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Appropriations Committee
March 14, 2017

[AGENCY 25]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 14, 2017, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on the budget for Agency 25, and LB189, LB205, LB206, and LB493. Senators present: John Stinner, Chairperson; Kate Bolz, Vice Chairperson; Rob Clements; Robert Hilkemann; John Kuehn; Mike McDonnell; Tony Vargas; Dan Watermeier; and Anna Wishart. Senators absent: None.

SENATOR STINNER: (Recorder malfunction)...body to the Appropriations Committee hearing. My name is John Stinner. I'm from Gering and I represent the 48th Legislative District. I also serve as Chair of this committee. I'd like to start out by having members do self-introductions, starting with Senator Clements.

SENATOR CLEMENTS: Hello, I'm Rob Clements from Elmwood, representing Cass and Sarpy County, District 2.

SENATOR McDONNELL: Mike McDonnell, LD5, south Omaha.

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

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

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

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

SENATOR STINNER: Senator Watermeier and Senator Kuehn will be joining us later, and I know that Senator Bolz is running around here somewhere so she'll be here shortly. Assisting the committee today are Jenni Svehla. She's our committee clerk. And I am flanked again by my two favorite legislative analysts: Liz Hruska and Sandy Sostad. At each entrance you'll find green testifier sheets. If you are planning to testify today, please fill out a green sign-in sheet and hand

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it to the committee clerk when you come up to testify. If you will not be testifying at the microphone but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Move to the reserve chairs when you are ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from the representative of the agency. We will then hear testimony from anyone who wishes to speak on the agency's budget request. When you come up to testify, please spell your first and last name for the record before testifying. Be concise. I'm requesting that you limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come to testify. We will need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearing with Agency 25, Health and Human Services. Good afternoon. [AGENCY 25]

COURTNEY MILLER: (Exhibit 1) Good afternoon, Senator Stinner and members of the Appropriations Committee. For the record, I am Courtney Miller, C-o-u-r-t-n-e-y M-i-l-l-e-r, director of the DHHS Division of Developmental Disabilities. I am joined today by Doug Weinberg, director of the Division of Children and Family Services; and Sheri Dawson, director of the Division of Behavioral Health. The Division of Developmental Disabilities administers publicly funded services to nearly 5,000 individuals in community-based settings, and enrolls and provides oversight of service providers. In addition, the DD team provides services to 110 individuals at the Beatrice State Development Center, a state-operated residential community with five separate 24-hour intermediate care facilities, and individuals to six...I'm sorry, services to six individuals at Bridges in Hastings, a state-operated center for the developmentally disabled. As announced last week, the individuals at Bridges will be transitioning to willing and capable providers over the next 90 days. Over the past 18 months, the DD team has worked to improve performance and streamline services with a focus on customer service. We engaged with stakeholders across the state regarding delivery of DD services and the development of our new Medicaid home and community-based waiver services. We have established monthly

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meetings for ongoing dialogue. A redesign of the DD services application was implemented as part of ACCESSNebraska, allowing individuals to access it 24 hours a day, 7 days a week. We also streamlined the application from 14 pages to 3, and slashed the average number of days to process applications from 69 to 14. Our team has been successful in increasing the number of individuals employed or actively seeking employment. We have developed operational guidelines for staff for statewide consistency and increase outreach to individuals on the registry of unmet need. We are also rewriting our regulations so they are easier to understand, focusing on federal and state requirements and consistency. The department conducted a thorough review of all programs and services and identified both strategic increases necessary to meet critical services and strategic reductions in response to the budget gap that we believe will have the least impact to direct client care, service capacity, and recipient services. The budget proposed by Governor Ricketts reflects the realities of the current economic situation and enables us to implement operational efficiencies throughout the department and to redirect services...or resources where necessary. It is intended to continue strategic and priority services in our commitment to our mission of helping people live better lives. The recommendations build on the Governor's priorities of creating a more effective, more efficient, and customer-focused state government. In light of the recent Economic Forecasting report, the Division of Developmental Disabilities supports and is fully prepared to implement the Governor's budget recommendations. I would like to thank you and your staff for your work on behalf of the department. As with our testimony yesterday, we will not address Governor's recommendations that are included in your preliminary recommendation unless you have additional questions for us. The Governor's recommendation included a 2.2 (percent) rate reduction for providers of developmental disability services, totaling \$3.2 million in General Fund savings for fiscal year '18 and fiscal year '19. This was not included in the Appropriations Committee's recommendation. Rather, the committee's recommendation includes an increase in provider rates of 1 percent. Providers of developmental disability services received a 2.25 percent increase to their rates in fiscal year '16 and in fiscal year '17, and the department's intent is for the providers to participate in the reductions necessitated by the current budget situation. The department requests the committee include the reduction that is in the Governor's recommendation. The Governor's recommendation also includes the transfer of staff from Program 421, the Beatrice State Development Center, and to Program 033, Administration in the Central Office, to better reflect the scope of their work to support all individuals supported by the division. These positions provide expertise across our

