- that offer still stands. I just wanted to let you know. OK. Thank you, Senator Fredrickson.

**HARDIN:** Any more questions? Seeing none, will you be around for closing?

**FREDRICKSON:** You betcha.

**HARDIN:** Thanks. May we have the first proponent for LB856? Welcome.

**BRYAN SLONE:** Vice Chair Hardin, members of the committee, it's a pleasure to be here. My name is Bryan Slone, B-r-y-a-n S-l-o-n-e. I'm president of the Nebraska Chamber and a proud Gering bulldog, class of '75. I'm here testifying today on behalf of not only the Nebraska Chamber, but the Nebraska Economic Developers Association, the Columbus Chamber, and the Greater Omaha Chamber in support of this legislation. We want to thank Senator Fredrickson for introducing this bill. And as the state's largest employer-based organization, the number 1 issue for our members is clearly workforce. And when you get underneath the workforce issues, the number 1 and 2 issues are clearly affordable and available childcare and affordable and available housing. Attracting young families to Nebraska is our greatest need for our economic future, and this will require access

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to affordable, quality childcare. Unfortunately, when we look at the childcare issue, the major roadblock for childcare businesses in Nebraska is the ability to find and attract and retain literally thousands of the employees necessary to meet the capacity needs of the state. In addition, currently, there's approximately a 30% turnover rate among these people. And so when you talk about our economic future and the size of the problem, the attraction, particularly for the chamber and the economic developers around the state in terms of this legislation, is the capability of literally trying to find solutions that would bring thousands of potential childcare providers into the-- into the system. And the concept of being able to provide child-- affordable, accessible childcare for 16,000 children would be a game changer within our state. Knowing that it's been used and tested and it's had that kind of success in another state is also a reason why we, we are here. And I won't go through the statistics again, but the Kentucky example and I think we'll find, in the other states, make this a very attractive solution. The fact of the matter is, in today's labor shortage environment, it's absolutely appropriate for government leaders in this state to take some meaningful steps to alleviate the shortages that we have and help bolster our workforce through enhancing childcare capacity. We believe that this particular bill presents a positive step in that direction at the scale and scope that's really required. So I thank you for your consideration of this bill, and I'd be happy to answer any questions.

**HARDIN:** Thank you, Mr. Slone. And go Bulldogs! Any questions? Seeing none, you got off easy today.

**BRYAN SLONE:** That's good. That's good. Thank you very much.

**HARDIN:** The next proponent for LB856. Welcome.

**NICOLE FOX:** Good afternoon. Chairman or Vice Chair Hardin and members of the Health and Human Services Committee. Nicole Fox, N-i-c-o-l-e F-o-x, representing the Platte Institute. Thank you for the opportunity to discuss our support for LB856. We support policies that reduce barriers to economic opportunity, and LB856 proposes to do just that. It can provide a positive impact on Nebraska's economy by attracting workers into the childcare industry and increased access to childcare for Nebraskans who need it in order to participate in the workforce. During the 2023 interim, we held week-long series of meetings across the state with the primary intent of talking about Nebraska's tax burden. We visited Columbus, Kearney, North Platte, and Scottsbluff. In addition to meetings with the

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public, we also met with local chambers of commerce and elected officials. Nebraska's workforce shortage, coupled with the lack of available childcare, was a top issue that was brought up in each community we visited. Childcare centers faced significant challenges during the pandemic. Capacity restrictions led to decreased enrollment, and temporary program closures made it difficult for some centers to continue to operate. Childcare workers were forced to search for work in other industries, leading to childcare staffing shortage and limited childcare availability. Employment in childcare has not returned to pre-pandemic levels. Between January and April of 2020, employment in the childcare sector declined by 33%, almost 3 times the national average of overall employment. Labor force participation overall declined during the pandemic, possibly as both a driver and a consequence of decreased employment in the childcare industry. Like overall labor force participation, it remains below pre-pandemic levels. The emergence of remote work has posed both opportunities and challenges for workers. Many industries discovered that remote work for their employees was helpful. It was, it was a new way of conducting business and it was cost effective, and employees were not necessarily required to live locally. But not all industries work that way. For example, some medical care can be provided virtually, yet much of it requires healthcare providers to be physically present. In terms of education, although virtual coursework was temporarily the norm, most education activities have returned to the physical classroom. Both healthcare and education employ a significant number of workers across our state. Additionally, workers in the trades and in manufacturing, also a significant part of Nebraska's economy, do not have the option of remote work. For many middle-income families, the cost of childcare can be a significant part of their budgets. And for childcare workers in Nebraska, whose mean wage is \$13.46 an hour compared, compared to the mean wage of \$26.48 across all occupations in Nebraska, the cost of childcare is even more of a burden. In 2023, Iowa established a pilot program like what is being presented today, and given the costs associated with LB856, we feel that a pilot program approach is a reasonable consideration or, you know, or a sunset. We think that it would be important to look at the data and then have the Legislature decide if they would like to extend it. So I see my red light is on and I will conclude my testimony with that.

**HARDIN:** Thank you. You did very well.

**NICOLE FOX:** Any questions?

**HARDIN:** Anything else to add?



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**NICOLE FOX:** No. We just-- you know, we really think that this is a good bill. And we, we thank Senator Fredrickson for all the work he's done. We know we-- that he has done a lot. He's talked to a lot of folks about it and, and feels very passionately about it. And we think that this-- we see this as a workforce bill more than anything. Yep.

**HARDIN:** Any questions? Senator Riepe.

**RIEPE:** Thank you, Senator. Good to have you here. Good to see you again. I think we pride ourselves in this state of not picking winners and losers. And coming from 2 hospital systems where we felt that the cost of doing business that we built, personally staffed and paid for, 24-hour, 7-day-a-week [INAUDIBLE] childcare center, because it's what it took for us to get help. And so all of a sudden, we're picking winners and losers here, in terms of smaller businesses maybe get the advantage of it. Larger ones don't, or those who maybe choose to do it out of the goodness of, of doing the right thing, get fundamentally penalized, I think. Maybe I don't understand it enough.

**NICOLE FOX:** I-- as I understand the bill, Senator, I-- what I'm-- how I see it is, it's creating just another category of eligibility. I don't see it as, as picking winners and losers. And I think, as Senator Fredrickson had mentioned, he had had discussions about making sure that, you know, multiple types of childcare businesses were able to-- were able to participate.

**RIEPE:** Do you have more clarification on these categories? Is that economic or is it incomes levels, or is it?

**NICOLE FOX:** Well, as I understand it, it just creates a classification that it's, it's childcare workers. I don't believe it's income-based, but I can-- yeah.

**RIEPE:** OK.

**NICOLE FOX:** Yeah.

**RIEPE:** OK. OK. Thank you, Chairman.

**HARDIN:** Any other questions? I might frame the question a little differently than--

**NICOLE FOX:** OK.

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**HARDIN:** --Senator Riepe. Are we, in essence, creating a new entitlement for a small section of the population, that would be workers inside of childcare centers? And in full disclosure, I own a childcare center.

**NICOLE FOX:** Well, the way I see the problem is that, again, during the pandemic, you had situations where workers left. And what we need to do is we-- and, and for some childcare centers, that, that meant they could accept less children. For some, they completely shut down. And so I think some of this is just a creative way to see if we can ex-- you know, to expand the size of the, you know, the pool of childcare availability. I don't, I don't see this picking, picking winners and losers but-- in fact, our staff, before Senator Fred-- Fredrickson had discussed with me his proposal prior to session that he was looking to do this, we had commented on the-- on the Kentucky program and thought it was something that maybe Nebraska should explore. So we-- yeah. We don't see it as picking winners and losers.

**HARDIN:** Much to Senator Cavanaugh's chagrin, I'll ask the question. How will the Platte Institute feel about a sunset on something like this?

**NICOLE FOX:** Yes. And that's what I mentioned, to do some sort of program and just say we need to-- and I, and I believe that Senator Fredrickson's amendment is in line with that, where we would want to then have data collected for the Legislature to review, to make sure that the program is doing what we hope it's going to do. And then, and then, if so, if the Legislature decided to extend the program, they could. And yes, we definitely support that idea, given that we are talking about, you know, wanting to be fiscally responsible.

**HARDIN:** Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Feel stuck between 2 lovers of sunsets and I like a sunrise. I guess. This is more of a-- sort of for future testifiers behind you, because I, I am keying into the fact that my colleagues here are very interested in some of the funding mechanisms of this. And so I just wanted to say that I believe that we have somebody coming from First Five that can probably answer a lot of those technical questions. I have technical questions as well, but I will save them.

**NICOLE FOX:** You can defer those.

**M. CAVANAUGH:** Yes. So thank you for your testimony.

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**HARDIN:** Any other questions? Thank you. The next proponent of LB856. Welcome.

