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Transcriber's Office

Health and Human Services Committee  
February 15, 2012

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[LB842 LB938 LB1010 LB1136 CONFIRMATION]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, February 15, 2012, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB842, LB938, LB1010, LB1136, and gubernatorial appointments. Senators present: Kathy Campbell, Chairperson; Mike Gloor, Vice Chairperson; Dave Bloomfield; Tanya Cook; Gwen Howard; Bob Krist; and R. Paul Lambert. Senators absent: None.

SENATOR CAMPBELL: I'd like to welcome you to the public hearings for the Health and Human Services Committee. I'm Kathy Campbell and I serve District 25, which is east Lincoln and northern Lancaster County. Before we start on the hearings today, the committee will be having two appearances for people who are seeking confirmation on boards. So if you would all just quietly relax if you're here for one of the hearings. It will be just a little bit because we do want to visit with our two guests. Our first nominee is Julie Johnson. Is Julie here? [CONFIRMATION]

JULIE JOHNSON: Yes. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Julie is here to be appointed to the Commission for the Blind and Visually Impaired. Good afternoon, Julie, and thank you for coming. [CONFIRMATION]

JULIE JOHNSON: (Exhibit 1) Thank you. [CONFIRMATION]

SENATOR CAMPBELL: I'm double-checking that this is a reappointment, is it not, Julie? [CONFIRMATION]

JULIE JOHNSON: Yes, yes, this will be my second term. [CONFIRMATION]

SENATOR CAMPBELL: So you have served on the commission previously. [CONFIRMATION]

JULIE JOHNSON: Yes, for the past four years. [CONFIRMATION]

SENATOR CAMPBELL: And they are four-year terms, correct? [CONFIRMATION]

JULIE JOHNSON: Yes. [CONFIRMATION]

SENATOR CAMPBELL: Excellent. Would you tell us a little bit about what you have done on your four years on the commission and why you want to be reappointed? [CONFIRMATION]

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JULIE JOHNSON: Sure. For the past four years the, Commission for the Blind and Visually Impaired, we meet quarterly. We meet different places throughout the state because we feel it's important to hear from all consumers statewide and for a lot of people it's very difficult to always make a trip to the eastern end of the state. So we've been to Scottsbluff and North Platte and Kearney, just all over the place. For the last two years I've been the chairperson of the board of commissioners. We really oversee, direct the agency in the big-picture issues like making sure our budget plan is on track and that we're going to have enough budget long term with the programs that we have and to continue providing those services. It's very important to know when you start something with a client, you know, to be able to keep that level of service because many of the clients for the Commission for the Blind are there for several years, sometimes from a young age to adulthood and into successful employment because the end goal is also successful employment with our vocational rehabilitation clients. I listen to concerns from staff and from the consumers, from the blind persons in Nebraska. But what's going on with them? What do you need from the commission? And 99 percent of that feedback is very positive. I feel like we're on the right track. We're doing things above and beyond and very progressive model of rehabilitation, which is evident by the statistics--the closures and the jobs that people are going into and also by the very low number of people that are coming back for repeat, you know, training. So it's been very good. [CONFIRMATION]

SENATOR CAMPBELL: Excellent. Thank you, Julie. Questions? Senator Krist.  
[CONFIRMATION]

SENATOR KRIST: I see your companion. Where did he come from? What school?  
[CONFIRMATION]

JULIE JOHNSON: He, actually I trained him. [CONFIRMATION]

SENATOR KRIST: Really? [CONFIRMATION]

JULIE JOHNSON: Yes. [CONFIRMATION]

SENATOR KRIST: Wow. [CONFIRMATION]

JULIE JOHNSON: He came from a shelter in Wahoo originally as a puppy and then it took me...he was about nine months old. It took me about 14 months.  
[CONFIRMATION]

SENATOR KRIST: Wow. My brother-in-law is a trainer at Guide Dogs for the Blind in California and I've been trying to talk him into coming to Nebraska and setting up shop so I'll have him talk to you. [CONFIRMATION]

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JULIE JOHNSON: (Laugh) [CONFIRMATION]

SENATOR KRIST: Thank you for all you do. [CONFIRMATION]

JULIE JOHNSON: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Other questions? I do want to note, Julie, looking at your application and resume, you not only certainly volunteer for the commission, but you're involved with TeamMates. [CONFIRMATION]

JULIE JOHNSON: Yes, it's my third year, fourth year, third year I think in TeamMates. [CONFIRMATION]

SENATOR CAMPBELL: And the Lions Club you work with them... [CONFIRMATION]

JULIE JOHNSON: Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: And your present job is as the diversion program for York County. Is that correct? [CONFIRMATION]

JULIE JOHNSON: Yes. And it's actually expanded I think since I wrote that resume. I now do juvenile diversion, adult diversion, and truancy and parenting classes. [CONFIRMATION]

SENATOR CAMPBELL: You are a busy person. [CONFIRMATION]

JULIE JOHNSON: It's been really great. I am so excited. I just started teaching an after-school program yesterday so it's great. I love it. [CONFIRMATION]

SENATOR CAMPBELL: We should all have that energy. [CONFIRMATION]

SENATOR LAMBERT: Wow, yes. [CONFIRMATION]

SENATOR CAMPBELL: And definitely, you know, the commitment to service, that certainly comes across as I read your application. You are to be commended for that. [CONFIRMATION]

JULIE JOHNSON: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Absolutely. [CONFIRMATION]

JULIE JOHNSON: It's not work. Honestly for me it's a joy. It's something I truly like to do so it's no...it really feels effortless. [CONFIRMATION]

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SENATOR CAMPBELL: So if you had to say to us what one challenge do you think the commission has in the next...in your next four-year term, what would you see that being? [CONFIRMATION]

JULIE JOHNSON: The thing that keeps going through my mind is we have a lot of, a lot of employees that have been there for a very long time, very dedicated staff, which is absolutely awesome. However, there are a bunch that are getting close to retirement. And I think it's going to be a challenge, including our executive director, I mean I love her and I hope she stays forever, but somehow I don't think that's going to happen. And I don't know if that's a four-year thing or if that's maybe five or ten years out, but that's certainly something that is a concern to me is we need to put a huge focus into the commitment to continue to hire excellent, excellent staff, you know, that will stay there for the 20 and 30 years that our current staff has been there. [CONFIRMATION]

SENATOR CAMPBELL: You know, I think the Legislature is facing that, too, with some of its own departments and planning for a succession for...we've had such wonderful, dedicated employees in the departments that serve the Legislature that it's good to know that you're looking at that as a member of the board because that's an important part of what the board should fulfill the commission. So I appreciate you noting that. Are there any other questions or comments the senators would like to make? I don't see anyone or hear anyone so...oh, sorry. [CONFIRMATION]

SENATOR LAMBERT: I guess I've got a comment, if I could. [CONFIRMATION]

SENATOR CAMPBELL: Sure, absolutely. [CONFIRMATION]

SENATOR LAMBERT: I just would echo what you say: the energy, the work, thank you for all you do in making this a better place for all Nebraskans. Thank you. [CONFIRMATION]

JULIE JOHNSON: You're very welcome. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: We very much appreciate it and we will have the hearing and I don't think it's going to be a doubt that we won't forward your name to the Legislature. So thank you very much for coming today and thanks for your service. [CONFIRMATION]

JULIE JOHNSON: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Our next nominee for the same Commission for the Blind and Visually Impaired is Michael Hansen. How are you today? Welcome. [CONFIRMATION]

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MICHAEL HANSEN: Good. [CONFIRMATION]

SENATOR CAMPBELL: Mr. Hansen, you heard, if I can call you Michael if that's okay or Mike, which... [CONFIRMATION]

MICHAEL HANSEN: Mike is fine. [CONFIRMATION]

SENATOR CAMPBELL: Mike, my questions to Julie, tell us a little bit about how you have served the commission and what you're looking forward to. [CONFIRMATION]

MICHAEL HANSEN: (Exhibit 2) I'm also a reappointment. However, I'm being reappointed for my first term. I was...filled out a term for another individual who had to resign. She was...ended up getting gainful employment with the state of Nebraska with the Commission for the Blind and, therefore, was ineligible to serve on its board. So we were excited about that, that she was able to move forward to something else. But unfortunately she wasn't able to finish her commitment with serving on the board. So this is my first term that would be...I guess count towards my two years...my two terms, excuse me. Some of the things that I've done in the last two years is get to understand the board of commissioners for the Commission for the Blind a little bit better. Serving on a commission board in state government is definitely a little bit different than serving maybe on a board for like a Lions Club or some other nonprofit organization. Lots of things, especially fiscally, that are done a lot differently. It was a lot of lessons learned, thankfully not difficult lessons, but getting to understand concepts like continuity of service. So as the Commission for the Blind is grateful for the support that we get from the Unicameral each year, a lot of our...a lot of the money that we...goes toward supporting our budget comes from federal government match. And each year the Rehabilitative Services Administration will reallocate funds from other state agencies for the blind that weren't able to use them. And, you know, it's always great to think that, oh, hey, there's extra money that we can go out and apply for and use to serve the consumers of the state of Nebraska in other ways. But they have this little continuity of service clause where we have to be able to maintain that level of service in years to come, so we have to be careful about how much money we go out and claim so that we can make sure that we maintain that level of service to our...to the clients that we support. So that was a big lesson in understanding some of those fiscal responsibilities. Getting to know some of the staff a little bit better, I was a former client so a lot of the staff here, especially in the Lincoln and Omaha offices I was familiar with. Getting to understand them as employees instead of counselors, understanding what some of their concerns are as employees, as Julie said, you know, being there to listen to them for their concerns. We've tried to reach out to them in other ways to make sure that they understand that they can come forward to us and that we're not just going to turn a deaf ear to them. So if there are concerns, that we're going to try to address them and make sure that they see that, that they see that those concerns are being looked at and considered and not just ignored so. [CONFIRMATION]

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SENATOR CAMPBELL: Excellent. Questions or comments from the senators? Senator Krist. [CONFIRMATION]

SENATOR KRIST: I was just looking at your resume. You're uniquely qualified to be part of our legislative body. You worked at the game room in Lincoln at the university. [CONFIRMATION]

MICHAEL HANSEN: (Laugh) A long time ago. [CONFIRMATION]

SENATOR KRIST: And one of your...settling disputes, I think that's...settling disputes, it's wonderful. Thank you for your service. [CONFIRMATION]

SENATOR CAMPBELL: Any other questions? Mike, I was also very impressed. On your application and resume you, too, have a history of service and were involved in the Boy Scouts earlier and work at the university. [CONFIRMATION]

MICHAEL HANSEN: I do. [CONFIRMATION]

SENATOR CAMPBELL: We could probably use some of your expertise lately. We've been trying to look at some data needs for the state, and so I read your resume and I thought, h'm, we maybe press him into service here. What do you see as the biggest challenge going forward? [CONFIRMATION]

MICHAEL HANSEN: I definitely agree with Julie's statements regarding, you know, just the continued service to our clients because of wanting to continue the level of service that we do today with the employees that we have. But something else that I think is a concern to everybody and we do a great job of this today I think, but I think there's always room for improvement and that is just continuing to do even a better job of, you know, any way possible in helping the blind citizens of Nebraska to be gainfully employed. So I think we do a good job of it today, but we'd always like to see even more people to raise unemployment or to lower that unemployment rate for blind citizens in Nebraska. [CONFIRMATION]

SENATOR CAMPBELL: Absolutely. That, too, would be a very important goal for us to look at as we go into the future. I want to thank you for your service on the board, and we look forward to forwarding your name to the Legislature. And thank you for coming today. [CONFIRMATION]

MICHAEL HANSEN: No problem. Thank you very much. [CONFIRMATION]

SENATOR CAMPBELL: Thank you. That concludes our confirmation discussions with candidates and so we will proceed to the regular business of the Health and Human

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Services public hearings. And as is our custom on this committee, we do self-introductions. So I will start on my far right. Senator, would you like to start?  
[CONFIRMATION]

SENATOR LAMBERT: Hello. I'm Senator Paul Lambert and I serve District 2 which is portions of Otoe County, portions of Sarpy County, and the entirety of Cass County.

SENATOR BLOOMFIELD: Good afternoon. Dave Bloomfield, District 17, made up of Thurston, Dakota, and Wayne County up in the northeast corner.

SENATOR COOK: I'm Tanya Cook. I represent Legislative District 13, which is in northeast Omaha and Douglas County.

SENATOR GLOOR: Mike Gloor. I'm the senator from District 35, which is Grand Island.

MICHELLE CHAFFEE: I'm Michelle Chaffee. I serve as legal counsel to the committee.

SENATOR HOWARD: Senator Gwen Howard, District 9 in Omaha.

SENATOR KRIST: Bob Krist, District 10, Omaha, Bennington, and unincorporated parts of Douglas County.

DIANE JOHNSON: And I'm Diane Johnson, the committee clerk.

SENATOR CAMPBELL: And we have Phoebe and Michael as the pages here; and so if you need some assistance with something, they're always glad to help. I'll go through sort of the housekeeping policies here for our committee. We ask that you turn off your cell phone or put it on silent. It's very disconcerting to hear something ringing in the background. In fact, Senator Gloor and I were talking about what the beeping was. It's just that it's so much easier to hear. Although handouts are not required in this committee, if you have them we ask for 12 copies. And if you need assistance with that, the pages can help you. If you will be testifying, we ask that you complete one of the orange sheets here and print your name legibly and bring it forward and give it to the clerk when you come forward to testify. And if you have handouts, you can also give that to the clerk. If you want to just sign in and say, you know, I'm here and I support this bill or I oppose this bill, you certainly can do those on the white forms. When you come forward, we do run a light system. And because we have a great number of people in the audience today, we're going to go to three-minute testimony. So the light will come on and it will be green. And when it goes to yellow, that means you have one minute; and when it goes to red, you are probably going to look up and I'm going to be the person trying to get your attention to say time. And we do that because we have four bills this afternoon and we want to be as fair to the first testifier as to the last. And the last thing that I would remind you of is that when you come forward and sit down, make

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sure that you state your name and spell it. And you go, I just filled this all out. Why do I have to do that? You have to do that because the spelling is for the clerk to make sure she types things in. The spelling when you come forward and say your name is for the transcribers as they listen to the tapes. So people sometimes go, why do you have to do both? With that and all of those announcements over with, we will start the hearing this afternoon. And our first bill up is LB842, Senator Harms's bill to change the termination date relating to self-sufficiency activities under the Welfare Reform Act. Welcome, Senator Harms.