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division, both at the Beatrice State Development Center and in community-based programs. Included are 29 full-time equivalent, or FTE, positions and 1 position under contract. They consist of a behavior support team, quality and data analytics team, licensure compliance, a training team, and information systems support. The transfer, totaling \$1.4 million in General Funds, will allow full compliance with the Medicaid home and community-based services developmental disability waiver application renewals to be approved by our federal partners. These activities will continue to be tracked and monitored in the separate subprograms. We urge the committee to include this transfer to Program 033 to accurately reflect the work. The Governor's recommendation transfers \$750,000 in General Funds from Program 421, the Beatrice State Development Center, to Program 269, Developmental Disability administration, for fiscal year '18 and fiscal year '19 to rebase home and community-based services rates and redesign our objective assessment process to determine the level of funding required for a participant receiving services from the home and community-based waivers. The committee did not include this transfer in its preliminary report. The federal Centers for Medicaid...Medicare and Medicaid Services, or CMS, expects states to rebase home and community-based services rates every five years in order to make sure that rates adequately reflect the cost of delivering services. The last rebase study of rates in Nebraska was performed in 2011. This is a CMS requirement contingent on approval of our current proposed home and community-based waiver applications. CMS has indicated that they will institute a corrective action plan mandating a rebase of the rates as a condition of approval for the waiver renewals. The redesign of the objective assessment process, what we refer to as the OAP, goes hand in hand with the rebase as it impacts the total allocation for developmental disabilities services. The current process does not provide an adequate level of specificity in determining level of need. We are challenged with this lack of fidelity to the current OAP model, resulting in high exception requests for additional funding because of medical and behavioral needs. There is a need for a rebase of rates and a full objective assessment process redesign to ensure we are adequately capturing the needs of the individuals we serve. The cost is associated with the scope of work to be performed by a vendor. I urge the committee to include this transfer to Program 269. The committee's preliminary recommendation provides funding and assumes matching federal funds for entitlement services for persons with developmental disabilities who graduate from high school or reach the age of 21. I want to bring to the committee's attention that, as written, guidance from the Centers for Medicare and Medicaid Services is that prioritization of participants to receive state entitlement

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services would not be approved within the Medicaid funded home and community based waiver application. This means federal funds could not be used and these services would be funded with 100 percent General Funds. I encourage the committee to change this to match the Governor's recommendation which adds nearly \$1.7 million General Funds for fiscal year '18 and \$3.5 million General Funds for fiscal year '19, along with federal matching funds for DD services as allowed under federal waiver guidance. In addition, current statute prioritizing funding entitlement services for graduates over all other capacities, including health and safety. Passage of LB495 will not result in a reduction of appropriations, nor any budgetary savings. If LB495 is not passed into law, the result will be the need for additional appropriations. The state will face an additional General Fund impact of \$2.5 million in fiscal year '18 and \$3.7 million in fiscal year '19 to serve graduates and an additional 74 individuals previously denied who graduated from a high school located outside of the state of Nebraska. I urge the Appropriations Committee to encourage the Health and Human Services Committee to advance LB495. In light of the announcement last week of the transition and permanent closure of Bridges located in Hastings, the department requests the transfer of 12 staff from Program 421, the Beatrice State Development Center, into Program 033, Administration in the Central Office, to be repurposed to effectively support quality management initiatives for community-based DD programs. The transfer, totaling \$308,905 in General Funds, will allow the department to develop a more robust and effective quality assurance system. The department also requests the transfer of \$2 million from Program 421, the Beatrice State Development Center, into Program 424, Developmental Disabilities Aid, to serve the 6 residents transitioning from the Bridges program and the additional savings to be reinvested in community-based services for individuals with developmental disabilities to serve 12 to 52 individuals on the wait list, dependent on services needed. This request is supported by Governor Ricketts. Thank you for your consideration of these items. I'm happy to answer any questions that you may have. [AGENCY 25]

SENATOR STINNER: Thank you. Have questions? Senator Hilkemann. [AGENCY 25]

SENATOR HILKEMANN: Yes, Ms. Miller, thank you for coming today. Now on this Beatrice State Development Center you're...how many residents do we still continue to have down there at the center? [AGENCY 25]

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COURTNEY MILLER: We currently serve 110 residents. [AGENCY 25]