**ANAHI SALAZAR:** Hello. Good afternoon, Vice Chairperson Hardin and members of the Health and Human Services Committee. My name is Anahi Salazar. For the record, A-n-a-h-i S-a-l-a-z-a-r, and I'm with Voices for Children in Nebraska in support of LB856. Nebraska is full of hardworking caretakers who are determined to better the lives of the children they look after. Yet, caretakers are faced with difficulty when it comes to finding quality and affordable childcare. In order to keep and attract families in Nebraska, there needs to be affordable and accessible, high-quality childcare for every child. Voices for Children in Nebraska supports LB856 because it allows childcare workers access to the federal subsidized Child Care Assistance Program, helping with their own children's childcare costs. 91% of counties in Nebraska do not meet the local childcare demands. 11 Nebraska counties are deemed childcare deserts with no licensed provider, and 10 counties are-- can accommodate less than 100 children. A childcare desert is an area where lack-- where there's a lack of licensed childcare options. These deserts have a negative impact on-- not only on parents and children, but also the economy. Parents have to make difficult decisions to either quit their jobs or reduce their hours, which, in turn, affect family income and career prospects. Children may miss out on quality, early learning opportunities. And lastly, employers may face challenges in attracting and retaining workers who need reliable, high-quality childcare. The federal Child Care Subsidy Program would help increase accessibility across the state, creating sustainable work positions in Nebraska's workforce, as well as expanding the childcare availability to parents. LB856 would help early childhood professionals stretch their household budget further. Recruiting and retaining a qualified childcare workforce allows parents in Nebraska to continue their work. Based on the ACCESSNebraska performance measures, Nebraska is still serving fewer children on the subsidy than we were prior to the pandemic. Monthly average with a monthly average for 2019 was 17,437, and in 2023, the monthly average was 13,323. This is even after LB485 expanded eligibility in 2021. This legislation would impact me personally, as you've seen, I have my little one with me-- and many families like mine. My baby boy was born in late July. A week after he was born, in August, we found out our planned childcare was not going to work out, so my partner and I started looking for other childcare with high hopes that we would find a place with a space at the end of October, when my family leave was over. We visited a handful of places and they all had the same

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wait time, which was 11 months for an infant space. One site said they, said they had a space in another site, 1 provider, but it was 45 minutes away and the earliest they could take him was March. So we took it. That still left us with 4 months of uncertainty. Luckily, my employer, Voices, has a pro-kid work policy, and my little guy can come join me when I'm working and has joined me on many zoom calls. If it wasn't for my current employer, like when I was a teacher, I would have lost my job or would have had to resign. When touring and visiting these sites, they continually apologize for not having availability earlier, and the problem that kept arising was they were understaffed. So LB856 would provide childcare professionals with the opportunity to have their children's childcare costs covered. Sorry. I see my red light is on.

**HARDIN:** It's all right. Any other thoughts?

**ANAHI SALAZAR:** We just thank Senator Fredrickson for bringing forward legislation providing a piece of the solution to Nebraska's childcare crisis.

**HARDIN:** Thank you. Any questions? Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Thanks for being here and for bringing your little one. It adds a little light to the hearing, which is all about the kids, so thank you for that. You talked about that we still have fewer children on the subsidy than we did prior to the pandemic. And I was trying to quickly find and again, it's fine if you don't know this. Sometimes other people might. But what is the current income eligibility for the childcare subsidy in Nebraska?

**ANAHI SALAZAR:** Oh. I should know this.

**M. CAVANAUGH:** It's OK.

**ANAHI SALAZAR:** But I will have to get back to you on that, or hopefully, someone behind me does know.

**M. CAVANAUGH:** I know our reimbursement rate, we increased in-- with LB485, I think. LB485 maybe increased our reimbursement rate and eligibility, but I just was curious what our current income eligibility was. So someone, at some point, will get on-- up here and have to answer that and I'm seeing some nods from some people, so thank you.

**ANAHI SALAZAR:** OK.

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**HARDIN:** Any other questions? Seeing none, thank you.

**ANAHI SALAZAR:** Thank you.

**HARDIN:** The next proponent for LB856. Welcome.

**MIKE BIRD:** Thank you, Vice Chair Hardin. Good afternoon. Before I begin, I want to take a moment to mention that the testimony being handed out is longer than what I'm going to present here, so you're welcome. The written copy goes into a bit more detail about the workforce and medical developmental needs of the clients that we serve at CRCC. Also, a letter of support from Nebraska Child Health Education Alliance is being handed out, as well. Good afternoon, members of the Health and Human Services Committee. My name is Mike Bird. For the record, that's M-i-k-e B-i-r-d. I'm the president and CEO of Children's Respite Care Center, or CRCC. CRCC is a nonprofit based in Omaha. We provide comprehensive educational, nursing and therapy services for nearly 600 children with complex medical and developmental needs, as well as typically developing children, at 2 Omaha-based centers and in partnership with the public schools. I want to thank Senator Fredrickson for offering LB856. Like many other-- many in the childcare industry, CRCC has struggled to recruit and retain early childhood professionals since the onset of the COVID-19 pandemic. The committee is well aware of these challenges in our community and others at-- and CRCC is not immune. From 2021 to early 2023, our turnover rate hovered between 30% and 45% quarterly. So, to the national-- or to the number that was used earlier, we've seen much higher turnover. Organizationally, we have worked diligently to improve recruitment and retention, including increasing our base wage to \$17 per hour and improving our training and professional development, and we are seeing turnover stabilize as a result. In the third quarter of 2023, it dropped to 24%, and in the fourth quarter, it was 3%. And that was a huge victory. We are determined to continue to build on this progress, and state partnership is critical. The impact of LB856 to our childcare business is almost too large to quantify, but I'll try. I'll start by explaining we offer discounted childcare to our staff. Currently, of our 130 employees, 26 employees are utilizing the benefit. Nine of the staff slots are currently used for infant care. Six employees are currently on our waitlist and 5 of those on the waitlist have infants. In an ideal world, we would provide care for all of these children. LB856 would help us provide care for nearly every staff child, which is critical to the work-- to the workforce retention. Since we have enacted a staff childcare benefit in 2021, we have witnessed a year-over-year increase in our retention. In a recent

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staff survey conducted in December 2023, our staff listed the staff childcare benefit as the most important of all of our benefits. In addition to the increased and, and expanded access to care, LB856 would also have significant impact on the financial health of our organization. With the 50% discount that we are currently offering our staff, we recouped approximately \$50,000 last year. Assuming that we could recoup typical childcare subsidy rates for those groups, we would recoup-- we would have recouped approximately \$159,000 and so a \$109,000 difference.

**HARDIN:** We've got you at red, but I'm--

**MIKE BIRD:** Yep.

**HARDIN:** --very curious to hear what you have to say. Keep going.

**MIKE BIRD:** I'm wrapping up right now. As an organization, CRCC has stepped up to support children and families and fill gaps in critical community services. I respectfully ask the members of this committee and state leaders as a whole to complement our efforts with a systematic response concerning childcare access, affordability and workforce development. I would submit that LB856 represents a great starting point, and I would urge the committee to advance to the full Legislature for debate. Thank you for the opportunity. Any questions?

**HARDIN:** Thank you for being here. Any questions? Senator Riepe.

**RIEPE:** Thank you, Senator. Thanks for being here.

**MIKE BIRD:** Of course. Good to see you.

**RIEPE:** I think we met before at your facility.

**MIKE BIRD:** We have.

**RIEPE:** My question, again, and I do not work for the IRS, but my question would be is on the 50% discount, at the end of the year, do you record that as a, as a benefit with value that they would then be subject to paying state and federal tax on?

**MIKE BIRD:** I am not 100% certain on that, so I don't want to misspeak on that, Senator Riepe. My understanding is if, if, if it's considered a benefit, it would be taxable for that portion, but I don't want to go down that path without being certain.

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**RIEPE:** My interest in following that is, is it does diminish the value--

**MIKE BIRD:** Right.

**RIEPE:** --of the benefit if, if it is reportable. And I am guessing it probably is, but I'm not an expert. Thank you very much.

**MIKE BIRD:** Of course.

**RIEPE:** Thank you. Chairman.

**HARDIN:** Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Thank you for being here.

**MIKE BIRD:** Of course.

**M. CAVANAUGH:** I would note that both of your facilities are in 2 of the greatest legislative districts, in Senator Riepe's and mine.

**RIEPE:** Are they in my district?

**M. CAVANAUGH:** One is yours and one is mine. Yes. Yes. So, one is actually right here.

**MIKE BIRD:** Just half of it.

**M. CAVANAUGH:** Just half-- just half of it is in your district.

**RIEPE:** We won't argue over which is the better.

**M. CAVANAUGH:** I think we know the answer already, so-- I'm going to get in trouble over here. OK. So your staff, you have a 50% discounted rate and you have 26 employees currently utilizing that. Now understanding that hour-- these are generally hourly wages, so these 26 employees, and maybe-- if you don't feel comfortable answering this, please don't. But do you think that there's a likeliness that if they didn't have that 50% discount, they would not be in the workforce?

**MIKE BIRD:** So we've-- we experienced this. And as we're coming out of the pandemic, we offered free childcare to our staff. And it was incredibly effective, but it was not sustainable. And from a business per-- perspective, then about a year ago, we had to step back from that and, and adjust. And so, fortunately, when we say we have 26, that's because we've kept it at 26, because that's what we feel that

we can, as a nonprofit-- we go raise the money. And, and candidly, in April of this year, probably a little prior to that, it was so critical that we were looking at shortening hours, closing days, just because we did not have the workforce to meet the needs.