SENATOR HARMS: (Exhibit 3) Senator Campbell, thank you. Colleagues, thank you. My name is John N. Harms, H-a-r-m-s. I represent the 48th Legislative District, and today I'm here to introduce LB842 to you. First, Senator Campbell, thank you as usual for giving me the opportunity to come and visit with you about this bill. LB842 would amend Section 68-1721 that reissues the Revised Statutes for Nebraska. It changes the termination dates relating to the duties of an applicant family and to repeal the original section. The subsection of the law which would be terminated is the September 30, 2012, and I'm requesting that it be extended through December 31 of 2016. Let me just give you a little bit of quick background on this, what this law actually provided. When I introduced the bill, it was designed to address a gap in current policy relating to the access of associate degree programs by parents participating in the Aid to Dependent Children or, as you know, we refer to it as the ADC program. Parents in the ADC program were required to do 30 hours a week for core activities. To meet these requirements, parents were required to do 20-hour core activity and participate in 10 hours of noncore activities. Now Nebraska does allow and did allow at that time the ADC recipients to pursue postsecondary education to meet the work requirements, recognizing that they felt the surest way out of poverty is through education or some type of formal training. And that's still true today. Educational programs leading to a certificate or to a diploma or to an associate degree or even such study time at that time was counted toward work activity. But the problem was, it was only for 12 months. And so what this bill did was address that gap by allowing the participants to go through the core activities up to 36 months, gave them a length of time so they could successfully complete and finish the program. That allowed them to pursue that certificate or diploma or degreed program. I think we all realize that any young person or adult who gets into a program like this carries a lot of burden. Many of them have families and are trying to work and do all these things, and we found that 12 months just didn't make it right for the family. And so my goal has always been to give them the skills that they can, the opportunity to get out of this area of poverty and feel good about themselves and be able to pursue a career and fund their own family. So that's basically what it's about. Now, the program has been successful. According to the information I got from Health and Human Services, they indicated there's about 1,389 people who are in the program. But they didn't know for sure where they're at in this program. So based on that discussion--I wonder if I could have you hand this out--I'm going to give you an amendment, Senator Campbell. I think we need to identify for Health and Human

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Services, I'm not going to walk you through this, but you can do that I think when you have the time and if you decide to bring the bill out. It lays out exactly the kind of information that we're going to want and you're going to want to have because this bill will come back, if you approve it and it goes out, comes back in, you know, 2016, you're going to want this kind of information. I did not have this kind of information. I know that it has been successful because we've talked with people who were in the program. We know that there are over 500 for sure that are ready and able to do this, but their figure was a little over 1,000 so I think this will help you. And that is my testimony, Senator Campbell. I'd be happy to answer any questions. [LB842]

SENATOR CAMPBELL: Are there any questions for Senator Harms? Oh, I'm sorry. Missed you. [LB842]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Senator Harms. I'm a little confused as I look through the introducer's statement of intent. It references only hours towards pursuing an associate's degree. [LB842]

SENATOR HARMS: Yeah, but...that's right. But when you go through an associate's degree, in this process you can go through a certificate, diploma, and also then reach the associate's degree. Is that what you're talking about? [LB842]

SENATOR GLOOR: Yeah. [LB842]

SENATOR HARMS: It's primarily an associate's degree, but there's that process they go through. [LB842]

SENATOR GLOOR: Okay. [LB842]

SENATOR HARMS: So a lot of times a student will start a certificate program, they'll move on up. They'll find out they can actually do it, they're excited about it. It does provide that opportunity for them, but it's primarily designed for the associate's degree. That's correct. [LB842]

SENATOR GLOOR: So the diploma isn't as broadly defined as a four-year... [LB842]

SENATOR HARMS: No, it's just a process they'll go through. [LB842]

SENATOR GLOOR: Okay. Thank you. [LB842]

SENATOR CAMPBELL: Any other questions? [LB842]

SENATOR HARMS: That was a good question. Thank you for asking it. [LB842]

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SENATOR CAMPBELL: Senator Harms, you've been very dedicated to educational programs for a population that is trying very hard to change their lives and move on with better opportunities, and I really commend you for that. [LB842]

SENATOR HARMS: Thank you. I got that passion while I was in my previous profession. Those community colleges do a lot with people who find themselves in this kind of situation. They reach out and really make a difference. I decided when I came here that that population base would not go out of my vision, and it hasn't at this point. So there will be...I think the nice thing about this is that quit...there's a sunset on this just like the one we did on the diplomas was a sunset. I think it's extremely important for you to come back. Now you may not all be here, I know I won't be here, but for someone to review are we being successful or not and do we need to make changes? Sometimes we pass those things on, Senator Howard, and we just never get back to them. We don't know if they are progressing, so thank you. [LB842]

SENATOR CAMPBELL: Senator Krist. [LB842]

SENATOR KRIST: Did you...the sunset part of it, were you aware of the sunset because you were informed by the Clerk's office that it was sunsetting or did you just track this in the time that you've been... [LB842]

SENATOR HARMS: Well, they notify us. We track it also. [LB842]

SENATOR KRIST: Right. And I think that's important to note. The Clerk's office now has an active process where... [LB842]

SENATOR HARMS: Yeah. They watch that pretty carefully. [LB842]

SENATOR KRIST: Yeah. I think it's great. [LB842]

SENATOR HARMS: I tell you what. There's an awful lot of people in this great state that are pretty much aware of when these programs start and when they stop. [LB842]

SENATOR KRIST: Absolutely. Thank you. [LB842]

SENATOR HARMS: Yeah, you're welcome. [LB842]

SENATOR CAMPBELL: Thank you, Senator Harms. Will you be staying for closing?  
[LB842]

SENATOR HARMS: No. Thank you very much for that invitation, but I need to get back to the Appropriations Committee. [LB842]

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SENATOR CAMPBELL: If we have any questions, we know where to find you. [LB842]

SENATOR HARMS: I'll be there. Thank you very much, appreciate it. Thank you. [LB842]

SENATOR CAMPBELL: Our first proponent for LB842, those that wish to testify in support of LB842. You might want to come forward and you can just take a seat in the front. No, you go...I was talking to the lady in the back. That's kind of hard to know, isn't it? Are you speaking in favor of the bill? You can just come forward and we'll...then we know you want to testify. Good afternoon and your name. [LB842]

ASHLEY FISHER: My name is Ashley Fisher, F-i-s-h-e-r. I am currently a student at UNO pursuing my bachelor's in social work. I'm also an ADC recipient. In the spring of 2009, I became a single parent. Upon the advice of some of my friends, I enrolled in classes at the nearest community college in an attempt to gain an education and better the life of my family. As a newly-single mom, I was suddenly living alone with more responsibilities than I knew how to handle. Fortunately, one of my best friends was also an ADC recipient, and she encouraged me to pursue the ADC program. I contacted the Department of Health and Human Services to find out about any programs they offered, and they did determine that I was eligible to receive ADC. This program has not only offered me financial support, but it's offered me personal and emotional support as well. It's encouraged me to gain the skills needed to find gainful employment through work experience, volunteer opportunities, and most importantly, an education. My experience with this program has been very positive. I've been in it for nearly three years now, and I can't imagine that I would have made it as far as I have without it. In December of 2009, I received an associate of science degree and, as I said, I'm currently working on my bachelor's degree in social work at UNO. I will be completing my bachelor's degree in the spring of 2013, and I'll be able to find meaningful work and come off of the ADC program. However, without it, I couldn't have met all of my responsibilities and remain in college. My caseworkers have helped me to make goals and a plan to reach them. Each week I am accountable for the time I spend in class and studying. Because I don't have a lot of close family support, the encouragement and support that I receive from the program helps me to keep on track in reaching my goals. Attaining my associate's degree while raising three small children in only 20 months was no easy feat. I never took a break from classes. I attended classes during summer sessions. And at most times, I took 20 credit hours, which is well over the full-time status of 12. With the responsibility of caring for a family, I don't know how most ADC recipients could possibly complete an associate's degree in less than two years. This is why I support the proposed amendment to LB842 so that other families are fortunate enough to have the same opportunities that I have been presented with. [LB842]

SENATOR CAMPBELL: Excellent testimony. Thank you. Are there questions for Ms. Fisher? Seeing none, thank you for coming forward and good luck with your education.

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We need social workers, so thank you very much. [LB842]

SENATOR HOWARD: Yes, we do. [LB842]

SENATOR CAMPBELL: Yes, we do. Senator Howard is a great sterling example of that, so good luck to you and thank you for coming. [LB842]

ASHLEY FISHER: Thank you. [LB842]

SENATOR CAMPBELL: Our next testifier. You can just give it to the clerk. Welcome. [LB842]

PATRICIA SALDANA: (Exhibit 4) Thank you. Good afternoon. My name is Patricia Saldana and that's spelled S-a-l-d-a-n-a, and I'm here on behalf of Beatty Brasch, who is the executive director of the Center for People in Need. She couldn't be here today, but she asked that I read a letter to you that's in support of this legislation. On behalf of the Center for People in Need, I am writing to inform you of our support for LB842. Every day the Center for People in Need sees 80 to 100 people who have ADC assistance. Many of our clients have barriers or multiple barriers that keep them from pursuing or completing their education. Results from our survey conducted in December of 2010, and we do a survey every year, low-income families in Lincoln and Lancaster County show that aside from income some of the barriers they face in the pursuit of their education are things such as just paying utilities or paying housing, paying childcare, and the cost of transportation. Very often many of the ADC recipients will quit simply because the barriers become too much and they don't have the time. Maintaining a policy that allows ADC recipients to pursue higher education for 36 months gives them more time to address these barriers and keep them in their pursuit of educational pursuits and earning an associate's degree more achievable. LB842 contributes to economic success for families, it helps work force needs, and it doesn't cost the state any additional dollars. Nebraska's policy to provide opportunities for ADC recipients to pursue higher education while receiving assistance encourages more participation in school. LB842 opens the door to education by expanding opportunities for people to pursue an associate's degree. We know that higher education has a clear connection to economic stability for Nebraska's low-income families and it is a path out of poverty. We urge you to advance the bill and to vote yes for LB842. [LB842]

SENATOR CAMPBELL: Thank you for your testimony, right on time. Are there questions? Thank you for coming and reading the letter. [LB842]

PATRICIA SALDANA: You're welcome. [LB842]

SENATOR CAMPBELL: Our next proponent for LB842. Good afternoon. [LB842]

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BECKY GOULD: (Exhibit 5) Good afternoon, Senator Campbell, members of the committee. My name is Becky Gould, B-e-c-k-y G-o-u-l-d, and I'm the executive director of the Nebraska Appleseed Center for Law in the Public Interest. And I'm here today to testify in support of LB842. I first want to thank Senator Harms for bringing this legislation and continuing his commitment to help low-income parents access education as a pathway out of poverty. Appleseed has worked on access to education for folks on public benefits programs since the beginning. And LB842 is a continuation of helping Nebraska maintain its position as a leader in the country in focusing on education as a pathway out of poverty. We support this strategy because it works. A Washington University study found that achieving a postsecondary credential is the tipping point for long-term economic stability. In Nebraska, an associate's degree holder earns \$4,000 more per year than those with just a high school diploma. And on average, they're earning about \$30,000 a year, which is considered a self-sufficient wage for a single parent with a school-age child here in Nebraska. So it really allows folks to obtain employment that's going to help them support their family over the long term. I think it's also important to note, as Senator Harms mentioned, we have 527 low-income Nebraska parents, which is about 13 percent of the overall caseload of the ADC program, who are pursuing associate's degree programs and ultimately a job that is going to allow them to support their family. So continuing the policy that's been in place under LB842 will allow those 500 parents to continue and hopefully more adults who are able to start participating in pursuing education and training. Again, it's important. This will not cost additional dollars to the state. It's continuing a policy we've had in place. And we've also been successful as a state in maintaining our federal work participation rate, which is a requirement for us to continue receiving federal funds to run the ADC program. And so having this program in place has allowed us to maintain that work participation rate in a very successful way. We not only have lots of folks meeting the work participation requirement, but we are nowhere close to running into any problems with that. So with that, I'm happy to answer any questions that you all have and would just urge the committee to support LB842. [LB842]

SENATOR CAMPBELL: Any questions? Thank you, Ms. Gould, for bringing your testimony forward. Our next proponent. Good afternoon. [LB842]

JIM CUNNINGHAM: (Exhibit 6) Senator Campbell and members of the committee, good afternoon. My name is Jim Cunningham and that's spelled C-u-n-n-i-n-g-h-a-m. I'm the executive director of the Nebraska Catholic Conference, and I'm appearing to testify in support of LB842. Just for...I have a statement that I've handed out, but I wanted to add just a couple of things. As one who was actively involved in the process of Nebraska's major welfare reform initiative and that resulted in the enactment of LB1124, and Becky and I were chatting. We think that was 1996. I don't necessarily recollect the year all that well, but I can tell you one thing I do recollect and I can attest to and that is that educational opportunities were a vitally important aspect of the ultimate objective of self-sufficiency. And I think that that is important. And they were also a very key element

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of placing conditions on the receipt of cash assistance under ADC. So this is an important aspect of welfare reform. And if that's not enough to persuade you, I would like to point out that the original bill that put this statute into place and that was Senator Harms's LB458 in 2009. That bill passed off General File 47-0 and it passed on Final Reading 49-0. And you might be wanting to say to me, well, Mr. Cunningham, it passed 49-0 because it had a sunset clause. But please give yourselves more credit than that and give Senator Harms more credit for his outstanding leadership. This is a good provision and it deserves to be continued. Thank you. [LB842]

SENATOR CAMPBELL: Thank you, Mr. Cunningham. Any questions? Thanks for your testimony. Senator Cook. [LB842]

SENATOR COOK: Just a comment. Thank you, Madam Chair, and thank you for coming today. I really...I just want to say that I appreciate the Conference's continued work in the area of poverty. It sometimes seems like we don't have enough laborers in this particular field, if you will, so thank you. [LB842]

JIM CUNNINGHAM: Senator, the ADC program has always been one of our priority issues for that very reason. Thank you. [LB842]

SENATOR COOK: Thank you. [LB842]

SENATOR CAMPBELL: Thank you very much. [LB842]

JIM CUNNINGHAM: Thank you. [LB842]

SENATOR CAMPBELL: Our next proponent for LB842. Good afternoon. [LB842]

PAM OLTMAN: Hi. Thank you, Senators. I'm Pam Oltman, O-l-t-m-a-n. And I don't know if everyone got a copy, but I e-mailed something that...I was an employment consultant with Curtis and Associates prior to and when I was first going to school. And I ended up doing my thesis on a project, it was the NC223. It was a multistate longitudinal study, and there were 433 families from 14 states that were included in the study, and I looked at a small sample of that. But the study was called "Rural Low-Income Families--Tracking Their Well-Being and Function in Context to Welfare Reform." And I thought I'd share that because you might want to take a look. This is a lot of what we were looking at or at least my study was looking at. I was looking at employed and unemployed women, and some were going to school, some were in job programs, etcetera. But what I did is I compared it to Viktor Frankl's Man's Search for Meaning and overall found out that so much of the stuff in this bill was helping people. And then also, though, one of the things that emerged by looking at it and comparing it to Frankl's work is taking a look at what really has meaning and purpose in our lives. Whether it was for these women, many of them were either going to school and that was giving them a