SENATOR HILKEMANN: A hundred and ten. So we are still looking at a budget where we're spending about \$400,000 per resident, is that correct, even with these changes? [AGENCY 25]

COURTNEY MILLER: The number is based on actual expense. The census average of 113 from March 1, 2016, to February 28, 2017, was estimated or approximately the cost per person per year was \$352,000 per resident. [AGENCY 25]

SENATOR HILKEMANN: Three hundred and fifty-two thousand. [AGENCY 25]

COURTNEY MILLER: Yes. [AGENCY 25]

SENATOR HILKEMANN: Okay. You mention in here that we're going to have these greater efficiencies. What efficiencies are we going to be able to come up with there at Beatrice to start lowering that number? [AGENCY 25]

COURTNEY MILLER: So the \$352,000 does not include the recent staff reduction or the transition of the Bridges program and does not include our LB895 work on the plan for BSDC moving forward. [AGENCY 25]

SENATOR HILKEMANN: But if I remember right, we're saving about \$2 million total from the budget, is that correct, kind of with these changes, or \$2.9 (million) I think it is? [AGENCY 25]

COURTNEY MILLER: Two point nine for the changes for BSDC rightsizing? [AGENCY 25]

SENATOR HILKEMANN: Yeah. Your...what you just...in your...I'm sorry, I was...and your transferring some money, did you say \$2 million? [AGENCY 25]

COURTNEY MILLER: With the rightsizing effort at BSDC, the savings was approximately \$1.6 million. And the efficiencies and cost savings from the Bridges program, many of the dollars

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follow the individual to serve them in the setting that they're transferring to. The savings after the 12 repurposed positions is around \$400,000. [AGENCY 25]

SENATOR HILKEMANN: Okay. So we're not going to expect a real large decline in that three hundred and, what did you say, your number came up three...? I'm sorry, you said per resident cost was three...? [AGENCY 25]

COURTNEY MILLER: Three hundred and fifty-two thousand. [AGENCY 25]

SENATOR HILKEMANN: So with these changes, we're not going to see much decrease in that \$352,000. Am I correct? [AGENCY 25]

COURTNEY MILLER: I think we will see additional saving in that \$352,000. The \$352,000 reflects the work that we have done through February 28. [AGENCY 25]

SENATOR HILKEMANN: You know, we've had some private agencies come in here and I've asked that question, their per cost, and they have full-time care such as we have at Beatrice, and they gave the number of about \$120,000 a year. Why is it...why are we...we're a huge outlier in what it costs per resident per year. [AGENCY 25]

COURTNEY MILLER: Much of it is acuity levels, so it's dependent on the nature of the individuals we serve with higher medical and behavioral needs. [AGENCY 25]

SENATOR HILKEMANN: Okay. But we're looking at an average cost of \$200,000 per person more to continue that. [AGENCY 25]

COURTNEY MILLER: Uh-huh. That is work that we're looking to explain or lay out in the LB895 report for you that's coming June 1 to the Governor and the Legislature. [AGENCY 25]

SENATOR HILKEMANN: So when this report comes, we may have some further...and I just...I just...I don't want...I'm just concerned that this is...it just seems to me that we need...and I'll look forward to that report. Let's put it that way. But I just am continued to be concerned at the

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amount of money that we're spending at the Beatrice Home and whether we're going to keep doing it. And obviously, you know, it's important that we continue to provide that care. I certainly am not minimizing the care and I'm glad that we provide that care for the people. But also, I think that we, as...we're responsible also to do the...we're getting the most efficiency for the clients as well as for the people of the state of Nebraska. [AGENCY 25]

COURTNEY MILLER: Thank you, and we agree that we need to be good stewards of the taxpayer dollars and we're cognizant of that as we move forward with the LB895 report. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

SENATOR STINNER: Could you tell me the status? There was a CMS audit that was conducted. Obviously, federal funds then were discontinued. State funds continued at about 48 percent reimbursement for DD providers. [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR STINNER: There was an estimated, I believe, \$32 million of money that was paid by the federal government prior to October and that is kind of a clawback. What is the status of that? [AGENCY 25]

COURTNEY MILLER: Thank you for the question. It was actually not based on an audit. We self-identified the issue as we were doing the rate methodology for the new service array when CMS gave us the direction to unbundle our waiver services. And what we determined that was what was currently in the CMS approved application was not in alignment with our billing guidelines in which we gave approval for providers to bill weekends for day habilitation and CMS considered that a duplication of what was already included in the rate. And \$32 million is the universe of claims in which we are reviewing and we are actively working with CMS now to come to agreement on the methodology for the payback of those, of those claims. And that number is not yet decided. [AGENCY 25]