**M. CAVANAUGH:** And you have 5 currently on the infant waitlist? If you're not able to put those infants into the program, are you in jeopardy of losing those employees?

**MIKE BIRD:** So we're very fortunate that these are employees that have been able to figure out other things until-- you know, the spots are most limited on the infant side. As they graduate on to older, we typically are more successful in getting them into our center if they want to come to our center. But it would be amazing for them to be able to choose other centers for this benefit.

**M. CAVANAUGH:** So this has been a-- at least the 50% discount has been a good recruitment and retention, but it's, it's something that you are purposely working towards. And you are a nonprofit.

**MIKE BIRD:** Um-hum.

**M. CAVANAUGH:** And not all childcare facilities--

**MIKE BIRD:** Right.

**M. CAVANAUGH:** --are nonprofit. And even if you were to-- we were to make them eligible, your reimbursement rate for those kids wouldn't even be what you would get anyway.

**MIKE BIRD:** Yep.

**M. CAVANAUGH:** So it would still be a commitment from you to be doing this for your employees.

**MIKE BIRD:** Yep.

**M. CAVANAUGH:** So, OK. Well thank you, I appreciate that.

**HARDIN:** Senator Riepe.

**RIEPE:** Smart to-- question of interest. On the-- are there other ways to make it more attractive in the sense, sense of what I would call silly or needless regulations that you have to face all the time, that, quite frankly, wouldn't compromise the standard of care, but would make it easier to attract and retain staff?



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**MIKE BIRD:** You know, I, I, we-- we've done work on the benefits side and the pay side. What we see in, in many cases, is our workforce is, is young and female and tends to have, have kids. And so the ability to remove that barrier, even in the surveys that we've done with our existing staff, is that childcare is their biggest benefit that we have, even when it's a small segment of our, our-- of our population that's, that's even accessing it.

**RIEPE:** How-- I know you have staffing ratios. Are they reasonable staffing ratios?

**MIKE BIRD:** So and that's--

**RIEPE:** You know, you know, this, this is not monitored by DHHS.

**MIKE BIRD:** Well, so, so we actually impose a more strict staffing ratio because of the, the children that we serve, with medical disabilities and developmental delay. So we operate at about a 1 to 4 ratio, across our, across our center. Now, that's required on the infant side, but as you get older, we could operate at a much higher ratio but we do not.

**RIEPE:** Oh, OK. OK. Thank you very much. Thank you, Chairman.

**HARDIN:** Senator Ballard.

**BALLARD:** Thank you, Vice Chairman. Thank you for being here, Mr. Bird. You, you mentioned a little bit in your first page of your testimony, but is-- were wages the only barrier to retention, to, to turnover?

**MIKE BIRD:** No, it was not. I think-- it's a hard job.

**BALLARD:** Yes.

**MIKE BIRD:** I think that's a, a big, a big piece of that. I think the competition across the market, the flexibility of the work from home opportunities and different things all have put a strain on that. I think our workforce prior to COVID was more experienced. And, and I think a lot of those people, as was alluded to by prior testimony, that we've lost some of that experience in the industry. So now we're seeing a younger workforce. And so we're training and, and working on that. We're working with our local programs to try and bring a pipeline to it as, as early as sophomore in high school. We're working right now, to bring them into the center to understand the different opportunities that aren't just in the childcare side, but

across the board. So there's, I think, a lot-- there-- there's a lot that goes into that, as we all know. But I think childcare, specifically in the segment that is-- tends to be our wheelhouse of, of our potential employees, childcare is a big deal.

**BALLARD:** And you mentioned it a, a little bit, but you said most of your workforce is on the younger side. Do you see any different-- I ask because it's the new generation coming up. They, they want, like you said, they want the flexibility to work from home. Have you seen any issues along that line?

**MIKE BIRD:** Yeah. We, I think, as all employers are, are encountering and trying to be innovative and creative to, to meet our workforce where they are. So we have-- I didn't try to think up specific, you know, just kind of this-- the, the flexibility side of it. Some of those are probably at the top of the list, that are hard for us to overcome, but offering free childcare helps overcome that challenge.

**BALLARD:** Thank you for being here.

**MIKE BIRD:** Yeah.

**HARDIN:** Question for you. Yeah, as a percentage, what did you see change with your workforce costs from 2019 to after the pandemic?

**MIKE BIRD:** So we are-- we went up 30% on our front line pay. So we were in the \$13 range and are up to that \$17. But across the board, we just did some analysis on this. And, and looking at our cash flow and budgeting and it-- it's probably, if you average from the administrative side to the front line, probably about 15%.

**HARDIN:** Well, I thank you because I'm not sure everyone in the room maybe appreciates the fact that you are the heroes of the childcare sector, so.

**MIKE BIRD:** It's the-- my staff, they, they just sent me to Lincoln to talk to you guys. It's all the folks back there that do the hard work.

**HARDIN:** Thank you. Any other questions? Seeing none, we appreciate it. Thanks.

**MIKE BIRD:** Thank you.

**HARDIN:** Someone else for LB856. Welcome.

**AMY BENNETT:** Hi. Good afternoon, Vice Chair Hardin and members of the HHS Committee. My name is Amy Bennett, A-m-y B-e-n-n-e-t-t, and I'm here today on behalf of the YWCA Grand Island and the Hall County Early Education and Childcare Coalition. And I'm here to testify in support of LB856. YWCA Grand Island has 2 licensed childcare sites with a goal of providing affordable, quality access to childcare for all families, a goal that has been difficult to fill in the past 2 years. In January of 2022, we had a full staff with a turnover rate of only 10%. A few months later, we suddenly began losing staff. They cited burnout, low wages and lack of benefits for leaving. Most took jobs at local manufacturing plants, the local school districts, or went back to school themselves, and we could not hire. In years past, we'd advertise a job opening and we'd have multiple applications within hours. Now we had zero. By October of 2022, we dropped from 23 staff to 10, with less than 30 kids enrolled at both sites, a drop of over 60 children. Our board began to have discussions about how do we keep this program open if we can. We had to have reliable, quality employees to be able to continue to operate. We raised our base pay rate and increased our childcare discount for employees from 40% to 75%. One childcare employee told me, the childcare discount has enabled me to use our family resources more effectively, paying for necessities I would not be able to afford if I had to pay the full childcare fee. If it weren't for this discount, I would look for work outside of childcare or choose to stay home with my children. We have been able to stabilize our programs, but it is a constant struggle. YWCA Grand Island budgeted a projected current fiscal year loss of \$90,000 in our childcare programs. As a nonprofit, we have fundraising plans and reserves to cover this loss this year. However, we cannot continue to cover such a large loss. Our 75% employee discount on childcare costs our organization approximately \$48,000 a year in lost income. Not only are we paying for the service for our employees, but we're also losing out on making that money from other families. And it is a struggle we are not alone in. The KIDS COUNT '22 report showed Hall County was short over 1,600 childcare and preschool spots. That shortage has only grown over the last year. One of our largest center providers, which had a license capacity of 207 children, announced they were closing at the end of 2023, citing lack of available quality staff as one of the reasons they were choosing to close. Our community is in a childcare crisis. Passing LB856 provides 1 solution to solving this crisis. This bill provides an incentive for people to join a much depleted childcare industry, while simultaneously relieving some burdens from providers who are already stretched thin, both monetarily and with their workforce. Supporting childcare is necessary for our state's continued economic

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growth. For all of these reasons, I ask you to support LB856. Thank you.

**HARDIN:** Thank you. Senator Riepe--

**RIEPE:** Thank you.

**HARDIN:** --do you have a question?

**RIEPE:** I do have a question. And that is-- maybe not just yours, but do you provide health insurance benefits?

**AMY BENNETT:** We do not.

**RIEPE:** You do not. OK. I assume that's rather typical of many childcare centers.

**AMY BENNETT:** I, I can speak for Hall County that most childcare centers do not provide health benefits. We provide, because we are part of a national organization, we're able to do a retirement plan after 2 years, but that's because of our national organization. And that's really the only benefit that we are able to provide our staff.

**RIEPE:** The absence of healthcare benefits is significant--

**AMY BENNETT:** It is really significant--

**RIEPE:** --in today's market.

**AMY BENNETT:** --especially when you're-- you look at who the childcare workforce, as Mike was talking about, we're talking about young people with children. And a lot of single moms are in the childcare world. And so for some of them, there's not a partner who's at a workplace that has childcare or has health insurance to cover them.

**RIEPE:** Understood. Thank you. Thank you, Chairman.

**HARDIN:** Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. So like you said, a lot of the childcare workers are single parents, if they have children. So the 207 children or-- that were at that one child provider that closed, that's 207 parents that may have had to leave the workforce, in addition to the childcare providers that were there, as well. And if they can't find a provider or job that gives them the ability to not spend their entire paycheck there, on childcare.