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sense of meaning because they had a certain direction or the other thing was they were finding meaning and a sense of purpose with their families and especially with their children. And it seemed like sometimes linking that to the employment goals and the education goals was important. So anyway, I just wanted to let you know about that. And also, you know, there are some areas where we're spending with that that I found when I was working with it so I'd be glad to talk about that. And please maybe take a look and if you'd like to look at the full thesis I'd be glad to. [LB842]

SENATOR CAMPBELL: Okay. Are there any questions from the senators? Thank you for your information. [LB842]

PAM OLTMAN: Okay. Thank you. [LB842]

SENATOR CAMPBELL: Other proponents for LB842. Okay, seeing no one, those who oppose the bill. Anyone in a neutral position? Okay, with that, Senator Harms has waived closing to LB842. (See also Exhibit 7) So we will close that public hearing and move to the next one on our agenda. If you are leaving, please leave quietly. I guess just a few people. Okay. Our next public hearing is on LB938, and Senator Nelson is here to present on his bill, which would require a uniform reimbursement rate for adult day services. So, Senator Nelson, please join us. [LB842]

SENATOR NELSON: Thank you. [LB938]

SENATOR CAMPBELL: We don't get to see you very often so we're pleased to have you. [LB938]

SENATOR NELSON: Good afternoon. To my recollection, this is the first time I've had the pleasure testifying before the Health and Human Services Committee. So about the last one I guess. Good afternoon, Chairman Campbell and members of the Health and Human Services Committee. My name is Senator John E. Nelson, spelled N-e-l-s-o-n. I represent District 6 in Omaha. LB938 would establish a uniform reimbursement rate for adult day services. Adult day services, sometimes referred to as adult day care, are extremely beneficial in terms of preserving and enhancing the quality of life for some 1,000 Nebraskans and their family members. Elderly adults are able to remain in their homes longer before having to relocate into assisted living or nursing homes. Such relocation, when it comes, comes at a much higher cost over a period of time to the state than the costs shown on the fiscal note for LB938. Reimbursement for adults who participate in adult day services is paid to the provider of those services. Adults can either apply for a Social Security block grant or Medicaid waiver. The reimbursement for adults who qualify for Medicaid waivers is a little over \$32, \$32.40 a day...47 cents a day. However, the reimbursement for the majority, those who qualify for a block grant but not the waiver, is \$17.32 a day. LB938 requires the Department of Health and Human Services to pay reimbursement for adults who participate in adult day-care

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services at the same rate regardless of the source of funds. So regardless of whether adults qualify for the block grant or the waiver, reimbursement would be at the uniform rate of \$32.47. I urge you to support this bill, and I will gladly answer any questions you may have. Thank you. [LB938]

SENATOR CAMPBELL: Questions from the senators on the bill? Senator Gloor. [LB938]

SENATOR GLOOR: Thank you, Senator Campbell. Senator Nelson, thank you for being here and don't be a stranger. It's always nice to know you bring a bill forward because you know your bills well since you know our bills well when we're in debate. [LB938]

SENATOR NELSON: Thank you. [LB938]

SENATOR GLOOR: Who...how did you get interested in this bill? [LB938]

SENATOR NELSON: How did I, sir? [LB938]

SENATOR GLOOR: How did you get interested in this bill? What piqued your... [LB938]

SENATOR NELSON: I have a fairly large facility in Omaha in my district that provides day-care services for adults, and they wanted to meet with me and they presented the material and told the dilemma. The fact is that these, what I consider very low, reimbursement rates on a daily basis, they are subsidizing the majority of the adult care people that come to them. And this can only go on so long. And so this is why we brought the bill--to find a way, if the committee sees fit--to raise that to the uniform rate of about \$32, which would help considerably. [LB938]

SENATOR GLOOR: Thank you. [LB938]

SENATOR CAMPBELL: Other questions for the senator? Senator Howard. [LB938]

SENATOR HOWARD: Thank you. Does this rate include meals because I would assume there would be lunch, maybe breakfast? [LB938]

SENATOR NELSON: Well, my understanding is that it's three days a week for the most part for adults. And they either are brought there by family members at 7:00 or 7:30 in the morning or they are picked up. A number of them are picked up by the provider. And they are there for activities, health conditioning for lack of a better word, activities, you know, and a variety of things. They do get lunch and sometimes some go...I don't think beyond 3:30 or 4:00 in the afternoon. It just depends. [LB938]

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SENATOR HOWARD: But it would include in some cases breakfast. [LB938]

SENATOR NELSON: It does include a meal, yes. [LB938]

SENATOR HOWARD: Or just one meal. [LB938]

SENATOR NELSON: At least one meal. Perhaps others can answer that. I do recall that perhaps some receive breakfast also. [LB938]

SENATOR HOWARD: Is transportation also included in this daily rate? [LB938]

SENATOR NELSON: I'm sorry. [LB938]

SENATOR HOWARD: The cost of transportation if they pick up the person? [LB938]

SENATOR NELSON: That's...no, there's no additional for that so far as I know. [LB938]

SENATOR HOWARD: So food and transportation and... [LB938]

SENATOR NELSON: Yeah. It's all in this reimbursement rate. [LB938]

SENATOR HOWARD: Thank you. [LB938]

SENATOR CAMPBELL: Senator, one of the questions you and I visited about the other day and that is who currently sets that rate, and I thought you might want to put that in the record. Who currently sets that rate? [LB938]

SENATOR NELSON: Well, the rate is set by the Department of Health and Human Services. And they have advised that the Legislature has some input into that I guess, at least we are able to reduce the rate and we have in the past because of our fiscal problems the last couple of years. But the block...I think it's the waiver rate, which is the larger rate, has more restrictions to it and more requirements. And because of that, it is set at the higher amount, \$32. But the block grant, which covers about 853 of our elderly citizens, is not as conditional and doesn't have all the requirements and therefore that has traditionally apparently been set at about half of what the waiver rate is. [LB938]

SENATOR CAMPBELL: Okay. Thank you. That was very helpful. Any other questions? Thank you, Senator. Will you be staying to close? [LB938]

SENATOR NELSON: I think I will stay. Thank you. [LB938]

SENATOR CAMPBELL: Okay. That would be great. Our first proponent of this bill.

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Good afternoon. [LB938]

JULIE KAMINSKI: (Exhibits 8 and 9) Good afternoon. My name is Julie Kaminski, J-u-l-i-e, Kaminski is K-a-m-i-n-s-k-i, and just to clarify your question, Senator Howard, it does include two meals, but does not include transportation in that \$17. So I'm here on behalf of Leading Age Nebraska, and we represent the not-for-profit providers of senior housing and services in Nebraska. Together our members serve about 5,000 Nebraskans throughout the year, and adult day service programs is one of those ways. I think it's safe to say that most of us have had some exposure with long-term care, whether that's in assisted living, a nursing home, home health, maybe being a personal caregiver. But the second attachment just kind of shows you how adult day service compares to these other forms of long-term care. We know that our population is aging. And what we're seeing, trends, is that people want to stay at home. They want a choice how they age and where they age, and adult day service is a program that allows that. So what I'm here today is to ask you to consider equalizing the rates to increase the block grant rate from \$17.34 to the Med waiver rate of \$32.47. And excuse me if I'm repeating that there's two sources for adult day service to be reimbursed for Medicaid. And I put a summary on the back of my testimony that shows a history of those rates and how they've been increased or in some cases decreased over the past few years. As of last month, the numbers I had there was 925 Nebraska seniors who are receiving Medicaid adult day services. Of that number, 853 were reimbursed at \$17.34. I don't know if anybody is an animal lover in here, but I have an 80-pound Boxer at home and we pay...we know a friend who owns the kennel, \$28 a day to kennel our dog. So I thought I wonder what doggie day service rates are. And so at the Kenl Inn it's \$27 a day for doggie day care. Yet in the state of Nebraska we're only willing to pay \$17.34. We have the third lowest rate in our nation. Average reimbursement is at \$50 a day. Adult day service is an essential program at keeping people out of nursing homes, which average Medicaid reimbursement for nursing homes is \$147 a day. So even compared to the Med waiver rate of \$32, adult day is a huge savings to the Medicaid program. So I'm respectfully asking if you would consider to equalize these two rates and increase the \$17.34 to the Med waiver rate. I'd be happy to answer any questions. [LB938]

SENATOR CAMPBELL: Are there questions? Senator Howard. [LB938]

SENATOR HOWARD: Well, thank you. Thank you, Senator Campbell. I have to ask, is there transportation? [LB938]

JULIE KAMINSKI: Yes. They do...the providers do provide transportation. [LB938]

SENATOR HOWARD: What's the rate for that? [LB938]

JULIE KAMINSKI: It varies by provider, but I believe it's...one of the others will be able

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to testify to that in hers a little more detail, but we can bill Medicaid at about \$9 per trip, correct. [LB938]

SENATOR HOWARD: All right. So it's not paid by the individual. It's paid through the program, through Medicaid. [LB938]

JULIE KAMINSKI: If they have a private pay ability, it would be paid by the individual, but we can also bill Medicaid for that. [LB938]

SENATOR HOWARD: I'm sorry. I didn't hear you. They have a private... [LB938]

JULIE KAMINSKI: If the individual pays privately, then it would be billed to the individual. But if it's...if the individual is on Medicaid, then we would bill Medicaid for the transportation. [LB938]

SENATOR HOWARD: Okay. Thank you. [LB938]

SENATOR CAMPBELL: Senator Bloomfield. [LB938]

SENATOR BLOOMFIELD: Thank you. Where other than Omaha in the state of Nebraska are these (inaudible)? [LB938]

JULIE KAMINSKI: We have 56 adult day providers throughout the state of Nebraska and there are various...some are in small communities, some are in Omaha, some are in Lincoln. We have an individual who will be testifying here from Broken Bow and talks about kind of the rural situation for adult day service. [LB938]

SENATOR BLOOMFIELD: Okay, thank you. [LB938]

SENATOR CAMPBELL: Other questions? Ms. Kaminski, would you be able to provide us with a list of those 56 or someone? [LB938]

JULIE KAMINSKI: Yes. Yeah, I can e-mail that to you. [LB938]

SENATOR CAMPBELL: I see maybe a nod out there. But I think that would be helpful. [LB938]

SENATOR BLOOMFIELD: Yep. [LB938]

SENATOR CAMPBELL: I'm surprised. Senator Bloomfield usually asks for the list so I was just following up. Any other questions? [LB938]

SENATOR BLOOMFIELD: There's time later, but you already covered it. [LB938]

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SENATOR CAMPBELL: Thank you very much for your testimony today. The next proponent. Welcome. [LB938]

KELLY SCHMIDT: (Exhibit 10) Welcome. Thank you. Hello. My name is Kelly Schmidt and that's K-e-l-l-y S-c-h-m-i-d-t, and I am a registered nurse and the director of the Franciscan Adult Day Center that's located inside of New Castle Retirement Center in Omaha. I would like you to picture in your head a 72-year-old elderly woman. Her name is Lois. And she has been healthy most of her life. She can walk, she can talk. But the problem with Lois is that she doesn't know if she is in her own home or in the bus station. She cannot read a clock. She can't use a telephone or tell you what the telephone is and she can't be left alone during the day. Her husband has recently died, and she is now living with her daughter, and her daughter has to go to work. So what is she supposed to do with Lois? Well, the answer is adult day services. So at the Franciscan Center we're open five days a week, Monday through Friday, from 7:00 a.m. to 6:00 p.m. And our goal is to keep the participants calm, active, and engaged. We have various games for them to keep their minds stimulated. We do arts and crafts. We have religious services. While at the center they have access to PT and OT. We have nursing staff on to help administer medications, to help with toileting and bathing. And it's also great socialization for them. They get to talk to someone besides their family member that they see all the time. And, you know, even though people may have a big memory loss, they still have this need to fulfill a purpose in their life, and adult day services allows them to do that. No matter if they are private pay or on Medicaid or on the block grant, all of our participants receive the same services. So our private pay rate is \$47 a day, which is a big difference from the \$17, which is a little disheartening because they get 11 hours of service and it's only \$17 that we're receiving for that. In fact, in the past five years we've lost over \$100,000 and we're just asking ourselves how long can we do this? And if we weren't here, those people would be in nursing homes and you would be paying \$150 a day. So when Lois came to us, she was frustrated and scared and her daughter didn't know what to do, but now she comes every day and her daughter can go to work and life goes on. After working at the center, I cannot put into words how wonderful this program is and how badly it is needed in this community. Thank you very much for listening to me; and if you have any questions, go ahead. [LB938]

SENATOR CAMPBELL: Questions? Senator Gloor. [LB938]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Ms. Schmidt, for your work... [LB938]

KELLY SCHMIDT: Sure. [LB938]

SENATOR GLOOR: ...as well as testifying. Is it a safe assumption that the private pay

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rate helps subsidize the other lower rates that you take on? [LB938]

KELLY SCHMIDT: Some, it's not enough. You know, yeah, it doesn't cover it at all. [LB938]

SENATOR GLOOR: Do you have to limit the amount of people you serve based upon their payor schedule? [LB938]

KELLY SCHMIDT: We don't because that is our mission. And we are lucky enough to be inside of New Castle Retirement Center and so they help us out financially. Otherwise if we didn't have them, I mean we wouldn't be able to survive. [LB938]

SENATOR GLOOR: So there is some subsidization that has to come from funds other than those you can charge for. [LB938]

KELLY SCHMIDT: Yeah, um-hum. [LB938]

SENATOR GLOOR: Okay, thank you. [LB938]

SENATOR CAMPBELL: My question has to do with are the 56 providers across the state, is there a licensing for them? [LB938]

KELLY SCHMIDT: Well, there is a specific licensing for adult day services, yes. [LB938]

SENATOR CAMPBELL: For...okay. So the 56, all 56 would have a license. [LB938]

KELLY SCHMIDT: Yes. Well, they should or... [LB938]

SENATOR CAMPBELL: Okay. No, I just want to make sure we have it in the record. Okay. [LB938]

KELLY SCHMIDT: Okay. [LB938]

SENATOR CAMPBELL: The second question is of the 56, are all of them private nonprofits? [LB938]

KELLY SCHMIDT: No. We have some for-profit agencies. [LB938]

SENATOR CAMPBELL: Okay. [LB938]

KELLY SCHMIDT: Not many, but there are a few. [LB938]