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SENATOR STINNER: How about the status of the waiver that was supposed to have been done March 1? Has that been granted, the waiver, so...? [AGENCY 25]

COURTNEY MILLER: That waiver has not been approved yet. It was submitted and they, CMS, has 90 days to approve. We indicated a March 1 implementation date. They have indicated that they cannot grant approval by that date, so we are hopeful for an April 1 date. The latest, the 90-day clock, ends April 28. [AGENCY 25]

SENATOR STINNER: So what provisions have we made at the state level to help reimburse and keep these providers out there doing what they're doing? Obviously, a hit of 52 percent on their revenue is substantial. [AGENCY 25]

COURTNEY MILLER: This impacted approximately 49 residential providers and we are working with them to determine their needs and the services that they provide to their residents. We have passed bill in which we can reallocate dollars and our carryover funds to disburse that to them, and we're actively working on that now to get that out as quickly as possible. I believe the total reimbursement for providers to replace those federal funds is \$6.5 million. [AGENCY 25]

SENATOR STINNER: Okay. That should be getting to the providers like this week or next week so they can make payroll and pay rent and utilities and all the rest of that, or are they having to try to find a bank to...we're pulling on their reserves or whatever? [AGENCY 25]

COURTNEY MILLER: I can assure you, we're working as quickly as possible to disburse those funds. What we don't what to do is determine the methodology and disburse those funds before we know that all the claims are received of the universe of claims that we have to adjust. Because if those claims are not in and we distribute those dollars, then there won't be the dollars available to those. So we're working with providers to ensure that they have adequate service authorizations to be able to submit those claims and we have those claims in the full. [AGENCY 25]

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SENATOR STINNER: So they got to get their paperwork under control so that you can approve them, but we've had how many since October through March? How many months of that to do that? I mean... [AGENCY 25]

COURTNEY MILLER: Providers have six months to submit a claim under the federal authority of the Medicaid waivers, and so we're working with providers to shorten that time frame significantly in order to distribute those dollars. [AGENCY 25]

SENATOR STINNER: Okay. And we allocated through the deficit bill about \$3.5 million. Has that money been sent to the providers yet? [AGENCY 25]

COURTNEY MILLER: No, that is the amount that we're working on with the additional of the carryover dollars for the total of the \$6.5 million to disburse. So at this point we're collecting the claims information to determine appropriate and fair, adequate distribution of those dollars to those claims. [AGENCY 25]

SENATOR STINNER: So that's about six months' worth of income that these people have had to lose and try to stay in business. I mean at what point in time do these people just quite providing the services out there? [AGENCY 25]

COURTNEY MILLER: We've been very fortunate in that we have not had any providers indicate that they're closing their doors as a result of the loss of the federal funding. We understand that they're struggling and we're working very quickly to get that money out. [AGENCY 25]

SENATOR STINNER: So they haven't closed their doors as of today, but tomorrow is another day without... [AGENCY 25]

COURTNEY MILLER: Correct. [AGENCY 25]

SENATOR STINNER: ...without funding. [AGENCY 25]

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COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR STINNER: Okay. Any additional? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: I'd just like to ask a couple of follow-ups on that, if that's okay. [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR BOLZ: And I always say for the record that I have a conflict of interest. I work with a developmental disability system and I always try to be above-board about that. But I guess a couple of questions: Because of the April 1 hopeful waiver renewal date, we'll have an additional month beyond what was accounted for in LB22 of lost federal funds. That's correct? [AGENCY 25]

COURTNEY MILLER: Correct. [AGENCY 25]

SENATOR BOLZ: And the question that I also would like to ask is because it will take time to transition people on to the new waiver even assuming an April 1 date, will some providers have some ongoing lost federal funds beyond April 1 or will we be able to make things right beginning April 1? [AGENCY 25]

COURTNEY MILLER: So our hope is that we can continue to work with the providers, and as well as the individuals and their guardians if they are involved, to expedite the transition. So it's those that are in continuous residential and those that are in continuous day. It's approximately 1,000 individuals that we can look to expedite them and transition them over to the new service array to be able to receive that temporary enhanced match with the improved waivers to make up for those dollars. [AGENCY 25]

SENATOR BOLZ: So we're hopeful that the waiver will go live April 1 and that those folks who are on the residential services which are most greatly impacted, that those folks will be moved forward as quickly as possible. [AGENCY 25]

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COURTNEY MILLER: As quickly as possible, yes. [AGENCY 25]

SENATOR BOLZ: But there may still be a couple of weeks even worth of lost federal funds because you can't transition everyone immediately. Am I correct about that? [AGENCY 25]