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**AMY BENNETT:** Yes. And I mean, so the 207 was their license capacity. They definitely were under that capacity because they weren't able to staff it fully. But it was-- there were over 80 families that had children, so multiple children at that site. We have been fortunate that then we all needed staff, so their child-- their childcare staff then found employment. And we were able to add some staff, but there are families who have chosen to not go-- or to leave their workplace. Some are taking their kids like, to their parents and their grandparent-- so grandparents are now fully caring for children, those types of things. But it-- it's been a huge struggle in our community.

**M. CAVANAUGH:** Yes. My parents are taking care of my children today. So, because there's no school today. So, yeah. I, I get it. OK. Well, thank you. Thanks for your work.

**HARDIN:** Any other questions? I have one. So you're at YWCA? I'm curious. Do you do drop-in care?

**AMY BENNETT:** We do not offer drop-in care.

**HARDIN:** OK. And it's a guess, not just yourselves, but across Grand Island, what are you seeing in costs? What does it cost a mom or dad to bring in an infant, a ones, a twos, a pre-school?

**AMY BENNETT:** Our coalition actually just did an infographic we approved yesterday. And so the average cost for children 0-18 months in Hall County is \$9,800 a year. And that's probably a little-- that's according to the First Five Nebraska childcare calculator. It's \$9,228 for 18 months to 5. We, we offer the lowest cost because our mission is to empower families economically. And so, we-- ours are currently 1-- \$180 for infants and \$160 for 0 to-- for 18 months to 5, but we are going to be increasing those. I will not say when because we haven't announced it to our families yet, so I don't want them to find out this way. But, I mean, we will be increasing those. Because what we know, so the subsidy, subsidy rate is 185% poverty level right now. We know that families that are at 186% can't afford childcare at \$200 or more. And so, we really are trying to make sure that we can serve our community but also not go bankrupt, if that answers your question.

**HARDIN:** Yes. Thank you. Senator Walz.

**WALZ:** Thank you. Thanks for being here. I have kind of a, a different kind of a question, I guess. You talked about the loss of \$90,000 in

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the childcare program. I'm just curious, we-- in Fremont, we have a pretty substantial Y program that holds childcare, as well. Is that loss reflective then, in the overall YMCA budget or is it just--

**AMY BENNETT:** So we're the YWCA.

**WALZ:** I'm sorry. Yeah.

**AMY BENNETT:** That's OK. If I-- I actually could make up \$90,000, probably, with every time someone called us the YM. So, but yeah. So it is-- so it's-- that's specifically to the childcare budget. The rest of our budget, which we have other programs, they all break even or we have grants that cover them. So actually, our childcare center is the only place where we lose the money. So our fundraising and our investments are going to cover that specific loss. So nothing else in our nonprofit is, is losing money. We've actually reduced some of our programming staff outside of the childcare center. We've-- we no longer have a full-time receptionist at our front desk. We've done just like some of those administrative cuts, just so that we can save some of the money in the childcare side.

**WALZ:** Right. OK. Yeah. And I guess the reason that I have that concern is, you know, can it affect the overall viability of the, the whole program. And YWCAs and YMCAs are so important and such great partners in the community. That was just another angle that I--

**AMY BENNETT:** Yeah.

**WALZ:** --was thinking about as you were talking. So thank you.

**HARDIN:** Any other questions? Senator Riepe.

**RIEPE:** Senator-- thank you, Chairman. Quick questions here. How many of your staff do you estimate are on Medicaid?

**AMY BENNETT:** I know that 4 children of our staff children are on childcare subsidy already because of income, so that's what I know. We don't-- I mean, we don't collect that data.

**RIEPE:** 4 out of 20?

**AMY BENNETT:** Our childcare staff is about 25.

**RIEPE:** 25. OK. The other question I would have because this is one that's pending in one of our committees-- fact is Business and Labor Committee on do you provide paid sick time?

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**AMY BENNETT:** We do.

**RIEPE:** You do.

**AMY BENNETT:** Yes. We do provide paid time off. So we don't do paid sick time, but it is paid time off. That is one thing that we do provide for our staff.

**RIEPE:** OK. Thank you very much. Thank you, Chairman.

**HARDIN:** Any other questions? Thank you.

**AMY BENNETT:** Thank you.

**HARDIN:** The next proponent of LB856. Welcome.

**HEIDI PIEPER:** My name is Heidi Pieper, H-e-i-d-i P-i-e-p-e-r. I'm a mom, a licensed foster parent, a rancher, and I'm on staff with Nebraska Farm Bureau. I live outside of Farnham, a small town in the southwest part of the state. And I'm here today to support LB856 on behalf of Nebraska Farm Bureau and the Ag Leaders Working Group, which consists of 9 trade organizations, representing 96% of Nebraska's farm gate receipts. Whether you live in an urban or a rural area, access to high quality, affordable childcare is tough to come by. Staff shortages are at the core of our current childcare crisis, as qualified educators are difficult to find and retain. It's common for people to leave the childcare workforce for better paying jobs or jobs with benefit packages, finding new employment at places like fast food restaurants. There's also a point where it makes more sense for a childcare educator with young children to quit working and stay at home because their earnings are not enough to cover the costs to have their own children in care or to justify traveling outside of their community for a better paying job. LB856 provides support for our current workforce, while also encouraging people who may be interested in the early childhood field to examine the opportunities it provides. When discussing the struggles the childcare workforce encounters, a lack of benefits is often brought up. Many providers are sole proprietors or small businesses who do not have the means to offer a traditional benefit package. LB86-- LB856 provides a unique opportunity for this critical workforce to receive the benefit of assistance with their own childcare needs. This helps send a message that they are valuable, supported in their roles, and that their contribution to our children at the most critical time in their development is important. LB856 allows us to make Nebraska an even better place for all who live, work and raise

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families here. When Nebraska families are thriving, so are our communities, businesses, and industries. Before I close, I'd like to offer our support of AM2158, which would require the department to allow family childcare home providers to enroll in another program for subsidized care, or would allow employees and smaller licensed childcare centers to be the caregivers for their own children if no other reasonable options are available. In rural areas, we often have limited availability for childcare options. And in most instances, we're lucky to have one provider with limited staff, staff and space. In my local public school, there is 1 teacher per grade. And approximately 75% of those teachers have had or will have their own children in their classroom at some point in time. Allowing childcare providers to receive subsidized care under similar circumstances is an important factor in the success of LB856 supporting Nebraska's childcare workforce. In closing, we want to thank Senator Fredricksen for bringing this proposal, and we encourage the committee to advance it to General File. I'm happy to answer any questions.

**HARDIN:** Thank you. Any questions? Senator Walz.

**WALZ:** I don't, I don't really have a question, but wow. You are a busy lady. A rancher, a mom, a foster parent and a staff person at Nebraska Farm Bureau. So thank you for coming. I appreciate the perspective that you have. Thanks.

**HEIDI PIEPER:** Thank you. I'm happy to have the opportunity to sit here today.

**HARDIN:** Any other questions? Thanks for coming.

**HEIDI PIEPER:** Thank you.

**HARDIN:** Any other proponents for LB856? Hi there.

**ANNE BRANDT:** Hi there. I'm Anne Brandt, A-n-n-e B-r-a-n-d-t. I'm executive director of Lincoln Littles. Lincoln Littles strives to create equal opportunities for all children in Lincoln to learn and grow in their early years. On behalf of our organization and our fiscal agent, Lincoln Community Foundation, as well as the Lincoln Chamber of Commerce, we express our support for, for LB856. In May of 2022, Lincoln Littles and the Nebraska Public Policy Center administered a workforce survey to local childcare. The survey revealed the depth of the childcare crisis. A few of the most important results are: More than half the providers surveyed had 10 or more children on their wait lists; nearly 60% were experiencing a



staffing shortage; when asked why providers were leaving the workforce, 80% cited low wages, 72% cited burnout or exhaustion, and 55% said lack of benefits. Providers also said low wages and lack of benefits were the primary reason applicants did not accept jobs that they were offered. As a result, nearly half of the programs surveyed are serving fewer children than they would prefer. Based on the results of the workforce survey and data on low wages and few benefits for childcare staff, Lincoln Littles applied for and received grant funds from the Nebraska Department of Labor and several private funders to design and administer a workforce development program. In 2023, 30 individuals seeking employment or newly employed in childcare enrolled in our program, receiving essential training in early childhood education. An important component of our workforce development program relevant to LB856, is childcare tuition assistance of \$5,000 for up to 2 children for participants in our program. For 11 of the program participants, this tuition assistance was an important incentive and made participating in the program and the workforce possible. In Lincoln, 74% of children under 6 have all available parents in the workforce, approximately 15,000 children. Our workforce development program made a significant impact by providing stable care for roughly 100 children from parent-provider staff members. This bill would improve access for children in Lincoln and in our state broadly. Passing this bill into law would not only recruit and retain more, more individuals to the childcare field, but also put money back into childcare business pockets. Many childcare providers offer a childcare discount in efforts to recruit staff, taking a loss in revenue affecting their profitability. LB856 will strengthen our current early childhood providers with increased capacity, further development of childcare programs and workforce development supports. Increasing access and availability of high-quality early learning programs in Lincoln is critical to the success of our children, families, communities, and economic development. Thank you.