SENATOR CAMPBELL: Okay. But there are no public facilities, for instance, attached

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to a county hospital or... [LB938]

KELLY SCHMIDT: Not that I am aware of. [LB938]

SENATOR CAMPBELL: Okay. And we'll take a look at the list because that will answer that question. [LB938]

KELLY SCHMIDT: Yeah. I mean it could be in some other parts of Nebraska. [LB938]

SENATOR CAMPBELL: Right. But in most of the cases they are probably nonprofit, and many of them are probably providing a subsidy. [LB938]

KELLY SCHMIDT: Right. [LB938]

SENATOR CAMPBELL: Okay. Thank you very much for your testimony. [LB938]

KELLY SCHMIDT: Thank you. [LB938]

SENATOR CAMPBELL: Oh, Senator Bloomfield. Sorry, I looked over there and missed you the first time. [LB938]

SENATOR BLOOMFIELD: Thank you, Senator Campbell. Kelly, you said your private pay rate is \$47. Are you familiar with what other facilities may be charging at the private rate? And if so, what's the range? [LB938]

KELLY SCHMIDT: It varies. I know some charge \$52. Some...you know, we do per day. Others will do, you know, if you come so many days a week you can get it at this hour, you know, this daily rate versus if you're only going to come one day a week then it's a little bit higher. I think on average it's \$50 in the state. And I'm not positive, but it varies. [LB938]

SENATOR BLOOMFIELD: Not getting rich, are you? Thank you. [LB938]

KELLY SCHMIDT: Huh? [LB938]

SENATOR BLOOMFIELD: You're not getting rich, are you? [LB938]

KELLY SCHMIDT: No, we're not. [LB938]

SENATOR CAMPBELL: Thanks for your testimony. [LB938]

KELLY SCHMIDT: Thanks. [LB938]

SENATOR CAMPBELL: Our next proponent. [LB938]

STEPHANIE DYE: (Exhibit 11) Good afternoon. My name is Stephanie Dye, S-t-e-p-h-a-n-i-e D-y-e. I'm the president of the Nebraska Adult Day Services Association and also the director of The Club adult day center at Mable Rose Estates. The club is a part of a for-profit organization, one of the few, and it's located in Sarpy County, and we're the only adult day in Sarpy County. So currently the Medicaid is reimbursing at less than 50 percent of our private pay rate, and the block grant reimburses at less than a quarter of that rate. For that reason, our company has chosen not to accept the block grant. If you're trying to postpone facility living and reside in Sarpy County, your only option is to drive nearly 30 minutes into north Omaha to a facility that will accept that funding. This is not an option for our elderly clients. The state needs to keep within a budget and keep costs down as much as possible and we all understand that, and adult day services can help with that goal. According to the MetLife 2011 market survey of long-term care costs, which I have attached, adult day services are the most cost-effective of all elder services. The national average compiled by MetLife puts skilled care at about \$226 a day, a eight-hour homemaker is \$152 a day, and assisted living comes in at about \$115 a day. In contrast, adult day services are only \$70 a day and are able to provide the same level of care as an assisted living and in some cases even a skilled level of care. That's a one-third to two-thirds savings versus placement in a facility. By keeping people at home with the ones they love as caregivers, we can reduce the amount of facility placement and therefore the cost associated with them. Adult day services are cost-effective for the families in state, but the rates are not currently cost-effective to our centers. Services do include two meals, activities, and supervision and \$17 does not even come close to covering those up-front costs, not to mention things like building maintenance and lighting and other behind-the-scenes cost. As I stated before, Mable Rose is a for-profit business, alleviating us from relying on the block grant. However, many of the centers in Nebraska are nonprofit and need this increase to continue providing in-home services. In addition, if the rates are increased, for-profit organizations like mine would consider the block grant as a funding source, increasing the ability for those who need it most. Adult day services are not blind to the fact that this proposed increase is nearly double what we're currently receiving. However, if a family cannot receive adult day services due to this funding, their only other choice may be skilled nursing, which is triple the cost. The Veterans Administration is in a similar situation as the state. They're responsible for providing thousands of men and women healthcare as well as having a finite budget. In collaboration with the National Adult Day Services Association, the VA has increased their adult day service usage by 29 percent. Through this partnership, they've been able to keep their veterans out of the high-cost skilled nursing facilities and at home more with the ones they love, where people want to be. The more time a user is in the lower-cost adult day center the longer facility living and the cost associated with this can be delayed. Families desperately want to keep their loved one at home but are in dire need of financial help. They need our help. Increasing the block grant to the Medicaid

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rate would open up possibilities for families between different facilities and also for the facilities to increase the quality of services and staff training. So adult day services are the most cost-effective way for the state to get respite services for their family. So we want to partner with you to keep long-term Medicaid care costs down. Do you have any questions? [LB938]

SENATOR CAMPBELL: Questions? As you heard me ask the other questions, was there anything you wanted to add in terms of since you serve as the association president for 56? [LB938]

STEPHANIE DYE: Currently we don't have all 56 enrolled in our...it's a very... [LB938]

SENATOR CAMPBELL: Oh, in the association. [LB938]

STEPHANIE DYE: ...the association is quite small compared to that. And a lot of those facilities are in order to provide adult day services you can have three people or less and not be registered, much like a childcare. [LB938]

SENATOR CAMPBELL: Okay. [LB938]

STEPHANIE DYE: So that may not include all people who are providing adult day services, but are just registered for assisting in more than those. And some of them are facilities that are dealing with elders and some of them are also just working with perhaps developmentally disabled so there are multiple different kinds of facilities that have to register. [LB938]

SENATOR CAMPBELL: Okay. Do you happen to know how those...how the rates as you've gone through them here deal with child-care rates? [LB938]

STEPHANIE DYE: No, I do not. [LB938]

SENATOR CAMPBELL: And we can check that. This committee has spent some time talking about child-care rates, and we're all very familiar with what rates are being paid to foster parents. So it's helpful for us to look at your industry also as we look at the others. Senator Howard. [LB938]

SENATOR HOWARD: Now I have to comment on that. You make such a good point because the information we got from...I got from CSI recently, their rate starts at \$11.25 a day, 24-hour care, three meals, who knows how much transportation for foster children. Are you at your capacity in serving adults in your facility? [LB938]

STEPHANIE DYE: Currently we're not. [LB938]

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SENATOR HOWARD: How many is your capacity and how many do you have right now? [LB938]

STEPHANIE DYE: We're licensed for 50 and that's using building-wide. That's 50 per day. Currently we're serving just over 30 clients because not everybody comes every day. We put our capacity with our current staffing ratio at 20 and right now we're hitting...it varies by day, but we hit anywhere between 16 to 20 currently. [LB938]

SENATOR HOWARD: Okay. And you charge how much a day for? [LB938]

STEPHANIE DYE: Anywhere between \$55 to \$65. It depends on... [LB938]

SENATOR HOWARD: Oh, a day. And is transportation in addition? [LB938]

STEPHANIE DYE: It is in addition to that. [LB938]

SENATOR HOWARD: Thank you. [LB938]

SENATOR CAMPBELL: Any other questions? Senator Bloomfield. [LB938]

SENATOR BLOOMFIELD: Thank you. Are you open seven days or are you open also five days. [LB938]

STEPHANIE DYE: We're also open five days a week from 7:00 to 6:00. [LB938]

SENATOR BLOOMFIELD: Okay, thank you. [LB938]

SENATOR CAMPBELL: Okay. Thank you very much for your testimony. Our next proponent. Good afternoon. [LB938]

ROBBIE NATHAN: (Exhibit 12) Good afternoon. I'm Robbie, R-o-b-b-i-e, Nathan, N-a-t-h-a-n, and I'm speaking on behalf of AARP. Thank you, Senator Campbell and members of the committee, good to be here this afternoon. I don't know that I can add much to what other people have said, but AARP supports LB938. Adult day-care services are generally provided to people who receive informal support from a family caregiver with whom they live. The adult day service allows the caregiver to go to work or to engage in other activities that they need to do to keep the household together. In some cases, it provides the caregiver with a break from the responsibility of caregiving. Adult day services allow a caregiver to continue to be a caregiver. It helps keep a care recipient in the community and delays placement in an institutional setting. Since there is a strong likelihood that a person who enters a nursing facility will spend all of his or her assets on the cost of care, every day that institutional placement is delayed will result in avoided Medicaid costs of nursing home care. LB938 would provide a more

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reasonable rate of compensation for adult day services providers who provide services covered through the Title XX social services program. The 2011 MetLife market survey of long-term care costs found that private rates for adult day services in Nebraska ranged from \$17 a day to \$120 per day with an average of \$61 per day. According to Nebraska rules and regulations governing Title XX social services, the program can pay an adult day services center \$7.50 per day--less than half the low end of the range of private rates in Nebraska. AARP Nebraska will be releasing the results of a survey of our members that sought their opinions about and experiences with long-term care in the state. From the preliminary results, we see that 19 percent of those surveyed are currently caregivers. And 15 percent of those caregivers are providing more than 40 hours of care per week. A report by AARP's public policy institute placed the value of care provided by Nebraska family caregivers at \$2.2 billion in 2009. AARP believes that we need to build a stronger community-based long-term care system. That means paying providers a fair price for the services that they provide. It also means providing support to those who are caring for a frail family member. As the fiscal note to LB938 indicates, there is a cost associated with passage of LB938. We see that cost as an investment in family caregivers that will pay future dividends. I encourage you to advance LB938. Questions? [LB938]

SENATOR CAMPBELL: Questions? I want to make sure. [LB938]

ROBBIE NATHAN: Okay. Thank you. [LB938]

SENATOR CAMPBELL: Okay. Thank you for your testimony today. Other proponents. Good afternoon. [LB938]

JEANETTE DENSON: (Exhibit 13) Good afternoon. My name is Jeanette Denson, J-e-a-n-e-t-t-e, and Denson, D-e-n-s-o-n. I am the director of Custer Care Center, an adult day service in Broken Bow, and I'm also secretary of the Nebraska Adult Day Services. Custer Care serves people in Custer County and the surrounding counties for adult day services and other services. I would like to comment on adult day services from the rural perspective. Because we're the only adult day service program in a 75-mile radius, there are no choices about whether they can come to our center or not. There isn't any other service available for them so we must take care of all of the people that come. At the present time, we're serving 14 people enrolled in our program, and 6 of those are from the Title XX block grant program. In the past 20 years, we've been open 20 years, we have served several people who have come to us through the Adult Protective Services. Right now we're serving three of those. One of them has been there for ten years, one has been there for eight years, and we have one now that's been there for one year. If you think about how much it has saved the state by using adult day services, because the only service that they would have went to would be the nursing home, so you think about how much that would have saved the state by using the adult day services compared to that person that's been there for ten years going into

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a nursing home. At our facility we started out as an adult day-care program which isn't normal for the state. But after ten years we realized we're going to have to close our doors. So we branched out into assisted living, and we also do home care and transportation just to keep our doors open because we think the importance of serving the people that we have in adult day services keeps people at home for a longer period of time. We need to advance this bill to make other adult day cares possible in the state of Nebraska across the rural area. There's very few in rural areas, and we need to advance that so that they can actually start a service and keep it open. [LB938]

SENATOR CAMPBELL: Thank you for your perspective on that. It's very helpful. Senator Gloor. [LB938]

SENATOR GLOOR: Thank you, Senator Campbell, and thank you, Ms. Denson. Are you affiliated with Jennie Melham Hospital? [LB938]

JEANETTE DENSON: No. No, I am not. [LB938]

SENATOR GLOOR: Do they offer a program there also that's (inaudible) care? [LB938]

JEANETTE DENSON: No, they don't. No, I'm the only program there. [LB938]

SENATOR GLOOR: Okay. Thank you. [LB938]

SENATOR CAMPBELL: Senator Bloomfield. [LB938]

SENATOR BLOOMFIELD: Thank you, Senator Campbell. I see you've had the one person with you for ten years. Is that still a day-to-day basis or is that? [LB938]

JEANETTE DENSON: Five days a week. [LB938]

SENATOR BLOOMFIELD: And again, are you open just five days a week also? [LB938]

JEANETTE DENSON: We are. We consider the adult day care from 7:30 to 5:00 every day. But, however, we're an assisted living as well so people can come on the weekends if necessary. So we have people come on Saturdays once in a while. [LB938]

SENATOR BLOOMFIELD: Okay. Do you also do some private pay care? [LB938]

JEANETTE DENSON: Yes, we do. Yes. [LB938]

SENATOR BLOOMFIELD: And what's your rate there? [LB938]

JEANETTE DENSON: We charge...we unbundle our services so we charge \$8.50 per

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hour. And then if they're someone that...we have one person that has to be fed and we've had one that was an Alzheimer's person we had to watch, then we charge \$10 an hour for those people. [LB938]

SENATOR BLOOMFIELD: Okay, thank you. [LB938]

SENATOR CAMPBELL: Any other questions? Thank you for coming today. [LB938]

JEANETTE DENSON: Um-hum. Just one other thing I forgot to mention. Sometimes we go and pick people up, up to 60 miles away so as long as they stay in... [LB938]

SENATOR CAMPBELL: That's a distance. [LB938]

SENATOR BLOOMFIELD: Do you get reimbursed extra for that I assume? [LB938]

JEANETTE DENSON: Yes, yes. [LB938]

SENATOR BLOOMFIELD: At what rate? Per mile or just (inaudible)? [LB938]

JEANETTE DENSON: Per mile, \$1.32 a mile for the ones out of town. In town we get reimbursed \$7.65. [LB938]

SENATOR BLOOMFIELD: Okay, thank you. [LB938]

SENATOR CAMPBELL: Okay. Thank you very much. [LB938]

JEANETTE DENSON: Thank you. [LB938]

SENATOR CAMPBELL: Other proponents? Any other proponents? Okay. Those who oppose the bill. Any opposition? Those in a neutral capacity on the bill. Seeing no one, Senator, do you wish to close? [LB938]

SENATOR NELSON: Yes. Thank you, Senator Campbell. I'll be brief. I assume that you have the fiscal note in your files, do you? [LB938]

SENATOR CAMPBELL: Um-hum. [LB938]

SENATOR NELSON: I just want to point out that under the fiscal note, because of the fact that the block grant is exhausted that increases will come out of the General Fund. And of course, as a member of the Appropriations Committee, I'm very concerned about what we spend here. So their estimate is that it would be an additional \$1,397,000 for each fiscal year. In the general scheme of things when you think of the overall Health and Human Services budget, that's not a great deal of money. But I want to point out