COURTNEY MILLER: We're looking at...it's informed consent. The individual gets to choose when they transition from the old services to the new, so it's working closely with the individual and their provider team to transition as quickly as possible to meet the needs of everyone. [AGENCY 25]

SENATOR BOLZ: Okay. And another...a couple of other questions while I've got the mike here: One is I think it's helpful, and you and I have had conversations about this before but for the sake of the record and the conversation, CMS has...they have requirements around statewide access. So we need to have a system that serves individuals across the state. Could you, for the committee and for the record, just talk a little bit about the CMS expectations related to access to services? [AGENCY 25]

COURTNEY MILLER: So access to services is one of the main principles on the home and community-based waiver. And access comes into play with the availability of providers, adequate provider rates, and the service array is available across the state. And those assurances must be provided in quarterly reports to CMS. They monitor the waivers very closely and the individuals that we serve, those that are accepted and enrolled into the waiver and their provider service array. And we have expanded service availability with the new waiver applications to include independent providers to provide habilitative services to also assist with areas of the state in which access is a challenge. [AGENCY 25]

SENATOR BOLZ: Okay. One last question and then I'll turn over the microphone. I want to talk a little bit about the intersection between the Appropriations Committee and the Health and Human Services Committee as it relates to serving youth who are currently entitled through a state entitlement service... [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

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SENATOR BOLZ: ...versus under the waiver. And as I understand the request from the department, the goal is to pass LB495, which would remove the entitlement, which would allow for federal funds. And then we could appropriate the dollars as requested and serve that population. So I understand those moving parts. My question is how we ensure the service provision of that population in an ongoing way under the waiver. [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR BOLZ: If we are removing that entitlement, how do we make sure that that population still gets the services that they're counting on and that we've had a commitment to as the Legislature over time? [AGENCY 25]

COURTNEY MILLER: That has been a topic of conversation with stakeholders and senators as well included in that stakeholder group. We have worked to...in our waiver application, we have utilized the option to do reserve capacities, and what reserve capacities allow you to do is reserve a number of the CMS (inaudible) slots or funding opportunities for individuals; that you may reserve a certain number of slots for a specific purpose. And so in the developmental disabilities adult day waiver we have reserved 200 slots annually for incoming graduates that are transitioning from the education program into the adult system to maintain that skill set and have the best chance at economic self-sufficiency to maintain those skills. And so the reserve capacity allows us to ensure that there is a slot for them on the waiver even though we have a wait list. [AGENCY 25]

SENATOR BOLZ: And so I'm clear, there's a difference between that reserve capacity and a prioritization, right? [AGENCY 25]

COURTNEY MILLER: Correct. [AGENCY 25]

SENATOR BOLZ: And so would the slots or the reserve capacity, would that be contingent upon appropriation? [AGENCY 25]

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COURTNEY MILLER: All funding for the developmental disabilities is dependent upon appropriations, yes. In order for the program to continually grow, the appropriations is needed... [AGENCY 25]

SENATOR BOLZ: Right. [AGENCY 25]

COURTNEY MILLER: ...to serve additional individuals each year. [AGENCY 25]

SENATOR BOLZ: And I don't mean to be tricky about asking the question. What I'm trying to get on the record is that if we make this transition, we still need to continue our commitment to serving that population even if it's no longer entitlement. If the goal is to serve the young people and make sure that they don't lose the progress that they've made through special education, if all of those policy goals are to be met through additional leveraged funding from the federal government, this committee and future committees need to continue that commitment, which is I guess my editorializing rather than a question for you. But you're more than welcome to make a comment. Thank you. [AGENCY 25]

SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, thank you, Director Miller, for being here today. You had mentioned the Governor's recommendation was to transfer \$750,000 in General Funds from Program 421, BSDC, to Program 269, Developmental Disability Administration. Where did you arrive at that number and...because it seems very high to me? [AGENCY 25]

COURTNEY MILLER: The \$750,000 is the General Fund match. We will receive federal matching dollars for that effort, for that work. That was based on our discussions with our vendor to provide those services for the full rate... [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

COURTNEY MILLER: ...methodology study, including stakeholder engagement so that we were transparent and work closely through the entire process, as well as the objective assessment

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process redesign. So that whole effort, the amount given was the \$750,000 in General Funds that would be necessary to achieve that goal. [AGENCY 25]

SENATOR WISHART: Okay. And then going back to talking about the program that Senator Bolz and you were talking about, is there a wait list for those day services? [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR WISHART: And can you tell me how many people are on that wait list? [AGENCY 25]