**HARDIN:** Thank you. Any questions? Senator Ballard.

**BALLARD:** Thank you. Thank you, Senator Hardin. You may not know the answer to this question, but do you know what-- how-- what percentage of, of the expenses of childcare centers are labor?

**ANNE BRANDT:** Well, I was asked this last year when I was here, and there was some debate. So I'll have Katie clean up anything that I might say that is not correct. But I mean, I have read and heard that it's anywhere from 60-80%.

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**BALLARD:** OK. I guess I'm trying to figure out for, for every dollar increase in hourly wages, what is that-- because you're not-- these centers are not eating that cost. They're passing it on. So what-- what's the kind of the push and pull, I guess, would be my-- what I'm trying to figure out.

**ANNE BRANDT:** Well, I, I don't know if I can answer that, but what I can tell you is we work with childcare providers every day. We had 2 close in November and December. We have 2 more that are closing in the next 2 months, with a total of 490 children, you know, that would be attending these centers. And the reason they're, they're closing is staffing. They cannot find the people to be able to work, to work in their programs, to be able to enroll children, to be able to to have a profit in their business.

**BALLARD:** Even with an increase in hourly wages, at times.

**ANNE BRANDT:** Right.

**BALLARD:** OK. Thank you.

**HARDIN:** Any other questions? Senator Riepe.

**RIEPE:** Thank you. Chairman. My question is, is are you, as an organization, a 501(c)(3)?

**ANNE BRANDT:** We are fiscally sponsored by the Lincoln Community Foundation, so they-- we--

**RIEPE:** They are--

**ANNE BRANDT:** We are.

**RIEPE:** They are a 5-0?

**ANNE BRANDT:** They are.

**RIEPE:** OK. Do you do any for your particular-- Lincoln Littles do a fundraising campaign to try to-- or is that something that's proven to not be reliable?

**ANNE BRANDT:** We do-- well, we're not a childcare center. We're an, we're an organization that's working on affordability, quality, business engagement and policy to help systemic change--

**RIEPE:** OK.

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**ANNE BRANDT:** --for the early childhood ecosystem.

**RIEPE:** So you're an umbrella organization?

**ANNE BRANDT:** Yes.

**RIEPE:** OK. OK. Thank you.

**HARDIN:** In Lincoln, in your area, is just Lincoln, or do you also reach out into the wider counties?

**ANNE BRANDT:** A little bit of Lancaster County, but mostly, we're Lincoln Littles.

**HARDIN:** OK. Just curious what percentage of the available childcare centers might have closed from the beginning of the pandemic forward?

**ANNE BRANDT:** Yeah. I mean, we've been fairly lucky in Lincoln that during the pandemic, we saw probably fewer closures than we're seeing now.

**HARDIN:** Nationally?

**ANNE BRANDT:** To be at-- well, yes, nationally, but also fewer than what we are seeing and hearing from providers now.

**HARDIN:** OK.

**ANNE BRANDT:** It's like they've held on--

**HARDIN:** As long as they could.

**ANNE BRANDT:** --through, you know, and things just are not good at this time. It's urgent-- it's an urgent issue.

**HARDIN:** Very well. Any other questions? Thank you.

**ANNE BRANDT:** Yeah. And I, I just would like to say that our workforce program is-- seems to be working. And it is, you know, a mini pilot of this kind of legislation. And so I'd be happy to expand on that further in the future.

**HARDIN:** Thank you.

**ANNE BRANDT:** Thank you.

**HARDIN:** Any other proponents of LB856? Welcome.

**KATIE BASS:** Thank you, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Dr. Katie Bass, spelled K-a-t-i-e B-a-s-s, and I'm the policy and research advisor for First Five Nebraska. We're a statewide public policy organization focused on supporting policies that promote quality early care and learning experiences for young children. I want to thank Senator Fredrickson for introducing LB856 and prioritizing this important piece of legislation that will have a substantial impact on Nebraska's childcare workforce and the Nebraska workforce overall. All right. Now that I have the formal stuff out of the way, I think our testifiers so far have done a great job really explaining both what this does and what the potential impact is. And so I'm going to go ahead and take my time here and answer some of the questions that have been posed so far that maybe have not been fully addressed yet. And so, you all have my testimony that lays the rest of this out, but I'm going to move on from here. So one of the questions that we had was, would this be a, a benefit provided to the parents that would then be taxable? We have our econ dev person-- development person texting me. We don't think that that is the case. And that's because this is not a benefit being passed on by the employer. Right. This is enrolling in the state childcare subsidy program, so that would be different. Now anybody who's accepting the subsidy, that's a form of income that they're accepting. So those providers would certainly be paying, you know, taxes on their income that they're bringing in. But we do not believe so. I am going to follow up and confirm that and make sure I get that to you, Senator Riepe. Senator Cavanaugh, you did ask about the number of workers with children under 6. I do think that this was maybe an inadvertent misunderstanding of a data point around how many children under 6 have parents in the workforce. When we ran some numbers from the American Community Survey data on the childcare workforce, about 40% had children under the age of 13. Right-- or excuse me. It was even lower than that were under the-- about 40% were parents, right, and even fewer had children under the age of 13 which would qualify for subsidy. As far as smaller versus larger, I think this is written so that it is about the employees not the employers, so it should qualify for anyone working in childcare. Income eligibility that was discussed earlier is 185%. And that changed in 2021 from 130%, is what it was prior to that. And that is part of that LB485 that is sunsetted. And the reimbursement rate increase happened that same-- or happened in 2022, the next year. And that was through LB865, by Senator DeBoer, that was eventually amended into the budget bill, which was LB1011. Last question. Senator Ballard, I think you had a really great question about that cost of doing business, and it is around 60-80% is a labor cost. And

while it is true that most frequently that does, does get passed on to parents, there's this very fine balance that childcares have to do to not price out the parents in the communities that they serve. And so our childcare providers are trying to balance those two things at the same time. And I hope I've addressed all your questions. And I see my red light is on. We support this. And if you have any more questions, I would be happy to answer them.

**HARDIN:** Are there any more questions, Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Thank you, Dr. Bass, for this. Yeah, that, that 77% did seem more aligned with parents that are in the workforce numbers that I've seen previously. So, perhaps that's something that we can expect the department to come back to us with a better number, because it, it just says an estimate and-- or recipients. And I know from-- I no longer have children in childcare.

**KATIE BASS:** What? Amazing.

**M. CAVANAUGH:** I know, right? It cost my whole salary my freshman year here.

**RIEPE:** You're so young.

**M. CAVANAUGH:** I was-- it was much younger than I am now. But I am scrambling to think of-- my 3 children went through childcare. I'm scrambling to think of how many teachers they had that had children themselves, because a lot of the teachers were very young and--

**KATIE BASS:** Yes.

**M. CAVANAUGH:** --didn't have children yet.

**KATIE BASS:** Right.

**M. CAVANAUGH:** So that-- that's another reason that this particular number seemed high.

**KATIE BASS:** Yeah. Yes. I would agree. I do think it is closer to that 40% are parents overall, right. It is a-- and then you go down to 13, which is your eligibility for subsidy. And then you assume, you know, 6 to 13, maybe a partial year, right, maybe for summer programs, or for after school care, but likely not full-time, full-day, year-round care. So it, it would be different. And I, I do want to say to the department's credit, to our credit, to the Legislative Fiscal Office credit, this is still very new. And what would this look like? How

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many people would enroll? We have one state as an example. I, I spent last week on the phone with folks from Colorado that are also trying to think about how do we prepare a fiscal impact statement for a bill that looks very similar to this one? I think we are in not uncharted territory, but new territory, and we're all kind of figuring it out as we go.

**M. CAVANAUGH:** And, one more question. So if this were to move forward, this-- oh. Never mind. I see it in the fiscal note. It comes from general funds. So thank you very much.

**HARDIN:** Senator Riepe.

**RIEPE:** Thank you. So we've talked a lot about the Kentucky program and kind of held it as a model. How long has that program been in existence? Do you know?

**KATIE BASS:** It began in 2022. They had done-- by December of this year, maybe October of this year, it had been in existence for a full year. And they-- in October 2023. And they are continuing with the program.

**RIEPE:** OK. Thank you.

**HARDIN:** Senator Walz.

**WALZ:** Thank you. Thanks for being here today.

**KATIE BASS:** Thank you.

**WALZ:** Is-- are you-- is the Iowa program that Senator Fredrickson referred to the same as the Kentucky program?

**KATIE BASS:** Yes, I do believe so. The difference would be that sort of pilot language. It does have a 1-year pilot on it--

**WALZ:** OK.

**KATIE BASS:** --but similar to Kentucky, it is a complete exclusion of all earned and unearned income for anyone who works in childcare. I think Kentucky uses a 20-hour-a-week employment requirement. I believe Iowa used 32 hours a week. As far as I know, that's the only difference between the two programs.

**WALZ:** OK. So that might account for why the Iowa program is maybe the \$6 million and we're looking at \$21 million. Do you have any--

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**KATIE BASS:** It may be, but I, I don't know that there's that much difference between how many people work 20 hours versus 32.