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that we're not talking about savings here way down the road. These are immediate savings any time that we can keep someone in their home instead of going into a nursing home at \$150 a day or something like that. And there are estimates that beginning immediately and over the long run we're talking about millions of dollars of savings for the state of Nebraska, which is not only immediate, but also long term. I would suggest that if this seems like a large amount, by amendment this could be raised in increments over a period of two or three years, you know. But at least we could get it up there. I think we are 47th out of the 50 states right now as far as the amount that is paid in reimbursement. So with that, I would certainly urge you to consider this very carefully in light of the testimony and all the details that you heard about what the problem is right now. Provide for a uniform rate and put this out on the floor, LB938, for consideration by the whole body. [LB938]

SENATOR CAMPBELL: Any further questions for the senator? Thank you very much, Senator. [LB938]

SENATOR NELSON: Thank you very much, Senator. Thank you. [LB938]

SENATOR CAMPBELL: With that we will close the hearing for LB938 and open the hearing on LB1010. If you are leaving, please leave quietly. If you want to wait just a minute and we'll try to get...we lost a balance in the room here. We had the whole left side here sort of departed. The stalwart right is still there. Senator Nordquist's bill is to change the eligibility provisions relating to the Supplemental Nutrition Assistance Program, better known as SNAP I assume. Senator Nordquist, always good to see you. Please feel free to start. [LB938]

SENATOR NORDQUIST: Thank you, Madam Chair. For the record, I'm Jeremy Nordquist, represent District 7, downtown and south Omaha. Last session I introduced LR202 with the purpose of evaluating our system of public assistance as a whole through the lens of how our programs collectively contribute or create barriers to long-term economic sustainability. In a perfect system, our programs would provide temporary support in times of extreme needs for our families and then offer seamless transition from times of desperation to times of economic stability. This system would prioritize education, career development, and asset building as a pathway out of poverty. And to help further families down that pathway, it would gradually phase out the delivery of our benefits until the family is able to stand on their own feet. However, what we found was no surprise. Many of the rules and eligibility criteria for our public assistance programs do not work in such a comprehensive way to support families until they're able to stand on their own feet. Instead, it seems as if many of our programs and policies are based on the premise that those who utilize public assistance are taking advantage of the system. And, thankfully, this committee has brought a renewed focus to taking a proactive rather than a punitive approach to public assistance, and I appreciate your recognition and value in doing that. The fact of the matter is ignoring

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poverty does not make it go away, and we will continue to vest our state in federal dollars into our social safety net to help Nebraskans out who are facing extreme poverty. So I think our state tax dollars would be better spent by trying to make investments that will move families forward rather than assuming everyone is gaming the system. LB1010 is an effort to make yet another proactive, forward-thinking change to our social safety net program in addressing what is commonly called as the cliff effect. With the eligibility for social service programs based on one's income, a very small fluctuation in earnings can lead to an abrupt termination or substantial reduction in public assistance. And there's several testifiers who will be following me who will be able to paint a more detailed picture of how the cliff effect affects themselves or people that they work with. But essentially a family can fall off the cliff by very minimal increases in income. And what kind of message are we sending to folks when we design...when we have our public benefits programs that disincentivize potential career advancements, whether that's through working overtime or promotions or raises, and we leave families, you know, taking advantage of those small steps forward in their career could set them back on their pathway to financial security. So that's why I think we need to take a look at our programs and specifically this bill is designed to do that. It leaves the net income eligibility for SNAP, or Supplemental Nutrition Assistance Program, where it is right now at the 100 percent federal poverty level. That's where your net still has to be. But it increases the gross limit from 130 percent to 185 percent. This allows families to take deductions on qualified expenses that they have, whether that be childcare or allowable medical costs, that can be deducted from that amount. So it...again, people can't make net more than they are right now. It just gives them a little more ability to...it gives them a little more room to qualify should they have high expenses for those costs of maintaining your family. As I said, there will be a number of great testifiers after me. And I just want to address the fiscal note briefly. The department said this will require 31 new FTEs to go through and do this additional eligibility determination. That split should be 50/50 federal and state on the cost of doing that while I think HHS saw this more as a jobs bill than I did. I question the number for several reasons. The first is...I guess the first one really is that in a report to...on ACCESSNebraska, the department says they're already denying 6,000 applicants per quarter for SNAP because their income exceeds the standards. So I think we're already processing it and know...a large number of these people and denying them because their income does exceed. So I don't think that we are out of line or I don't think that we're going to see a huge new influx of people. I think many of the people that are already applying are already coming in through our door and being reviewed. I think it's also important to remind that 185-percent level is important because it does align with several of our other programs these families are already going through. Sometimes we're going through income verification processes and stuff and for other programs. So to increase just our SNAP programs that 185-percent level should not create a significant challenge for the department. And, again, these benefits are all federally funded. Twenty-seven other states have taken advantage of it. And I think that this along with many of the other bills you're working on in this committee to simplify our

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process of public benefit enrollment, and I think this is just a piece of the puzzle that we can have there to look at and to help mitigate essentially the cliff effect of those families that, you know, are at the 100 percent net; but they see an uptick, but their qualifying expenses take them back down to that 100 percent net. So I encourage the committee to take a look at this, certainly willing to work with you and the department on trying to address that fiscal note, and welcome any questions. [LB1010]

SENATOR CAMPBELL: Questions? Senator Bloomfield. [LB1010]

SENATOR BLOOMFIELD: Thank you, Senator Campbell. Senator Nordquist, are really...are we just moving the cliff? [LB1010]

SENATOR NORDQUIST: Well, I think by opening that range up so we're stilling setting at 100 percent net we are, but I think we're giving it a little bit more flexibility by allowing families to say, you know, only the 30 percent difference between 100 and 130 isn't a lot of room when you start looking at these families with their childcare and medical expenses. I think it allows us, though, I think it allows us, a little more wiggle room than... [LB1010]

SENATOR BLOOMFIELD: Do you see any way through an amendment or anything we could change that cliff into a slope or we could...with a gradual increase in the income until you get a smaller cutoff of what they can make? [LB1010]

SENATOR NORDQUIST: There may be people behind me with ideas like that, but I'm not sure under this program if...what we're allowed to do exactly on this. I know that this is the way several....27 other states have done it. I don't know if the federal rules allow us that much flexibility to make it. But I think...but I appreciate the question and I... [LB1010]

SENATOR BLOOMFIELD: I'd like to talk to you about it a little bit if we can... [LB1010]

SENATOR NORDQUIST: ...I think we need to continue to look at ways to say how can we help people in that transition period. Yeah. [LB1010]

SENATOR BLOOMFIELD: We sure don't want somebody that's made an extra \$10 to lose all their benefits. [LB1010]

SENATOR NORDQUIST: No, exactly, exactly. [LB1010]

SENATOR CAMPBELL: Senator Howard. [LB1010]

SENATOR HOWARD: Thank you, Senator Campbell. What I often heard when I was working for the department was that it wasn't so much the dollars that they lost; it was

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the day care and the medical coverage. And that's where it really hurt, because when you take away funding for the day care or you take away the coverage, the medical, when you have children and you're concerned about that, that puts you in a real bind. And I had people tell me they wouldn't accept like an increase in their hourly rates because they couldn't afford to do it for the offset. [LB1010]

SENATOR NORDQUIST: That's right. And that's very much the same, the...obviously in Appropriations we hear often about the child-care subsidy and the exact same thing that we have people who it's almost a...it creates a disincentive, so. [LB1010]

SENATOR HOWARD: It is a disincentive and you'd like to think there would be some way to encourage people to advance without feeling that that was to their detriment. It just seems that cross purposes... [LB1010]

SENATOR NORDQUIST: Exactly. [LB1010]

SENATOR HOWARD: Thank you. [LB1010]

SENATOR CAMPBELL: Any other questions? Thank you. [LB1010]

SENATOR NORDQUIST: And I'm going to have to sneak back to Appropriations. We're actually doing some Health Care Cash Fund stuff, so that's very important, and I need to be in those discussions, so. [LB1010]

SENATOR CAMPBELL: Yes, it is. Okay. [LB1010]

SENATOR NORDQUIST: I'll have to waive closing. [LB1010]

SENATOR CAMPBELL: Thank you, Senator Nordquist. [LB1010]

SENATOR NORDQUIST: Thank you. [LB1010]

SENATOR CAMPBELL: We will proceed to take the first proponent. Good afternoon. [LB1010]

TREVIS MINNICK: Good afternoon, Senator. How are you? [LB1010]

SENATOR CAMPBELL: Go right ahead. [LB1010]

TREVIS MINNICK: My name is Trevis, T-r-e-v-i-s, Minnick, M-i-n-n-i-c-k. I work for a local garbage company here in Lincoln. I have applied for SNAP twice in the last three years and have been denied because of less than \$100. We got two...I drive a front-load garbage truck. We got two trucks that work for our company. A hundred

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dollars is my other guy calling in sick one day, you know. And I got four kids. My partner is disabled. And, you know, just a little bit would help go a long ways to help feed and take care of my family. I don't what else I can say. [LB1010]

SENATOR CAMPBELL: That's just fine, Mr. Minnick. Are there questions? Thank you for coming and taking time today to testify. [LB1010]

TREVIS MINNICK: Thank you. [LB1010]

SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB1010]

KATHERINE CAROL OLTROGGE: (Exhibit 14) Good afternoon. My name is Katherine Carol Oltrogge, O-l-t-r-o-g-g-e. I'm a 26-year-old single mom of twins that are at the age of two. I have my bachelor's degree in child, youth, and family studies from the University of Nebraska-Lincoln. I've a full-time position as a direct support specialist for the Developmental Services of Nebraska, and I've recently been offered a position as a program specialist for Angels Guardians Inc. I'm receiving benefits from the SNAP program, Title XX, and my daughters are on Medicaid. My personal perspective, experiences, and visions for these programs have evolved as I have tried to achieve different goals to better my life for my family. In my perspective, I find these programs extremely beneficial. My family would not be able to survive without the support of these programs. They are imperative...sorry. [LB1010]

SENATOR CAMPBELL: That's fine, just take your time. [LB1010]

KATHERINE CAROL OLTROGGE: They're imperative for us to be able to put food on the table, for me to keep my job, and to stay healthy. As a direct support professional, I make about \$20,000 a year and that's on the high side because I have my degree. My childcare would cost about \$420 a week. In doing the math, that comes out to about \$20,160 a year. This leaves me with \$840 a year to buy food, shelter, and clothing for my family. Breaking it down even more it comes to about \$17 a week to live off of. There are several families that I know that are in the same kind of situation where they would not be able to provide for the family without support from these programs. But at the same time, I find it very interesting how such beneficial programs could be just as much of a hindrance for these families who are striving to better their living situations. My experiences in being part of these programs have placed limitations on how much a family is able to grow. After I received my degree, I experienced...I was able to...sorry, after receiving my degree, I was excited to be able to find a career to move into my own...excited to find a career and move into my own apartment without having to ask so much of my mother. I had a job...I'm going skip that. Sorry. [LB1010]

SENATOR CAMPBELL: We'll give you a little extra time. Don't... [LB1010]

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KATHERINE CAROL OLTROGGE: Okay. [LB1010]

SENATOR CAMPBELL: I mean, go ahead and try to... [LB1010]

KATHERINE CAROL OLTROGGE: Okay. My most recent experience happened just last week. I wanted to be able to apply for a management position for the Developmental Services of Nebraska, and my concern was if it was going to pay way too much and cut me off that cliff. And so what I did is I called my case...a caseworker and I discussed that process with them and they said that I couldn't make over \$22,000 a year. And the position that I wanted to go out for was \$23,000, and that's a difference of a \$1,000 a year, which is not...obviously not a substantial amount of money in order to be able to support my family. Again, with this...I had mentioned that I was offered a new position. I'm only making 50 cents more in that position. And when I start out after the training, they said that they would offer me a dollar raise and I can't take that raise because I lose my benefits. [LB1010]

SENATOR CAMPBELL: Questions? Senator Howard. [LB1010]

SENATOR HOWARD: Thank you, Senator Campbell. I'm just wondering, does your child support go through...do you receive that or does it go through the department? [LB1010]

KATHERINE CAROL OLTROGGE: There is a child support order. He does not pay. [LB1010]

SENATOR HOWARD: Thank you. [LB1010]

KATHERINE CAROL OLTROGGE: Thank you. [LB1010]

SENATOR CAMPBELL: Was there anything, before you leave... [LB1010]

KATHERINE CAROL OLTROGGE: Sorry. [LB1010]

SENATOR CAMPBELL: No, no, no. You're fine. And I know you were trying to be so cautious about the time. Is there anything in the testimony, the written testimony, that you really wanted to have a chance to say? I mean, all of this goes into the record, so you don't have to worry about that. But I wanted to make sure because you were providing a personal story and so I didn't want you to leave out something. [LB1010]

KATHERINE CAROL OLTROGGE: No. It's just it's more about the struggles of being able to...the cliff effect you guys had talked about earlier. Wanting to strive and achieve things and pursue a further career in order to support my family on my own and not being able to do that and having to turn down positions that I'm more than qualified for

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because, again, I can't do it. [LB1010]

SENATOR CAMPBELL: Yeah. I can understand that. Well, we appreciate your service to this state in working for one of the departments. [LB1010]

KATHERINE CAROL OLTROGGE: Thank you. I'm sorry. [LB1010]

SENATOR CAMPBELL: And don't apologize for that. It's your personal story and it's very courageous to come forward and tell it. [LB1010]

KATHERINE CAROL OLTROGGE: Thank you. [LB1010]

SENATOR CAMPBELL: So thank you. Our next proponent. I don't think it was horrible at all. I thought you... (laughter) I'm sorry I was eavesdropping, but I thought you did a great job. That's what we need to hear, so we want you to go home feeling you did a great job. Good afternoon. [LB1010]

SHEENA SANDERS: (Exhibit 15) Good afternoon. Sorry, she's got me crying. My name is Sheena, Sheena Sanders. Sheena, S-h-e-e-n-a, Sanders, S-a-n-d-e-r-s. I am coming before you as a proponent of LB1010. Just for the record, I was in a working position and as of last Thursday I lost my job, so I'm no longer in that population group, but this is from the perspective of a working parent. As a mother of two children, one being under preschool age, I have been included in the population that has a desperate need for assistance in putting food on my table for my family, but have been denied due to the amount of my earned income. Like all working parents with children, we are working to provide for all of their needs. We desire to be independent and not have to rely on any kind of assistance. Unfortunately, there are situations that arise in families where the desire is just not enough to make the ends meet. As a single parent, I work to provide for my children, but once again fall short. I need help. Though I work and make \$12.75 an hour working 40 hours per week, I still do not make enough. With all the bills I have to pay, like day care, before-and-after-school care for my daughter so I can be at work at 8:00 in the morning, utilities, and gas for my vehicle, and rent, I don't have any money remaining to buy groceries. I unfortunately am also a part of the population where I don't qualify for any benefits but Medicaid. I don't qualify for Title XX or anything else. For the past two years, I've had to rely on the help of pantries when it comes to providing food for my children and myself. I have not bought groceries myself in over two years because I have not had the money. Thankfully I've been blessed with friends, but mostly it's been going and waiting in line at pantries on weekends. I was forced into this situation only because I applied for the SNAP program and was denied because I was over the income guidelines to receive the benefit. As a mother providing for her children alone, there is no worse feeling than seeking the help from a program that is meant to help assist in providing food, but being turned down because I make too much. It was not taken into consideration the amount of bills I have to pay in relation to my