COURTNEY MILLER: Yes. So we have approximately 2,465 individuals on our wait list that are past their date of need; 999 individuals are receiving a DD service. They are waiting for the comprehensive adult waiver or residential services at this time. [AGENCY 25]

SENATOR WISHART: So somebody who's on...1 of those 2,000 individuals who's on that wait list, what are the other options for them other than those day services? [AGENCY 25]

COURTNEY MILLER: So we've done outreach for the registry of unmet need, the registry or the wait list. They're a bit simultaneous. Essentially, we have assigned service coordination to those individuals; that it's been some time since we've done that outreach for all the names on that list and touched base with them as an individual to assess their needs and see if we can assist them in any other way with department or other community services. And also looking at them to see if their needs have changed since they initially applied. Perhaps they meet or they are reaching the status of what we term "priority one" based on the statute, and that would be that they are in jeopardy of homelessness, health and safety, or abuse and neglect. [AGENCY 25]

SENATOR WISHART: So how many people are at a priority one level who are on that wait list? [AGENCY 25]

COURTNEY MILLER: Those that are on the priority one level we have found funding for,... [AGENCY 25]

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SENATOR WISHART: Okay. [AGENCY 25]

COURTNEY MILLER: ...so they are not on that list. [AGENCY 25]

SENATOR WISHART: Okay. And then what would it take us to fully fund everybody receiving services on that wait list? [AGENCY 25]

COURTNEY MILLER: I don't have that number with me, but I believe the numbers given in past years is around \$10 million. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

COURTNEY MILLER: But I could follow up with that exact number for the committee. [AGENCY 25]

SENATOR WISHART: Yeah. (Inaudible). [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Just one more, following up from Senator Wishart's questions: Do you have existing capacity for the wait list now? Or maybe phrased differently, can you tell me about the current capacity you have for priority one or priority two? For the priority folks who may come into the system? Where does that money come from? [AGENCY 25]

COURTNEY MILLER: The money generally comes from attrition in the services, so individuals that are currently on waivers services, if they pass away or they move out of state or seek other options and they no longer wish to receive our services. That's generally what we'd use for attrition to serve those priority ones. We have also used additional dollars from the graduate appropriation that has come into the system. If those...if the number of graduates, if they had declined services at that time, then that money is utilized for priority ones. [AGENCY 25]

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SENATOR BOLZ: And so is part of your request of the excess funding or the excess savings from BSDC going to the wait list so that you have more cushion to serve priority one folks? Or is it more focused on the wait list? [AGENCY 25]

COURTNEY MILLER: It's focused on who needs the services, and so that could be a mix of priority ones, if that's the need at the time, or others that need services just on the first come, first served by date of application. [AGENCY 25]

SENATOR BOLZ: Uh-huh. Yeah. And we can have the rest of this conversation off the mike. I just want to make sure that we've got appropriate capacity in the system to serve someone who might be in a crisis and sometimes it makes me a little bit nervous that the way that we've traditionally funded those has been through attrition. [AGENCY 25]

COURTNEY MILLER: Uh-huh. [AGENCY 25]

SENATOR STINNER: Senator Hilkemann. [AGENCY 25]

SENATOR HILKEMANN: Yes, Ms. Miller, before you leave, when I first came on this Appropriations Committee, that number was...we came up with was \$450,000 for BSDC. You're down to \$352,000. We're going in the right way and I want to thank you. [AGENCY 25]

COURTNEY MILLER: Thank you. [AGENCY 25]

SENATOR STINNER: I do have a question on provider rate reductions. [AGENCY 25]

COURTNEY MILLER: Yes. [AGENCY 25]

SENATOR STINNER: Now based on what I'm reading here that because we gave them 2.25 increases for two consecutive years, that that's the rationale for reducing their provider rates by 2.2 percent or...? [AGENCY 25]

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COURTNEY MILLER: I wouldn't say that that's the complete rationale. I would say that that's a contributing factor. We looked departmentwide across the full array of services in every division and knew that we needed to contribute to this economy and the situation that we're in now. And I frequently heard that we all had to pull up our bootstraps. And so that was the...the 2.2 percent we felt was something that we could achieve with developmental disabilities. [AGENCY 25]

SENATOR STINNER: Done any kind of study? I see that you're looking at a rebasing. Let me see. Rebase community-based services every five years, which means that you probably put together a cost study, is that right, or a market study or how? What entails a rebasing and that study in order for us to get a waiver apparently? [AGENCY 25]

COURTNEY MILLER: Uh-huh. So the rate rebase is a couple of different things. One is looking at the provider's actual cost to do business. It also works at a market study of those in our surrounding states or in our region. It also takes into place direct care staff and wages and what it costs to retain employees and provide a fair wage in Nebraska. [AGENCY 25]