**WALZ:** OK. All right. I was just curious. Thank you.

**HARDIN:** Is pilot program a fancy word for sunset?

**KATIE BASS:** I believe so, I believe so.

**HARDIN:** Just, just a clarification. Any other questions? Senator Ballard.

**BALLARD:** A brief question. Do you know what the average subsidy amount was in Kentucky?

**KATIE BASS:** I don't. I do know that they said in one article for infants, it was around \$200 a week, or over \$200 a week, which, I think, is actually a little higher than what we pay in Nebraska. But I'd have to, to verify that right now.

**BALLARD:** OK. Thank you.

**KATIE BASS:** Yeah.

**HARDIN:** Senator Cavanaugh.

**M. CAVANAUGH:** I was just going to ask if sunset was a fancy word for pilot.

**KATIE BASS:** I think they're interchangeable today.

**RIEPE:** Thank you. I think that's very clarifying.

**HARDIN:** Any other questions? Thank you.

**KATIE BASS:** Thank you all.

**HARDIN:** Any other proponents of LB856? Anyone else in support? Any opponents of LB856? No opponents. Anyone in the neutral for LB856? Seeing none of those, Senator Fredrickson, while you are on your way back here, there were 70 letters of support, 1 letter of opposition, 1 letter in the neutral for LB856.

**FREDRICKSON:** Thank you. Thank you, Vice Chair Hardin and committee. I also want to thank everyone for-- who came out today to testify. I want to thank the State Chamber, the Platte Institute, Voices for Children, the Nebraska Farm Bureau, the providers that were here

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today, and also want to just bring attention to the number of letters online. A number of organizations also included testimony online, including the Women's Fund in Omaha. I want to do a special thanks, as well, to First Five for all their hard work, research and advocacy on this really important issue. We actually-- we had a lot of people who wanted to come testify today in person, as you can see from the written support. But we wanted to make sure that this hearing didn't go too long for all of you. But I would really encourage you, if you do have the opportunity to read through some of the support letters, there are some actually really meaningful testimony on there. And there's a lot of diverse perspective from all over the state, and sort of the potential impact this could have, and, and why this would be valuable for, for both parents, but also for providers and centers and, and, and frankly, for communities, where this is really becoming a struggle. Organically, like I said in my opening, we had letters from 31 of the 49 legislative districts. That, to me, is a pretty big statement that said that this is an impactful, statewide policy and statewide legislation that-- you know, you look at the ratios: over 70 in support, 1 neutral, 1 opposed. I mean, that's, statewide, overwhelming support for this bill. It was funny when-- during the hearing, I actually got a text from a friend about-- who has an infant. We were talking about how about infant spaces are one of the most challenging things. He has an infant childcare in Omaha. They have been having workforce issue-- provider issues so much that some of the parents have actually, who are enrolled in the program, have been showing up recently, in the last month, and have been turned away at the door because they don't have enough providers there that day. And so, I was thinking through that. Imagine you're on your way to work. You're on your way to the Legislature, for example, dropping your kid off at childcare. You find out once you arrive that they had a provider call out sick, for example. They don't have the capacity out there. You have to scramble. So this is-- and that's in Omaha, where, you know, in theory, we have the, the largest amount of, of workforce and availability. So I think this is a really-- something I really wanted to kind of underscore and highlight. I think Mr. Slone, from the State Chamber, said it best when he said that this is, this is a game changer for the state, who has a-- when it comes to actual childcare, when it comes to the ability to address our workforce issues. And as he said, it's a tested and proven method. That's why I think this has garnered so much support, from what they've seen in Kentucky. I wanted to also really quickly address Senator Riepe, you had mentioned sort of some organizations who have been able to open up their own childcare centers and whether or not this would be a disincentive for that. So this bill is really directed towards the



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childcare providers themselves. So I would actually make the argument that this would help those centers, because they also still need providers. They still need workforce. And so, this bill is, is targeted specifically to the providers, not to the centers per se. So I just wanted to kind of clarify that. I would ask the committee to Exec on this hopefully soon, and advance the bill, LB856, along with AM2158. And I'm happy to answer any questions folks might have.

**HARDIN:** Any questions? Seeing none, thank you.

**FREDRICKSON:** All right. Thank you so much.

**HARDIN:** That will conclude LB856 today. Next up, LB1143. And sitting in for Senator Hansen, Bryson.

**BRYSON BARTELS:** Hello. Good afternoon, Vice Chairperson Hardin and members of the Health and Human Services Committee. I am Bryson Bartels, B-r-y-s-o-n B-a-r-t-e-l-s. I serve as a research analyst on the Health and Human Services Committee. In November last year, it came to our attention from the Bill Drafters Office that there were outdated statutes relating to the term "health district." Health districts were created in 1939 and are not currently used. Presently, local public health departments are made up of county health departments, district health departments formed by interlocal agreements between 1 or more counties, and a city/county health department. LB1143 cleans up these outdated statutes, specifically Nebraska Revised Statute Section 71-1601 through 71-1625, are outright repeal. And current statutes relating to Medicaid, the State Auditor and medically handicapped children's services are updated. I thank you, and I would be happy to answer any questions.

**HARDIN:** Do, do we normally take 84 years to review these things or?

**BRYSON BARTELS:** Normally not.

**HARDIN:** I see.

**BRYSON BARTELS:** It, it came to our attention last November--

**HARDIN:** OK.

**BRYSON BARTELS:** --on that. But normally, it doesn't happen that way.

**HARDIN:** Well, good. An-- any other questions?

**RIEPE:** Are we allowed to?

**M. CAVANAUGH:** We're having a--

**HARDIN:** Well sure. It's an--

**M. CAVANAUGH:** --we're having a--

**HARDIN:** --opportunity to really put Bryson-- for those of you don't know, he's one of our 2 brilliant legal minds here on this committee. So we have-- we can't pass this opportunity up, you understand?

**M. CAVANAUGH:** Well, we-- actually, we usually don't ask staff questions. But because--

**HARDIN:** Well, he's actually--

**M. CAVANAUGH:** -- because he's counsel.

**HARDIN:** He's, he's Senator Hansen. So.

**RIEPE:** Maybe we need to get a legal opinion.

**HARDIN:** A legal opinion.

**RIEPE:** Yes. I do have a question, though.

**BRYSON BARTELS:** Yes.

**RIEPE:** Why is it that we're now 2024 looking at this?

**BRYSON BARTELS:** That's a very good question, Senator.

**RIEPE:** Thank you.

**BRYSON BARTELS:** I mean, I don't know if I really quite have the answer for that one. I mean, these statutes have been around since like 1939.

**RIEPE:** It took us a while.

**BRYSON BARTELS:** And it took-- and while there's been several changes throughout the years-- in, in 2001, the last really big changes, where they kind of allowed this kind of-- change things up, but I really don't know. It came, kind of came to Bill Drafters in working with another staff person on this, that this is an opportunity just to kind of clean these off the books and make things go.

**RIEPE:** Fair enough.

**M. CAVANAUGH:** Can I purport an answer to Senator's question?

**HARDIN:** Sure.

**M. CAVANAUGH:** Have you seen those books that you have in your office that are all of the statutes? It takes a while to get through them to see if there's anything that needs to be changed.

**RIEPE:** I think I'm on the last volume.

**HARDIN:** Any other comments? Thank you.

**BRYSON BARTELS:** Thank you.

**HARDIN:** Is, is there anyone here in support of LB1143? Anyone here opposing LB1143? Anyone in the neutral for LB1143? Would you care to close? He's going to wave close and we're moving on. Thank you. Shockingly, there were no letters of any kind for that one. LB896, Senator Ballard. Welcome.

**BALLARD:** Thank you, Vice Chair Hardin and members, fellow members of the Health Human Service Committee. My name is Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d. And I'm here today to introduce LB896 on behalf of the Nebraska Hospital Association. Nebraskans, especially vulnerable and underserved populations, have relied on telehealth for safe-- safely to receive care. If providers can no longer provide services, the rural parts of the state will suffer. The most, as many know, drive-- have driven hours to see specialists. Telehealth is about convenience and getting people access to care when they need it. LB986 removes unnecessary paperwork requirement for signed consent for telehealth consultations if verbal consent had already been given. The Telehealth Act allows patients to sign a statement or provide verbal consent indicating that the patient understands the written information provided prior to, prior to or during the initial telehealth committee-- consultation. The signed statement may be collected by paper or electronic signature and shall become part of the patient's medical record. Currently, if the patient gives verbal consent during the initial telehealth consultation, a signed statement shall be collected within 10 days of the telehealth consultation. Having a signed statement collected within 10 days after the telehealth visit serves no meaningful purpose, and in some cases, is almost operationally impossible. Providers said that they have patients that are not returning consent documents. The providers should-- the providers should document verbal consent and the facilities and patients are able to capture

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the electronic signature. They should, but there is no need for administrative burden, burden in written consent. It's also important to note that during COVID, this was a waiver to remove this signature. I will be happy to answer any questions, but I do have experts behind me.

**HARDIN:** Any questions? Senator Riepe.

**BALLARD:** Senator?

**RIEPE:** Thank you, Senator Hardin. May I assume that legal counsel has agreed to-- usually, my experience with legal counsel, they want everything signed at least twice, so that if there's, you know, if there's no signed consent, are they comfortable with that?