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income. Instead, a snapshot of my gross income was looked at and became a determining factor of whether I received help or not. Too many of us working parents and families have to make the decision on whether to provide food or keep a roof over our heads, whether to pay a utility bill or provide a meal for the night. Too many of us are being penalized for working and being discriminated against because of our gross income without any consideration being taken in regards to the bills we have to pay. It is with my sincere hope and prayer that you will see that LB1010 as a hand up instead of a hand out, that you will see how LB1010 will encourage those working families and motivate them to continue striving for independence, that you will see also the importance of taking into consideration the whole picture when it comes to working families as far as what they have to work with when it comes to their income, in relation to the bills they have to pay as opposed to only considering a snapshot of their gross earned income. I thank you for your time and consideration, and I'm open to any questions you have. [LB1010]

SENATOR CAMPBELL: Thank you. Questions from the senators? Thank you very much. You did just an excellent job. Right on time, wow, as if you practiced this. And we wish you the very best in finding a new position. [LB1010]

SHEENA SANDERS: Thank you. [LB1010]

SENATOR CAMPBELL: Thanks for coming. Our next proponent. Good afternoon. [LB1010]

ERICKA SMRCKA: (Exhibit 16) Good afternoon, Chairman Campbell and members of the Health and Human Services Committee. My name is Ericka, E-r-i-c-k-a, and my last name is Smrcka, S-m-r-c-k-a, and I'm the director of programs and advocacy for the Food Bank of the Heartland. And I'm here today in support of the bill to increase gross eligibility in the Supplemental Nutrition Assistance Program formerly called Food Stamps. The Food Bank for the Heartland actually belongs to Feeding America Network and, along with the Food Bank of Lincoln, we're responsible for feeding...for supplemental food to over 150,000 people across the state of Nebraska. And when we looked at focusing on our mission to eliminate hunger, we realized that just emergency and episodic food distribution alone wouldn't suffice. And that has brought us to become actively involved in SNAP outreach. We actually have three full-time staff that their sole function is, is to go out, educate, provide information, and for people with barriers to actually help them fill out the application. Even more so, 17 of our 93 counties that we serve have no local pantries. And many of our rural agencies have people that come from very far away to receive food assistance because there's just simply no food assistance in their area. When we have those areas with limited or no access to charitable organizations, SNAP benefits are critical to overcoming these hunger issues. When we have one in six children who live in food-insecure households and we...the USDA data indicates that it's...just keeps growing. We know that the agencies that we

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work with do amazing work, but by the sheer size of our state and widely dispersed pantry systems, we know that we cannot just meet the needs through pantries. So...and we realize that SNAP benefits is just critical in addressing those areas not only because SNAP benefits the recipient but it also positively impacts the economic situations specifically in rural areas. By increasing gross eligibility in the SNAP program, we would open up this benefit to families who qualify based on the actual amount that they have to purchase food versus just their income level. We may have people making a choice between purchasing food or buying prescriptions or their medical care, and this is just simply unacceptable to us. We have families that we see everyday that are unable to make their food last between their paychecks. Even though they don't have the liquid assets to spend on food, their gross income makes them ineligible. And these families simply haven't been given the opportunity for their medical and their child-care expenses to be looked at when determining their eligibility. We've seen families with diabetic children that were denied on SNAP because...but they still don't have those discretionary funds. If the gross eligibility was higher and the child's medical expenses could have been taken into account, they would have qualified. We know that this gross eligibility threshold would be higher. We would allow a review of cases where families are struggling with special circumstances. We at the Food Bank urge your support of LB1010 to continue efforts to end hunger in Nebraska. I'm open to any questions.  
[LB1010]

SENATOR CAMPBELL: Excellent. Thank you very much. How many food banks...you did say this, and I missed it; but how many do you work with? [LB1010]

ERICKA SMRCKA: Three hundred and twenty pantries across the state of Nebraska.  
[LB1010]

SENATOR CAMPBELL: Oh, pantries across the state. [LB1010]

ERICKA SMRCKA: Yeah. We actually are the Food Bank. We bring in donations and work with local corporations such as ConAgra, and then we disperse out to the pantries and churches. [LB1010]

SENATOR CAMPBELL: So you're working really in the metro area. [LB1010]

ERICKA SMRCKA: We're actually responsible for 77 counties in the state of Nebraska.  
[LB1010]

SENATOR CAMPBELL: Okay. [LB1010]

ERICKA SMRCKA: So we're across the state. [LB1010]

SENATOR CAMPBELL: So then the Lincoln Food Bank would come into play because

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it would serve other counties. Am I correct on that? [LB1010]

ERICKA SMRCKA: Yep, and we're a partner in the agency. [LB1010]

SENATOR CAMPBELL: Yes, you are. I know that. All right. Thank you very much for your testimony today. [LB1010]

ERICKA SMRCKA: Thank you. [LB1010]

SENATOR CAMPBELL: Our next proponent. [LB1010]

MARIANA SCHELL: Good afternoon. [LB1010]

SENATOR CAMPBELL: Good afternoon. I know, we need that orange sheet. [LB1010]

MARIANA SCHELL: Yes. [LB1010]

SENATOR CAMPBELL: Welcome. [LB1010]

MARIANA SCHELL: (Exhibit 17) Well, hi. My name is Mariana Schell, and that's M-a-r-i-a-n-a S-c-h-e-l-l, and I'm her counterpart. I'm from the Food Bank of Lincoln here in Nebraska. So I am the agency relations director for the Food Bank of Lincoln, and I'm here today to support the LB1010, a bill that will help our community access food. The Food Bank of Lincoln believes that the SNAP outreach program is critical to help carry out the mission, our mission, which is to alleviate hunger in southeast Nebraska. Personally, I started as the SNAP outreach coordinator and I have heard firsthand just as you have right now the many stories that our clients and our community are going through. I have personally noticed that we have an increased number of clients that are seeking assistance for the first time. Most of them are working individuals that have families and that they have not needed to access benefits before. They are the working poor--our new face of poverty. I believe that it is our responsibility to help our community, and while many individuals are doing what they can do, they are still not able to provide for themselves or their families. It is why I am here on behalf of the community members that need assistance. This bill will provide an opportunity for hardworking Nebraskans to access benefits for the most basic of needs--food. The current income guidelines for SNAP are unrealistically low. Families and individuals have to be in terrible need in order to get assistance. Many working families and individuals are trying hard to have a better economic situation, but are not able to make enough to support their families. Passing this bill will allow them to be within the income guidelines and enabling them to receive benefits. We encourage you to raise the eligibility level in Nebraska, to provide our working families and individuals with an opportunity to have healthy meals so they can continue with their lives and be able to make daily decisions easier. They should not have to decide what bill to pay: either the

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rent, or medical bills, medicines, or provide food for their children. Raising the eligibility level to 185 percent of poverty is what we need to do. It is going to provide a better future for our community. We have to realize that this is not only affecting the adults. This bill has a positive impact for many children that are not able to have a healthy meal today. We have to act now. Providing food to people should be a critical matter for everyone in this room that will benefit all Nebraskans tomorrow. Thank you. [LB1010]

SENATOR CAMPBELL: Questions from the senators? Senator Howard. [LB1010]

SENATOR HOWARD: Thank you, Senator Campbell. And I wish I had asked Ericka about this too. Are you seeing an increase in foster parents coming in? [LB1010]

MARIANA SCHELL: No, not really. [LB1010]

SENATOR HOWARD: Okay. [LB1010]

MARIANA SCHELL: We're not talking...that's not a question that we're asking, so honestly I do not know. [LB1010]

SENATOR HOWARD: Well, I didn't know if people...if there would be some situations where they would identify themselves as coming in for a need for foster. Because I've heard stories about this, that families are being referred to the Food Bank. For example, when they have a new child placed with them and they don't have the resources to care for them. [LB1010]

MARIANA SCHELL: Okay. [LB1010]

SENATOR CAMPBELL: ...to meet that initial need. [LB1010]

MARIANA SCHELL: Okay. Yes, as our clients go in access of food throughout our agencies, I do not know that that's a question that has been asked. We as a food bank, we do not keep track of that. We just keep track of how many clients our agencies are serving. And as far as the SNAP, we just ask the questions are within the application, and that's as far as we go. [LB1010]

SENATOR HOWARD: Okay. Thank you. [LB1010]

SENATOR CAMPBELL: Any other questions? Michelle (sic), please give my regards to everyone there. A number of years ago, I served on the Food Bank Board and it was the best board I ever served on, so. [LB1010]

MARIANA SCHELL: We're very lucky to be able to be there, yes. Thank you. [LB1010]

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SENATOR CAMPBELL: Our next proponent. Good afternoon. [LB1010]

AUBREY MANCUSO: (Exhibit 18) Good afternoon, Senator Campbell, members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o. And I'll just make a couple of quick points in support of LB1010, and I'm here on behalf of Voices for Children in Nebraska. One point I wanted to make was to address Senator Bloomfield's question of why it's important to move this cliff. And we actually do have some data attached to my testimony that attempts to quantify what it actually takes for a family to meet their basic needs in different areas of Nebraska. And 185 percent of poverty level, which this bill would increase the gross income limit to, is much closer to what it takes for a family to be financially solvent independently without these programs. And then the other point I just wanted to address is that as this committee is aware, our eligibility for child-care assistance remains among the lowest in the nation. And to help buffer that impact that out-of-pocket child-care expense have on food budgets, Congress in 1980 created the deduction in the SNAP program for dependent care expenses. And increasing this gross income limit helps to maximize the use of that deduction by allowing families who have that net income eligibility, but are close to the gross income limit to still receive this benefit. And other states who have enacted this change have found that the majority of newly eligible families are working families with children with a gross income between 130 and 150 percent of the federal poverty level. And with that, I'm happy to take any questions. [LB1010]

SENATOR CAMPBELL: Senator Bloomfield. [LB1010]

SENATOR BLOOMFIELD: Thank you, Senator Campbell. My question wasn't so much about the need to move the cliff as it would be to turn the cliff into a slope so that it would make... [LB1010]

AUBREY MANCUSO: Absolutely. [LB1010]

SENATOR BLOOMFIELD: ...the amount plus 20 percent, maybe you'd lose 5 percent of your benefits instead of having the cutoff so abrupt to where you can't afford to take another job or improve yourself because you're going to lose everything. That's foolishness in my mind and if we could ease that down to where if you make \$50 bucks extra, you maybe get \$10 less in benefits, I think everybody could go out and get a job and continue to improve themselves. And if that's something we can do an amendment, I'm all for it, and if it's a federal issue, then I think we need to be talking to our federal legislators. [LB1010]

AUBREY MANCUSO: Right. And to my knowledge that would be a federal issue, but other states have addressed this issue by increasing their gross income limit. [LB1010]

SENATOR BLOOMFIELD: But the cliff still remains. [LB1010]

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AUBREY MANCUSO: Right. But I think if you look at the data on page 2 of my testimony, the amount that families actually need to meet their basic expenses in most areas of Nebraska is about 200 percent of the federal poverty level in most cases. And so putting this at 185 makes that cliff less severe. [LB1010]

SENATOR BLOOMFIELD: Thank you. [LB1010]

SENATOR CAMPBELL: Thank you very much for your testimony and for the data. And Senator Nordquist's legislative aide is here, and I'm sure that they will be checking on the federal question with regard to Senator Bloomfield. So thank you very much. [LB1010]

AUBREY MANCUSO: Thank you. [LB1010]

SENATOR CAMPBELL: Our next proponent for LB1010. Good afternoon. [LB1010]

KATE BOLZ: (Exhibit 19) Good afternoon. My name is Kate Bolz, that's B-o-l-z, and I'm here today representing the Nebraska Appleseed Center for Law in the Public Interest. We are a nonprofit, nonpartisan public interest law firm and advocacy organization. We support this legislation because it provides an opportunity for our state to leverage federal resources to support hardworking Nebraska families. Thirty point eight percent of Nebraska families are low income, meaning that they struggle to make ends meet and to get ahead. LB1010 would allow those working families whose food budgets are tight to receive assistance. I want to just briefly discuss the question that you brought up, Senator Bloomfield, and mention that the way the SNAP program works is that benefits levels, the actual amount of assistance a family receives, is calibrated towards the family's bills, income, and family size. However, that calibration can't take place unless those families can get in the door in the first place. And this legislation opens the door to more families with higher incomes to be considered. Nebraska already reviews household bills when determining the amount of benefits a family would receive, bills ranging from heating and cooling costs to child care assistance. Approximately 4,275 households are projected to benefit from this change. I just want to mention briefly that when the economic downturn hit Nebraska, we saw a significant increase in the number of families accessing SNAP. Thousands of new households came onto the program during this time, during the last few years, and our system was able to respond to that need. To my knowledge, it didn't cause massive delays or overburdensome...or was not overburdensome on the system. We were able to respond to that need. And I do believe that our system would be able to respond to the increase of about 4,000 people. The last data I looked at saw that over 160,000 people in Nebraska were applying for benefits; it's a small percentage of the caseload. I also want to mention that 27 other states have implemented this change already. Most recently, Minnesota has implemented the change and saw only a 3 percent increase in the caseload overall.