SENATOR STINNER: That would be something I'd be very much interested in looking at because I don't really have a rationale for allowing a reduction to a provider that every time I talk to the providers they're barely breaking even. I mean they're not making a whole lot of money out there. So we'd like to keep those providers in place. We'd like them to provide the services that we'd like to see them provide. Any additional questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: Just following up on the provider rate reductions in the rebasing, have we ever had a rebasing that has reduced the amount of dollars that we would put in, that have reduced rates? [AGENCY 25]

COURTNEY MILLER: I can't speak to that, if that's happened in years past. I've only been with the Developmental Disabilities for a little over a year, since... [AGENCY 25]

SENATOR WISHART: Oh, okay. [AGENCY 25]

COURTNEY MILLER: ...September of 2015. [AGENCY 25]

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SENATOR WISHART: Okay. [AGENCY 25]

COURTNEY MILLER: So I'm not aware if there was a reduction. I know that the last rebase was done in 2011. [AGENCY 25]

SENATOR WISHART: Okay. And did that...and what were the results of that? [AGENCY 25]

COURTNEY MILLER: That was a provider increase with many different factors. I believe it also added additional dollars for the wait list to serve more individuals as well as the provider rates. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Just a comment. It was my first year on the committee and I think the rate methodology increase was \$15 million overall, and then there was an additional \$5 million put in also during my time on this committee for the wait list. So I think our past experience with rate methodologies is they generally result in increased costs related to increased federal expectation and the cost of doing business. [AGENCY 25]

SENATOR STINNER: Any additional questions? Seeing none, thank you. [AGENCY 25]

COURTNEY MILLER: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Good afternoon. [AGENCY 25]

DOUG WEINBERG: (Exhibit 1) Good afternoon, Senator Stinner and members of the Appropriations Committee. For the record, I am Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g, director of the DHHS Division of Children and Family Services. The Division of Children and Family Services provides services to some of the state's most vulnerable citizens, including children, families, and the elderly. Our Protection and Safety Team provides a variety of services

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statewide to children and youth and their families, as well as vulnerable adults who have been abused or neglected. We also serve youth at the Youth Rehabilitation and Treatment Centers in Kearney and Geneva. Our Economic Support Team provides all economic assistance services to low-income Nebraskans through two customer service centers in Fremont and Scottsbluff, and more than 50 field offices across the state. Child Support Enforcement services are also an important part of what we do. Over the past two years, the Economic Assistance Team has focused on ACCESSNebraska process improvements that have made a considerable difference in our operations, resulting in efficiencies and significantly improved customer service. Our goal for call wait times is to be under five minutes, and we want to process applications within ten days. We are meeting those goals. The average call wait time in 2016 was 3 minutes and 45 seconds, and the average days to process an application was 9.97 days. In federal fiscal year 2016, our timeliness rate in processing applications for recertification for SNAP reached 92 percent, up from 69 percent in federal fiscal year 2015, and our timeliness rate for new applications increased from 90 percent in federal fiscal year 2015 to 94 percent in federal fiscal year 2016. Nebraska is ranked 17th in the country with a 94.44 rate in processing SNAP applications. One year ago that same federal report had us ranked 32nd in the nation, and at the same time in 2014 we were ranked 52nd. We also receive a \$607,000 grant from the federal government to make improvements, including the ability to text clients, implement work force management software and electronic message boards at the customer service centers to show real-time performance data. All this positive news leads to one important fact--

ACCESSNebraska is more efficient and effective and is more customer focused. The Protection and Safety Team is seeing success with alternative response aimed at keeping kids safe with their families. Since alternative response began we have served 817 families with wraparound supportive services without the children becoming wards of the state. The percent of families who had a child placed in out-of-home care in alternative response is 2.5 percent, compared to the removal from traditional response control group of 9 percent. Alternative response has been implemented to date in 57 counties. We will be statewide by the end of this calendar year with the passage of legislation this session. Some children must be removed from their families to keep them safe. When this happens, it is less traumatic if children can be placed with relatives and people they know. In February 2017, 59.1 percent of children in out-of-home care were with a relative or kin placements. Because we have seen such success in ACCESSNebraska and other areas with process improvements, we are now focusing on similar activities in Protection and