**BALLARD:** The legal counsel in?

**RIEPE:** In the hospital.

**BALLARD:** In the hospital?

**RIEPE:** Or, or the-- whatever, who's, who's ever performing the telehealth service.

**BALLARD:** Yeah, I, I would assume-- yes, if they, if they get written consent. And this is going in, in providers' medical record.

**RIEPE:** OK. But it says it removes signed consent. The other question that I have is, is, I assume, tell me if I'm wrong, that it has no impact on the payment, either to the service provider or to the patient.

**BALLARD:** It would have no impact.

**RIEPE:** OK. Very good.

**BALLARD:** Thank you, Senator.

**RIEPE:** Thank you, Mr. Chairman.

**HARDIN:** Any other questions? Will you be around to close?

**BALLARD:** I will be around to close. Thank you, Senator.

**HARDIN:** Wonderful. Thank you. May we have our first proponent of LB896. Welcome.

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**SHARI FLOWERS:** Thank you. I do apologize. I do not have a copy of my testimony so I can get that to you if you'd like.

**HARDIN:** We will listen.

**SHARI FLOWERS:** Intently, I bet.

**HARDIN:** Yes.

**SHARI FLOWERS:** My name is Shari Flowers. It's S-h-a-r-i F-l-o-w-e-r-s, and I am general counsel and VP of compliance for Nebraska Methodist Health System. And so, on behalf of Methodist Health System, the Nebraska Hospital Association, and also the Nebraska Medical Association, we are in support of LB896. Like Senator Ballard had said, it does remove the requirement for providers to receive a signed statement from a patient giving their consent to receive telehealth services within 10 days after the services are provided. But they have already provided that verbal consent. So the written consent is not only a burden for the provider, but also for the patient, as well. And so just a little background from a procedural standpoint. When a patient receives telehealth services, they provide verbal consent and that verbal consent is documented within the medical record. The law requires that verbal consent is provided. And currently, it requires that you get that written consent. As you can imagine, during the peak of COVID-19, there was a substantial increase in the number of telehealth visits that providers were, were providing. And during that time, there was a waiver that removed the requirement to get that written consent. However, verbal consent was still obtained and documented within the medical record. When the waiver expired, we again had to implement the written consent process. And with the increase in telehealth visits, this has added an undue administrative burden on our staff to not only monitor which visits are telehealth services, but then send the written consent to the patient and monitor to see if that's been returned. It's also a burden on a patient who has already had the services, has already verbally consented, and then has to sign this consent form and send it back. In a majority of cases that we've seen, the patients don't send back the signed statement, which puts the providers at risk. So we are in support of this change in LB896. It is-- as it will reduce the additional administrative burden for both providers and for patients, and will have no impact on the quality of care patients receive by telehealth. I'd like to thank you for your time today, for your consideration of this bill, and thank you to Senator Ballard for introducing this legislation. Thank you.

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**HARDIN:** Thank you. Any questions? Senator Walz.

**WALZ:** Sorry. Thank you. OK. I have maybe a silly question, but I'm just curious. How is the verbal consent given? Is it given over the phone? Is it given on the tele--

**SHARI FLOWERS:** It's given either-- it's given at the time of the service. So, like you might schedule an appointment with a Methodist provider. And so we would send you a link. Right now that's how we do it, through a link through a, a platform that we use. And you would get on that platform and then we would ask you, are you agreeing--

**WALZ:** OK.

**SHARI FLOWERS:** --to provide-- yeah, to receive these services via telehealth.

**WALZ:** So you can actually see the person saying I agree.

**SHARI FLOWERS:** Yes.

**WALZ:** OK.

**SHARI FLOWERS:** Now there are-- it is allowed to do telephone visits, as well. But we, we don't do that, although I'm sure some other providers do provide telehealth--

**WALZ:** OK.

**SHARI FLOWERS:** --telehealth via the phone. And again, that would probably be a phone-- you know, that, that question would be asked, are you agreeing to receive this service?

**WALZ:** OK.

**SHARI FLOWERS:** Yeah. But it's-- that would more likely be in case of behavioral health services. And that's something where you would need to actually see the patient.

**WALZ:** All right. Thank you.

**SHARI FLOWERS:** Yep.

**HARDIN:** I have a question for you.

**SHARI FLOWERS:** Yes.

**HARDIN:** HIPAA has been quite unevenly exacted throughout the insurance industry, the provider industry, and so on and so forth. What have you seen in terms of how that consistency or inconsistency has borne itself out over the world of telehealth?

**SHARI FLOWERS:** We haven't really seen an increase in HIPAA type of violations--

**HARDIN:** Issues?

**SHARI FLOWERS:** --or, or concerns. You know, it, it-- again, it goes to ensuring that you're seeing the correct patient, that you're providing the correct information, just as if that patient were in your office. If you have somebody that's with you in your house where you're receiving that, that visit, you're more or less consenting that you have someone else there that can hear your conversation.

**HARDIN:** OK.

**SHARI FLOWERS:** But from a provider standpoint, it's done in a secure location. It's not like a physician's at the airport--

**HARDIN:** OK.

**SHARI FLOWERS:** --you know, doing a telehealth visit or something like that. So we ensure that privacy still is maintained.

**HARDIN:** A different question. Different lane. And that is generally speaking, and, and I realize that this passes and it applies to telemedicine in general, are we talking about a provider or are we talking about my provider? Meaning many times, when people sign up for telemedicine, they don't know who may be meeting them on the other end. Right.

**SHARI FLOWERS:** Right.

**HARDIN:** It's a service that they apply to, instead of Dr. Smith. And we go way back, Dr. Smith and I. And so that does change the dynamic. What of a preexisting relationship is there in the telemedicine world? By and large, and this is just, again, a generic question having to do with the efficacy of telemedicine. Are we able to accomplish everything with those strangers that we have never seen before, as a doctor? And does that present legal problems on, on that side of the aisle, in terms of, oh, dear, we really don't know anything about this person. And so just kind of comment on is it, is it-- telemedicine safe in 2021?

**SHARI FLOWERS:** I would say--

**HARDIN:** 21st century?

**SHARI FLOWERS:** Yes. Personally I would say yes. And I say that because it's very similar-- and, and we look at telehealth when it's not with your provider, very similar to going into an emergency room--

**HARDIN:** OK.

**SHARI FLOWERS:** --where you don't have that relationship with your, your specific provider, where you have the relationship, you know that they know your medical record. That's why it's so important, I think, just from a, a healthcare industry, that we have our state HIE, NEHII, CyncHealth, because they have access to that. So, again, these providers would, even if it is a provider that you don't have a relationship to, would have access to Methodist's medical record and therefore have access to the state HIE, as well, that would allow for you to see what, what their record is.

**HARDIN:** One more piece of making it more difficult to circle back later and get that signature.

**SHARI FLOWERS:** Exactly.

**HARDIN:** Right. OK. Any other questions? Thank you.

**SHARI FLOWERS:** All right. Thank you very much. Appreciate it.

**HARDIN:** Any other proponents of LB896?

**EDISON McDONALD:** Hello.

**HARDIN:** Hi. Welcome.

**EDISON McDONALD:** Thank you. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. I'm here representing the Arc of Nebraska. We're Nebraska's largest membership organization for people with intellectual and developmental disabilities. The continued access to telehealth for our rural community members is vital. Therefore, we support LB896. Below, on the handout that you're receiving, you can see our resource map of entities that support people with intellectual and developmental disabilities across the state. It tells a clear story that we all know, that rural communities are missing many of the supports and tools to ensure people with



disabilities can live there. For people with disabilities and their families, in addition to regular medical appointments, you frequently have occupational therapy, speech therapy, physical therapy, need to see a specialist, need a provider that takes Medicaid, or have other additional health needs. This creates a difficult situation for many of our families. Some of our families end up driving hundreds of miles a week to make these necessary appointments. Others end up having to make the hard decision to move closer to where services are available. This creates an unnecessary burden for people with disabilities and their families. In particular, I'll note that this has become increasingly apparent as we are transitioning managed care organizations. I've received several calls from families who live in the Panhandle area who've gone to Children's Hospital in Denver because it's closer, offers benefits that Nebraska does not. Therefore, we support LB896 and any efforts to improve healthcare access, especially for those facing geographic or socioeconomic barriers. By embracing telehealth expansion, Nebraska has an opportunity to foster a healthcare system that's resilient, patient focused, and forward thinking. Thank you, and any questions?