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This is definitely a change that can be done. Administrative costs are split by the federal government and the benefits themselves are federally funded. And in addition to providing benefits to the individuals themselves, the SNAP program has a proven multiplier effect. For every \$5 in food stamp benefits that come into the state, \$9 are created in economic input, which means that truck drivers and grocers have a positive effect because of the increase in SNAP. Millions of dollars could be brought into the state by making this change. We respectfully urge you to advance LB1010. [LB1010]

SENATOR CAMPBELL: Thank you, Ms. Bolz. Are there any questions? [LB1010]

KATE BOLZ: Thank you. [LB1010]

SENATOR CAMPBELL: Thanks for coming today and for your testimony. Other proponents for LB1010. [LB1010]

JIM CUNNINGHAM: Senator Campbell and members of the committee, my name is Jim Cunningham, C-u-n-n-i-n-g-h-a-m, and I represent the Nebraska Catholic Conference. We have been long supporters of the food stamp program. I learned a long time ago that on these particular programs that it is always important to let those who have personal stories go first and also important to let those who have greater expertise than I do to go ahead of me as well. But certainly we would want to be on the record in support of this legislation. And I think you heard a number of compelling reasons why this is important and why it can do a lot of good. So with that, I would conclude my testimony. Thank you. [LB1010]

SENATOR CAMPBELL: Any questions or follow up? Thank you, Mr. Cunningham. [LB1010]

JIM CUNNINGHAM: Thank you. [LB1010]

SENATOR CAMPBELL: Other proponents for LB1010. Anyone who wishes to testify in opposition to LB1010? Good afternoon. [LB1010]

BRYSON BARTELS: (Exhibit 20) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Bryson Bartels, B-r-y-s-o-n B-a-r-t-e-l-s. I'm the legislative coordinator for the Department of Health and Human Services. Director Scot Adams was originally going to testify, but he is unable at this time to testify. I am here to submit the department's testimony, and I would be more than happy if you have any questions, I can bring them back to the department and follow up with you as fast as I can. [LB1010]

SENATOR CAMPBELL: Excellent. Why don't you give us just a minute to look at the testimony here. [LB1010]

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BRYSON BARTELS: Okay. [LB1010]

SENATOR CAMPBELL: One of my questions for the department was going to be, and maybe I'm just not reading and taking it in fast enough, but it's sort of like when the date was instituted, and it sounds like...I'm looking for the date it was instituted, and then when we last raised the eligibility of it. And there must have been LB543... [LB1010]

BRYSON BARTELS: Okay. Yeah, LB543 was a bill passed last year. [LB1010]

SENATOR CAMPBELL: Okay. [LB1010]

BRYSON BARTELS: And I believe it was... [LB1010]

SENATOR CAMPBELL: Yes, it...I'm seeing that in the second paragraph. And it was a categorical eligibility program... [LB1010]

BRYSON BARTELS: Yes. [LB1010]

SENATOR CAMPBELL: ...now known as the Expanded... [LB1010]

BRYSON BARTELS: That's correct. [LB1010]

SENATOR CAMPBELL: ...Resource Program. [LB1010]

BRYSON BARTELS: That's correct. [LB1010]

SENATOR CAMPBELL: Okay. What does...for the record, do you know what that program does? [LB1010]

BRYSON BARTELS: I can find out for you on that. [LB1010]

SENATOR CAMPBELL: I think that for the record we probably need a response. [LB1010]

BRYSON BARTELS: I mean, that I would...that's kind of getting out of my expertise, but I can follow up. [LB1010]

SENATOR CAMPBELL: That would be great. And the senators see anything else in the testimony that they would like him to convey to the department? And the estimate is that it would, if everyone who is eligible applied, that's 4,275. [LB1010]

BRYSON BARTELS: Um-hum. [LB1010]

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SENATOR CAMPBELL: Okay. And of course I'm sure you just heard the testimony that... [LB1010]

BRYSON BARTELS: I did, and I'll bring that back and I... [LB1010]

SENATOR CAMPBELL: ...that not every state has seen that. It might be interesting to know the states who have implemented or gone to a higher eligibility, as would allow in this bill, what percentage, because the fiscal notes are always written as if every single person who is eligible... [LB1010]

BRYSON BARTELS: Right. [LB1010]

SENATOR CAMPBELL: ...and how many people it would take to serve every single person. And so in this case if we know the Minnesota statistic, it must be out there someplace for other states. [LB1010]

BRYSON BARTELS: Okay. [LB1010]

SENATOR CAMPBELL: Senator Howard. [LB1010]

BRYSON BARTELS: Yes, Senator. [LB1010]

SENATOR HOWARD: Thank you, Senator Campbell. You make such a good point with this. Will these applications have to be done through the ACCESS center? [LB1010]

BRYSON BARTELS: I'd have to check on that, Senator. [LB1010]

SENATOR HOWARD: I think we could really deduct this number way down if they have to go through that facility. [LB1010]

BRYSON BARTELS: I'm sure they would. I mean, I'm sure...I'm thinking they would be because they are economic assistance and people would be going through there. [LB1010]

SENATOR HOWARD: I think you're right. I think they would be, and that's... [LB1010]

BRYSON BARTELS: So...but I want to double-check that though. [LB1010]

SENATOR HOWARD: And we heard earlier the percentage that's not accepted in the...for whatever reason through the ACCESS center. So I think that would certainly impact these numbers in terms of decreasing them. [LB1010]

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SENATOR CAMPBELL: Senator...oh, sorry, Senator Howard. I didn't want to cut you off. Senator Bloomfield. [LB1010]

BRYSON BARTELS: Yes, Senator. [LB1010]

SENATOR BLOOMFIELD: Thank you, Senator Campbell. I want to return to my recurring theme. Is there any way we, as a state, can help turn this into a slope instead of a cliff? [LB1010]

BRYSON BARTELS: I can look at that. As stated earlier, probably need to check the federal rules on this. But I can... [LB1010]

SENATOR BLOOMFIELD: Would you get involved with us in doing that or...Senator (sic) Adams, one of the... [LB1010]

BRYSON BARTELS: I can follow up with Director Adams and the persons in the Children and Family Services Division in looking into that. [LB1010]

SENATOR BLOOMFIELD: Okay. Thank you. [LB1010]

SENATOR CAMPBELL: Any other questions from the senators? What we'll also do, Mr. Bartels, we will take a look at the letter from the department. If we see anything else, we'll send an e-mail over. [LB1010]

BRYSON BARTELS: That's fine. And if you want to e-mail me, that would be fine too. [LB1010]

SENATOR CAMPBELL: Okay. Thank you... [LB1010]

BRYSON BARTELS: Thank you. [LB1010]

SENATOR CAMPBELL: (See also Exhibit 28.) ...for presenting the testimony. Is there anyone else in the hearing room in opposition? Anyone in a neutral position? Senator Nordquist has waived closing, and so we will close the hearing on LB1010. And if you are not staying for the next hearing, please leave quietly. And with that...okay. We'll wait just a minute. We'll give everybody a minute. We'll wait for Senator Mello. While we're waiting for Senator Mello, how many people wish to testify on LB1136? Okay. One, two, three, four. One, two, three, four? Five? Sorry. And I got him. Must have missed somebody over here. All right. Senator Mello, have a seat. Just take...it's okay. In the interest of full disclosure, I commented that we didn't mean to put everyone on Appropriations on today and it was in our best interest to be very nice to all of you. So we appreciate you taking time to come down and open on your bill. LB1136 from Senator Mello would create and provide for a wage subsidy program. So you go right

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ahead, Senator. [LB1010]

SENATOR MELLO: (Exhibits 21-23) Thank you, Chairwoman Campbell and members of the Health and Human Services Committee. My name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I represent the 5th Legislative District in south Omaha. LB1136 would create a wage subsidy program in Nebraska by utilizing existing rainy-day funds from the federal Temporary Assistance to Needy Families, TANF, program, which in the state of Nebraska is referred to as the Aid to Dependent Children, ADC, program. At least 39 other states have implemented wage subsidy programs similar to the one proposed in the bill, and many states utilize funds from the American Recovery and Reinvestment Act of 2009 to create or expand their programs. Under LB1136, employers would partner with nonprofit employment agencies and apply for wage subsidies to help bring on new employees who are currently participants in the ADC program. Over a six-month period, the employer would gradually take on more responsibility for paying wages until the employee is receiving 100 percent of their wages directly from the employer rather than from the subsidies. ADC recipients who participate in the program would gain job skills and obtain access to meaningful employment, while employers would benefit from the offset costs to train new employees. LB1136 is essentially a two-year pilot project, and the bill contains reporting requirements for the Department of Health and Human Services at the end of the program. The administration of the program as well as the wage subsidies themselves would be paid for by appropriating \$1 million in each of the next two fiscal years from the TANF rainy-day fund which has a current balance of roughly \$16 million. Based on the department's estimates and the fiscal note and similar programs in other states, LB1136 should be able to provide job training opportunities for between 200 and 300 low-income Nebraskans. The committee should have just received some handouts detailing wage subsidy programs in other states, and I'd be happy to answer any questions you may have. [LB1136]

SENATOR CAMPBELL: Any questions for Senator Mello? Senator Gloor. [LB1136]

SENATOR GLOOR: Thank you, Senator Campbell. Thank you, Senator Mello. I haven't had a chance to read it, but are there safeguards in here so that this program doesn't become one where employers try to exploit it by hiring people who, in fact, they never intend to bring on a full-time status, but are using subsidized temporary hires? [LB1136]

SENATOR MELLO: Senator, Senator Gloor, we...without spelling out in detail, we provided the department the ability to adopt the rules and regulations which will really be needed to implement the program. The program itself is laid out generally in the...I would say in the concepts and some of the specifics of what the intent of the focus of the program is in the bill. But ultimately the implementation in that aspect of insuring that employers have to follow the rules and regulations that would be determined and be developed by the department. We would leave that up to the department to figure this out since it's a new program, it's a pilot project. We want to give the department the

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flexibility needed to try to create and implement this in a worthwhile workable way. [LB1136]

SENATOR GLOOR: But the bill's intent is to move people from dependency into full-time employment. [LB1136]

SENATOR MELLO: Employment, yes. [LB1136]

SENATOR GLOOR: Okay. Thank you. [LB1136]

SENATOR MELLO: Current participants, I should say, who are currently receiving ADC, to move them from ADC into employment. [LB1136]

SENATOR CAMPBELL: Got it. Questions? Any questions? Thank you, Senator Mello. I'm making the assumption you are not going to stay. [LB1136]

SENATOR MELLO: Actually, I just stopped at Appropriations and we are finished for the day, so I'll stay at the hearing. I may waive closing though. [LB1136]

SENATOR CAMPBELL: Okay. But we're glad to have you with us. Our first proponent for LB1136. Those who favor the bill LB1136. A committee decision about who comes first, huh? Good afternoon. [LB1136]

LAURA BAKER: (Exhibit 24) Hello. Hi. My name is Laura Baker, L-a-u-r-a B-a-k-e-r. I am speaking in support of LB1136. I feel this is important because being in the program I am currently a part of which is the Pathways Program through Employment First. And I feel this bill could benefit many people who are in search and need of work and/or experience in particular fields of our individual goals to maintain self-sufficiency. As well as provide the programs such as the one I'm a part of, the extra resources to people to further assist in areas of employment and work experience such as people to communicate with on possibilities for gainful employment. This bill will also be beneficial to those furthering education who have minimal income being on assistance. I am currently enrolled in college for vet tech full time while being a single mother to a beautiful four-year-old little girl as well as follow rules and guidelines to receive the assistance I am granted. Knowing there are funds and people to put to use and work, this bill will provide jobs and resources for those who not only want to improve their lives, but need the experience as well as personal assistance to provide those who are unable to retain work or self-sufficiency. I am goal oriented and ready to do for myself. Not that I am ungrateful, I just know I can do this. I need and appreciate the assistance. If not for all I am a part of, I would not reach my potential. [LB1136]

SENATOR CAMPBELL: Thank you very much for your testimony. Questions? How far are you away from finishing that program? [LB1136]

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LAURA BAKER: It ends in March. [LB1136]

SENATOR CAMPBELL: Oh, I'm sorry, you're vet tech. I should have...are you close to that? [LB1136]

LAURA BAKER: I had to do some additional education before I could actually start, so it will be in April that I'll be starting. [LB1136]

SENATOR CAMPBELL: Oh, excellent. [LB1136]

LAURA BAKER: Yes. [LB1136]

SENATOR GLOOR: You should ask her if she has any advice on bovine implants? (Laughter) [LB1136]

LAURA BAKER: I'm sorry? [LB1136]

SENATOR CAMPBELL: We had a bill on the floor in the Legislature that deals with bovine implants on veterinarians, and I would caution you that perhaps your best way to go is that you didn't come to testify for that. (Laughter) And all the senators are going to laugh because it was very... [LB1136]

SENATOR LAMBERT: Small animals. [LB1136]

LAURA BAKER: Me and implants don't mix. [LB1136]

SENATOR CAMPBELL: It is controversial on the floor. So thanks for letting us have a little chuckle here at the end of your testimony. [LB1136]

LAURA BAKER: Yeah, it's my intent everywhere I go, so. [LB1136]

SENATOR CAMPBELL: And we very much appreciate your willingness to come forward and share your story, so thanks a lot. [LB1136]

LAURA BAKER: Yes. Well, thank you for your time. [LB1136]

SENATOR CAMPBELL: Our next testifier. [LB1136]

ELLEN SEXTON: Good afternoon. [LB1136]

SENATOR CAMPBELL: And good afternoon. [LB1136]

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ELLEN SEXTON: My name is Ellen Sexton. I volunteer at Heart Ministries. [LB1136]

SENATOR CAMPBELL: You want to spell your name for us. [LB1136]

ELLEN SEXTON: S-e-x-t-o-n. And I don't have a handout for you. I do apologize. I was sort of notified late of this. I'm here to speak in support of LB1136. I had a ninth grade education. I was a dropout, a teenage mother, a rape victim, a domestic abuse victim, a mother who lost a child in a tragic accident, and a mother who was on ADC for many years. And the list goes on. I was undereducated, underskilled, and poverty stricken. I could not see any doors of opportunity. I stopped believing in myself, and I gave up on ever being able to rise above those circumstances. I did not know how to. I received some state aid off and on, and I would go through cycles of employment; but never reaching a point where I'd made a sustainable living wage. I did not have any hope of securing a decent future. Programs were far and few between. There weren't many LB1136's. Let's face it, employees have the choice to pick the cream of the crop from their applicants, and I was the curdled milk. I certainly was not the cream. There was a program though, Workforce, that did take people that qualified under their guidelines and then would place them in training programs or schools to give them skills that would enhance their ability to find a job. I reluctantly walked into the Blue Lion Center in Omaha to apply for this program. I met the guidelines financially and the asset test. I passed. There was still a problem. I had made such a mess of my young life that my program caseworker, manager, and the director thought that even if I did get the training that I would be unemployable due to my past. I needed the chance. I didn't think I was worth much at this point. Life had beaten my spirit down, yet somewhere in me I knew I needed that job, that education, and that training. I learned who funded that program, and I went on with that information. I came back and I refused to take no for an answer, and I was accepted into the program. They gave me that lifeboat. I was tired of drowning. There are many women who need programs like LB1136 and LB842. LB1136 provides a unique opportunity to partnership with the community and businesses to train and employ people that have been left behind, the diamonds in the rough who are waiting to shine. What better incentive is there for employers to get involved with LB1136--an employee who has trained to do the job an incentive in work subsidies. A perfect reason for an employer to pick this applicant, these new creams of the crop. It makes good business sense. The community gets people, in turn, who are no longer recipients of the tax dollars, but are now contributing taxpayers. Jobs reduce crime. Jobs and education provide family stability, lifting up next and upcoming generations. The potential benefits of a program such as LB1136 are endless. It says there is hope, there is opportunity. If she can do it, I can do it. Learn by example and lead by example. Let me finish my story for you. My lifeboat, the program, accepted me and sent me to computer school at New Horizons in Omaha. I learned basic computer skills and eventually I graduated an 18-month program as a certified Microsoft administrator. I successfully completed this, and then my desire to achieve became even greater. I went to find a job, and I found it at Accurate Communications, an established business in