**HARDIN:** Thank you. Any questions? Seeing none, we appreciate it. Thank you. Next. Welcome.

**CHRIS TONNIGES:** Thank you. Vice Chairman Hardin, committee, my name is Chris Tonniges, C-h-r-i-s T-o-n-n-i-g-e-s. I'm appearing before you today as president and CEO of Lutheran Family Services and a member of NABHO. I'm here in support of LB896 and the removal of the rent language that requires a signed statement of consent for the use of telehealth, as a client's preferred choice of care. As you know, people with unrelated and unmanaged mental illness often become the greatest consumers of our state's expensive and intensive services. Many consistently use the emergency room or call emergency services as the first choice for their mental health needs. As one of the state's largest mental and behavioral health providers, LFS serves over 7,500 clients in over 90 counties in 2023. 46% of those chose telehealth, telehealth, or virtual visits as their preferred option of care. Over 95% of our clients served are either covered through Medicaid or Region funding. As you know, this population lives at or below the poverty line, and currently our average client household income is less than \$25,000 annually for those who reported. This population is increasingly affected by a lack of reliable transportation, and in more rural areas of the state, few service providers willing to take on those Medicaid clients. Your support of LB896 will remove an unnecessary burden on providers and clients, and allow both to focus on the client's treatment and hopeful maintenance

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of their mental health, a key contributor to a healthier population. Two of the key contributors to lack of access to quality mental and behavioral health are 1, the burden of paperwork and compliance on providers, and 2, no-shows for scheduled visits. Anything that can lessen the burden in these 2 areas should and will provide for more available time for therapists to see their clients. Removing the signed release, or the signed release requirement is 1 less thing on both the providers and the clients would need to worry about in providing and receiving care. It also allows agency to see clients, initially based on provider availability through telehealth or virtual visits, and then follow up based on client's choice, whether as to transition to in-person or telehealth visits. LB896 is good for clients, it's good for providers, and it's good for the state of Nebraska. It increases access to services by allowing providers to get back to what they do best, serving clients while providing choice without restrictions. This increased access provides for increased engagement and more opportunities for those who need it. LFS and NABHO recommend the Health and Human Services Committee advance LB896 to remove-- that removes language requiring a signature on a client consent and provides for a system of care that is both flexible for the provider and client needs. Thank you.

**HARDIN:** Thank you. Questions? I don't see any questions. You got off easy.

**CHRIS TONNIGES:** I know. Thank you.

**HARDIN:** Any other proponents? Welcome.

**JINA RAGLAND:** Good afternoon, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Jina Ragland, J-i-n-a R-a-g-l-a-n-d. I'm here today testifying in support of LB896 on behalf of AARP Nebraska. More people than ever are using telehealth to access care, including older adults. A 2022 AARP study showed that about 1/3, or 32% of U.S. adults, age 50 and older, report being extremely or very interested in using telehealth services for themselves or for a loved one. Half of those, 51%, of those surveyed, of adults age 50-plus, say they or a family member have used telehealth in the past two years. Telehealth can be particularly helpful for older adults who could benefit from the added convenience, reduce barriers to care, and increased independence. These benefits can even be more pronounced for members of underserved or rural communities, or older adults with disabilities or physical limitations, all of whom may experience additional barriers when seeking in-person care. Telehealth supports family caregivers'

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efforts to take care of their loved ones. This is particularly true for working or long-distance caregivers, who may face additional challenges while balancing caregiver responsibilities with other obligations. AARP understands the vital role telehealth can play in providing care, and as part of our policy, we urge lawmakers to implement policies that improve access and remove barriers to prevent older adults and their caregivers from realizing and utilizing the full benefits of telehealth. Removing the signed paperwork requirement within LB896 would assist in providing a more streamlined process and eliminate any additional confusion and barriers in accessing telehealth consultations for older Nebraskans. Thank you for the opportunity to comment. Thank you to Senator Ballard and the Hospital Association for introducing the legislation. I'd be happy to answer any questions.

**HARDIN:** Thank you. Any questions? They're usually cranky and surly by Friday afternoon, so you, you you got off--

**JINA RAGLAND:** It's probably good this is the last-- one of the last bills, right?

**HARDIN:** --you got off easy.

**JINA RAGLAND:** Thank you, Senator.

**HARDIN:** Thank you. Any other proponents for LB896? Any opponents for LB896? Anyone in the neutral for LB896? Senator Ballard.

**BALLARD:** I'll be brief. I just want to thank the committee and all the testifiers that came here today. I think this fits perfectly into Chair-- the Chairman's goal of cutting red tape and reducing burdens on providers. I think this is a win-win, both for providers and patients to access quality care. So with that, I'll be happy to answer any questions, but it is a Friday afternoon. So.

**HARDIN:** Questions? Thank you.

**BALLARD:** Thank you.

**HARDIN:** That will conclude our LB896 testimonies for the day. We're going to move on to LB1009 and Senator Walz, change provisions of the Barber Act. Welcome.

**WALZ:** Oh, can you tell everybody they can come in now? Just kidding.

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**HARDIN:** You have a whole hallway out there, is that what you're saying, that you have tucked away?

**WALZ:** Sorry. It is Friday afternoon, so.

**RIEPE:** Half the town of Fremont.

**HARDIN:** She's getting punchy.

**WALZ:** I am. Good afternoon, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I represent Legislative District 15, which is made up of Dodge County and Valley. Today, I'm introducing LB1009. LB1009 is a cleanup bill brought to me by the Barber Board of-- ooh, the Barber Board of Examiners [SIC] to simplify-- to simply align some parts of statute and remove a limitation on how many attempts are allowed for a barber examination. In statute, those taking the barber examination are allowed to attempt the examination 3 times. If they fail 3 attempts, they are not allowed any further examinations. LB1009 would strike that portion of statute to allow for additional tests to be taken. I believe this is a good change that allows those who wish to work as barbers in the state of Nebraska to continue to improve their skill-- skills and join the workforce in our state. Thank you for your consideration LB-- of LB1009. I will be happy to answer any questions you have, but Mr. Allen from the Barber Board of Examiners [SIC] is here to testify, and will be able to answer questions in greater detail. We do not have a line of people.

**HARDIN:** OK. Any questions to make it difficult for Senator Walz before she goes? OK. Thank you. Welcome.

**KEN ALLEN:** Good afternoon. This is the hearing you've all been waiting for. It's the last one of the week.

**HARDIN:** Do we get free haircuts? That's what I want to know.

**KEN ALLEN:** You know, my job doesn't allow me to do haircuts anymore--

**HARDIN:** I see.

**KEN ALLEN:** --but I've done it for 40 some years. So thank you.

**HARDIN:** Very good. Thank you.

**KEN ALLEN:** For you, I would do it, though. Good afternoon, Senator Hardin and members of the committee. My name is Ken Allen, K-e-n-

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A-l-l-e-n. I am the director of the Board of Barber Examiners. The purpose this, this bill came about going through statutes, and we found some, kind of like the previous bill or a couple of bills back, where there was things that need to be updated. And because of our act has expanded so much, there was restrictions. We only had, they referenced only parts of the whole act. What this bill, this change-- one of the changes does is references the whole Barber Act. So it's a pretty simple cleanup bill. The other half, as Senator Walz had explained, eliminates that third strike and you're out. We haven't used that part of the statutes. Our board met in October of last year, and they voted to just eliminate it. It's not necessary. It's not a-- nothing there. So at this time, I'd like to thank Senator Walz and her staff for crafting this bill, their diligence in getting it to this committee. I would appreciate if this committee could Exec on it and put it through. And if it could be on a consent calendar, that would be even more awesome. I-- if you have any questions for me, please don't hesitate to ask.

**HARDIN:** Any questions? Senator Riepe.

**RIEPE:** Thank you. I have a question on the examination. I assume that that's not a written examination or is it a combination of written and then a actual performance of a haircut or--

**KEN ALLEN:** Correct. That's a great question, Senator Riepe. Nebraska still does require a practical, what we call practical, hands-on, mostly because of the influx of people coming across our borders with no credentials, saying that they went to school. So we have to have proof that they can actually safely do their job. So-- and the other half is the written. That is correct.

**RIEPE:** Now, if they've gone to barber school, does that make a difference in-- you know, do they come with more points towards passing if they have, in fact, successfully completed barber school?

**KEN ALLEN:** We, we look at-- our board, looks at things-- anybody that's been a licensed barber in the 50 states and Nebraska for longer than 3 years has enough credentials to do anything. So part of the deal that we do look at is if somebody has been licensed for less than a year. Let's say they went to a state that has way fewer hours. They went last month, graduated last month, got a license. We still want to see that they can perform safely and efficiently for the public and themselves. So, yeah. So we would probably make those people that came out last month from a lesser.

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**RIEPE:** It's a little bit, maybe different, but in the hospital, we always had-- we had some programs for physicians who might get in trouble with alcohol or drugs or something like that. Do you have those kinds of programs in the barber business?

**KEN ALLEN:** We-- when we look at something like that, we just deal with felonies. And, and if they've been clean for 1 year, we pretty much let them.

**RIEPE:** I know.

**KEN ALLEN:** But if they repeat offend, then we have to go through a process.

**RIEPE:** Do you also give them a personality test?

**KEN ALLEN:** I carry that. No. No sir.

**RIEPE:** OK. Thank you.

**HARDIN:** All right. Any other questions? Seeing none, thank you.

**KEN ALLEN:** You're done. You're done. Thank you.

**RIEPE:** Good job.

**HARDIN:** Any other supporters? Any in opposition? Anyone in the neutral? Senator Walz. She "waives" at us. This concludes today's hearing on LB1009 and all of our bills for the day. Thank you, Health and Human Services Committee.