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Omaha for the last 50 years that has satellite offices in Houston, Atlanta, Lincoln, and Sioux Falls. We service thousands of companies across the United States in many different areas. I have been employed at 40 hours a week there for the past several years. My boss, the CEO of the company, Jeffrey Zindel, is interested in LB1136 and would agree to participate in such a program. There are employers out here that see the benefit. My story didn't stop there. I enrolled in UNO four years ago. I graduated December 17 of this year with my degree in general studies in the field of criminal justice. I'm a Buffett Scholar. I also was nominated to and accepted into American Universities and Colleges Who's Who. I do volunteer work in my community. I organize and am the vice president of Laird Street Association and the organization HOOD, Helping Ourselves Obtain Dreams, which strives to uplift our immediate neighborhood. I do volunteer work. I speak regularly at UNL and UNO. I also mentor at Heart Ministries trying to help the girls and the clientele there find out how to complete their GEDs and go onto college and to get jobs, make resumes, whatever it is to uplift themselves from being dependent to independent. The most important thing, though, is I know I'm somebody; and I know I have worth, I have hope. I want to pay it forward and help others for what was given to me. LB1136 is that program that can change lives. Thank you and please support the bill. [LB1136]

SENATOR CAMPBELL: Thank you for sharing your story. Has a wonderful ending, that's for sure, and congratulations to you on your degree. [LB1136]

ELLEN SEXTON: Thank you. [LB1136]

SENATOR CAMPBELL: Any questions from the senators? Senator Cook. [LB1136]

SENATOR COOK: Just a quick question. Could I have that note that has the jobs help families and people and create...reduce crime for a stump speech I might have to make? Can I have that? Would you give that to Senator Mello's aide (laughter) so I can fold that language in? [LB1136]

ELLEN SEXTON: Sure. Yes, I will, if you can read this. [LB1136]

SENATOR COOK: That was very good. Thank you very much. [LB1136]

ELLEN SEXTON: Thank you. [LB1136]

SENATOR CAMPBELL: I think that's only allowable if you...Senator Cook I think that's only allowable if you attribute the quote to Ms. Sexton. [LB1136]

SENATOR COOK: Of course I will! She's going to sign it, (laughter) and I'm going to use it in my work here, Senator Bloomfield reminded me, and not merely as I go about my community work in my role. Thank you. [LB1136]

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ELLEN SEXTON: Thank you for your time. [LB1136]

SENATOR CAMPBELL: We do have to tell you that we're all kind of stir crazy here because... [LB1136]

SENATOR COOK: Tired. [LB1136]

SENATOR CAMPBELL: ...we went from the session to a 12:00 briefing and walked out of that briefing at 1:20 and came back at 1:30. So a number of people have snuck away for lunch except for a few of us. So if we seem a little stir crazy, that's why. Our next proponent. Good afternoon again. [LB1136]

KATE BOLZ: (Exhibits 25-26) Good afternoon. My name is Kate Bolz, that's B-o-l-z, and I again represent the Nebraska Appleseed Center for Law in the Public Interest, and I'll be as entertaining as I possibly can be for all of you. I'm here today in support of LB1136. You all know that Nebraskans have a strong work ethic and our labor force is one of our strongest economic strengths. Nebraska businesses, especially small businesses, rely on our workers to help create economic growth and success. LB1136 would utilize existing funds to provide employers opportunities to bring on additional employees with time-limited wage subsidies to help their businesses grow. LB1136 is poised to be a win-win for both business growth and work experience because it is designed to create successful job placements. It is modeled after other successful programs, and it utilizes existing funds for job creation purposes. Specifically, LB1136 allows agencies administering the ADC program to strategically work with nonprofits and employers to develop quality placements through planning and retention services and provides opportunities for those partners to provide job preparation and assessment services for clients. To the question raised earlier about the longevity of these programs, I think these retention services really set up both employers and employees for success. And I think it could prevent some of those concerns we might have about employers taking advantage of it or employees not succeeding in it. The capacity to do that up-front work is essential to ensure a success for ADC recipients. Uneven employment history, for reasons ranging from illness to job loss, often plague the success of ADC recipients in search of employment. And, moreover, 65 percent of ADC participants are young, under the age of 30, which contributes to their lack of job history. I have a letter from one such young woman, a bright and hardworking young mom named Mattice Mayo who says in her own words what this opportunity might mean to her. LB1136 is modeled after other successful wage subsidy programs which have effectively created jobs nationwide. I want to mention briefly that a significant portion of those jobs were created in small businesses and businesses that have a desire to grow, but need to mediate their risk. And Nebraska has a significant number of small businesses, and I think this could specifically benefit that sector. Finally, LB1136 uses existing funds for job creation. Nebraska has a TANF rainy-day fund; but in the

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recent rainy day, in the recent economic downturn, we did not see a significant uptick in ADC participation. We saw nominal growth. Therefore, I think we can be confident that our rainy-day funds can be targeted towards employment growth. Further, there is a federal contingency fund for ADC should a dramatic change occur, such as the Gulf oil spill that occurred a few years ago. That contingency fund can be drawn down in special circumstances. So for its positive attributes in creating job opportunity and economic growth, we urge you to advance LB1136. [LB1136]

SENATOR CAMPBELL: Thank you for your testimony. Are there questions from the senators? Thank you, Ms. Bolz, helpful information for us. Our next proponent. Our next proponent, anyone else in the hearing room? Okay. Those who wish to testify in opposition. [LB1136]

BRYSON BARTELS: (Exhibit 27) As with the last bill I testified on, Senator Campbell and members... [LB1136]

SENATOR CAMPBELL: You will have to introduce yourself again. [LB1136]

BRYSON BARTELS: My name is Bryson Bartels, B-r-y-s-o-n B-a-r-t-e-l-s. I am the legislative coordinator for the Department of Health and Human Services. Director Scot Adams was originally going to testify on this bill as well as LB1010, but he is unable at this time to testify. I am here to submit the department's testimony, and I would be happy to take back any questions you may have to the department. [LB1136]

SENATOR CAMPBELL: We'll give everybody a minute to read the testimony. [LB1136]

BRYSON BARTELS: Sure. [LB1136]

SENATOR CAMPBELL: One of the questions that I would have has to do with the fourth paragraph in the letter, and it talks about that there are considerably other programs or maybe it's in the... [LB1136]

BRYSON BARTELS: Yes, yes. [LB1136]

SENATOR CAMPBELL: Could the department outline for us all the other programs that are alluded to there? [LB1136]

BRYSON BARTELS: Yeah, we can do that. There's not...I know there's the Department of Labor Workforce Investment; but, yes, I can do that. I can do that. [LB1136]

SENATOR CAMPBELL: Okay. We just want to double-check for the record that we know.... [LB1136]

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BRYSON BARTELS: Can I get a list of those? [LB1136]

SENATOR CAMPBELL: ...what they are. Are there other questions from the senators since you've looked at the letter? I'd also like the department to provide to the committee in the last two years what they've spent the TANF money on. [LB1136]

BRYSON BARTELS: Okay. [LB1136]

SENATOR CAMPBELL: And so that we could accurately know what those amounts were and which of the programs it supported. [LB1136]

BRYSON BARTELS: Okay. [LB1136]

SENATOR CAMPBELL: I think that would be helpful. [LB1136]

BRYSON BARTELS: Okay. [LB1136]

SENATOR CAMPBELL: Any other questions from the senators? As we read the letter in greater detail, if we have questions we certainly will get back to the Director and ask. [LB1136]

BRYSON BARTELS: Yes. Please e-mail me and I can get that information. [LB1136]

SENATOR CAMPBELL: That would be excellent. Is... [LB1136]

BRYSON BARTELS: Thank you, Senator. [LB1136]

SENATOR CAMPBELL: You're welcome. Thank you for coming. Anyone else in the hearing room who wishes to testify in opposition? Anyone else in the hearing room who wishes to testify in a neutral position? Good afternoon. [LB1136]

SCOTT HAAG: How are you today? [LB1136]

SENATOR CAMPBELL: Just great. [LB1136]

SCOTT HAAG: Good. My name is Scott Haag, S-c-o-t-t H-a-a-g. I am representing Manpower. ManpowerGroup is a global Fortune 500 company with 800 offices here in the U.S. and over 4,200 worldwide. Something that we certainly are here to talk about is the world of work in general. We are experts in that field. It is something that we do on an annual basis. We survey 80,000 companies quarterly to talk to them about various different things; but things like hiring expectations, their critical needs, and we're doing that on a quarterly basis, so obviously we are in touch with companies on a national and global scale. What we do know is there are talent gaps, a skills mismatch; not only

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locally here, but on a global scale as well. We know that things that can close that gap are education and something we're kind of talking about here today, and that's work experience. Entering that work force with a skills mismatch certainly is potentially detrimental to individuals, certainly from a wage basis, if you will. And then also those individuals that are in the work force already that are looking to potentially up-skill themselves into a better position within that. So from our perspective, obviously knowing that there is talent gaps out there, there's a skills mismatch out there, things that can be made available to better that situation certainly are of interest to us. So if you have any questions based upon what we kind of see out there, certainly we have some experience in relation to what we're seeing here locally and, of course, on a global scale too. But from our perspective, that's kind of where things are at. [LB1136]

SENATOR CAMPBELL: Are there questions for Mr. Haag? So at this point certainly providing for people the ability to pick up that work experience ultimately helps them gain, I'm sure, a better step in terms of even working with an agency like yourselves. [LB1136]

SCOTT HAAG: Sure. And one of the things I know I heard earlier was in relation to temporary work or something along those lines. And the thing that we have to kind of keep in mind is, is that even staffing agencies and those types of institutions are still employers. And that's an important aspect of what happens. There are millions of people, 5 million-plus in our organization alone, that find gainful employment throughout the world. So it can be an important piece of the puzzle too. [LB1136]

SENATOR CAMPBELL: Thank you, Mr. Haag, for coming and testifying today. [LB1136]

SCOTT HAAG: You bet. Thank you. [LB1136]

SENATOR CAMPBELL: Anyone else in a neutral position? Okay. Senator Mello, would you like to close on the bill? [LB1136]

SENATOR MELLO: Briefly, knowing that you've had a very long day, I'll try to do my best. I just got a copy of the department's...essentially their opposition to the legislation. I'll try to clarify a couple of components. One, we spell out in the bill, LB1136, very clear that it's a pilot project. It's a two-year pilot project. I think the concern raised by the department that it's an ongoing fund issue shouldn't be a concern knowing that we lay it out at specifically only for two years. The other aspect that they do raise that I would be more than willing to work with the committee on is the timing of it. Their aspect, they raised the issue of being able to get contracts out by July 1 could be very difficult for them. I'd be more than willing to work with the committee to find a better date that will work to provide them a little bit more ample time. Their third issue that they raised is in regards to, quote, unquote, other programs through Workforce Investment Act or

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Department of Labor that seeks to address a remedy, a very similar issue that's in LB1136. A little information that I was just given, too, and we can get you a physical copy of it, is that the only program that we were able to identify that the department is referencing is an on-the-job training program out of the Workforce Investment Act, which the 2009-2010 numbers show that there were 33 participants in that program; 19 were employed and 14 were unemployed, which shows that the program that they're trying to reference has very low participation rates which ultimately this on-the-job training could be classified...it may be somewhat similar. The difference though is a wage subsidy program has as much benefit for the employee as it does for the employer that chooses to hire them, which is why wage subsidy programs in other states as referenced by other testifiers have proven to be much more successful in getting people not only those job skills, but keeping them employed longer term because the employer actually works with them to try to keep them ideally employed with them knowing that they're putting up as much benefit, so to speak, as they're receiving from the state. At the end of the day, I know you've had a long day of hearings, and I don't want to spend any more time belaboring the point. I know that this committee has been diligently working on significant issues that we have to deal with in regards to our child welfare system. And I understand that this may seem an issue that's kind of not been, so to speak, risen to the level as some of the other ones we know. I would make a passionate plea, though, that this is a very innovative pilot project, that while it may not be a committee priority...or committee priority bill, there are other opportunities to have...that this bill come out of the committee be amended on another bill or a couple of other bills that involve work force, job readiness, career readiness for low-income Nebraskans that are outstanding in other committees. It does not utilize General Fund dollars. It utilizes rainy-day TANF funds. And I think it can have a significant impact of trying to get people out of our public assistance program and get them to employment, which I think all of us in this room want to see happen one way or another. So I'd urge the committee to consider advancing LB1136. [LB1136]

SENATOR CAMPBELL: Questions? Senator Bloomfield. [LB1136]

SENATOR BLOOMFIELD: It's more of a statement. I just wanted Senator Mello not to be concerned about Senator Cook beating on me. (Laughter) She does it all the time. I've adjusted to it. [LB1136]

SENATOR COOK: That's not true. [LB1136]

SENATOR CAMPBELL: Senator Mello, I think that's why I asked for a list of those projects... [LB1136]

SENATOR MELLO: Okay. [LB1136]

SENATOR CAMPBELL: ...so that we can take a look at that. And, you know, part of the

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thing is, is that the company, you know, has worked with these folks. They get to know them and they know their skills and you hope that they might continue staying with that company. [LB1136]

SENATOR MELLO: Other state programs, Mississippi, has shown considerable success of utilizing a wage subsidy program in the last few years. And I have to admit, I learned a little bit about this idea at an NCSL conference this summer where their department of health and human services individual came and spoke about the program. And they showed more success out of that program than most of their other work force training programs that related to low-income Mississippians because of the connection it has to the employer and that connection an employer has with the state. It's a more...it's not just purely about the individual; it's about building a better relationship for careers with employers. [LB1136]

SENATOR CAMPBELL: Well, and, you know, speaking from a small family business, that's the kind of thing that you also want because we have many small businesses across the state. They often don't have the wherewithal to work with such a project, but this would help them. Thanks. [LB1136]

SENATOR MELLO: Thank you so much. [LB1136]

SENATOR CAMPBELL: (See also Exhibit 28) Senator Mello, if you could just stay for a minute after I close and we're going to give everybody a break, but I just need to mention one thing to you. Thank you very much. We'll close the public hearing and all of our hearings for today. [LB1136]