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Safety. In addition, we are studying the service array available across the state for children and youth involved in the child welfare system to identify and implement needed evidence-based services to keep families intact when it is safe to do so. We also continue to meet six of seven child welfare standards measured by the federal government. The work of Mark LaBouchardiere, who was hired last April as facility administrator at the Youth Rehabilitation and Treatment Center in Kearney and now serves as the Office of Juvenile Services administrator, has resulted in a dramatic decrease in escapes and assaults on staff, thanks to operational improvements, including changes to the hiring and training processes. At the first week in March, YRTC-Kearney had six Youth Program Specialist vacancies. As part of their process improvement, they already had offers out to qualified candidates to fill three of those vacancies and anticipate to have no vacancies by the end of March after the closing of the next position posting. They actively recruit and interview for positions on an ongoing basis. The additional positions included in both the Governor's recommendation and the committee's preliminary report will make a considerable difference going forward. Thank you for including that. The department conducted a thorough review of all programs and services and identified both strategic increases necessary to meet critical services and strategic reductions in response to the budget gap that we believe will have the least impact to direct client care, service capacity, and recipient services. The budget proposed by Governor Ricketts reflects the realities of the current economic situation and enables us to implement operational efficiencies throughout the department and redirect resources where necessary. It is intended to continue strategic and priority services in our commitment to our mission of helping people live better lives. The recommendations build on the Governor's priorities of creating a more effective, more efficient, and customer-focused state government. In light of the recent Economic Forecasting report, the Division of Children and Family Services supports and is fully prepared to implement the Governor's budget recommendations. I would like to thank you and your staff for your work on behalf of the department. I will address the areas where there is a difference between the Governor's recommendation and the committee's preliminary report. The Governor recommended a reduction of \$170,000 in General Funds for fiscal year 2018 and 2019 to reflect savings from shifting the costs of conducting background checks for foster parents for licensing purposes from the department to agency-supported foster care providers, reducing reliance on General Fund. The division currently contracts with 22 agencies to ensure foster parents who affiliate with their agency complete a background criminal check with the FBI through the use of fingerprints.

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These agencies receive an administrative rate to cover the costs of recruiting, training, licensing, and supporting foster parents who affiliate with them. Conducting background checks is part of this licensing process. The division currently pays for approximately 5,900 fingerprint background checks annually for foster parents who affiliate with an agency, for a total cost of approximately \$170,000 per year. The committee did not include this in its preliminary budget. We urge the committee to adopt the Governor's recommendation resulting in General Fund savings. The Governor has recommended a reduction of \$2,068,529 in General Funds in fiscal years '18 and '19 to reflect savings achieved by ending a contract for voluntary postadoption and postguardianship services, and shifting the activity to current DHHS staff. These services are not federally mandated and there are no federal matching funds. Through process improvement activities, the division will identify staff from Central Office and field offices to be redirected to support adoptive and guardianship families. The activities will focus on providing crisis management to help support placements and maintain permanency; connecting adoptive and guardianship families with local community resources for respite care, mental health services, support groups, and positive family activities; and review and revise subsidy agreements. The committee did not include this in its preliminary budget. We urge the committee to adopt the Governor's recommendation resulting in General Fund savings. The Governor's recommendation included a provider rate reduction by an average of 2.2 percent for congregate care services--group homes and emergency shelter centers, family support services, and drug testing services. This was not included in the Appropriations Committee's recommendation. Rather, the committee's recommendation included an increase in provider rates of 1 percent. The Governor's recommendation reflects savings of \$640,914 in General Funds in fiscal years 2018 and '19. This reduction is realized through provider participation in the reductions necessitated by the current budget situation, by focusing on promoting service delivery efficiencies and continuity across the state, and through a realignment of historic and projected utilization. The department urges the committee to include this item in its recommendation. The Governor recommended a reduction in child welfare aid of \$4,516,875 in General Funds for fiscal years 2018 and '19 as a result of shifting the delivery of parenting support services for relative and kinship families from child placing agencies to the Division of Children and Family Services' staff. This recommendation includes \$740,560 in General Funds for both fiscal year 2018 and '19 for an additional 14 staff to assume these duties, for the net savings of \$3,776,315 in each fiscal year. Our "subawards" with child placing agencies currently exclude the Eastern Service Area, which is managed through

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Nebraska Families Collaborative, and the Western Service Area, where the department employees currently provide support to most relative and kinship foster homes. Services provided by child placing agencies essentially include three parenting levels of care: essential, enhanced, and intensive. The department will continue to rely on child placing agencies for these levels of support for those children placed in their licensed foster homes, as well as for those children placed in a relative or kinship home that are referred to them. Division staff will provide these levels of supports to approximately 50 percent of the children placed in relative and kinship foster homes. Department staff will also focus on licensing relative and kinship families in order for the department to be successful in accessing federal IV-E funds. The department urges your support with the Governor's recommendation. The Governor's recommendations include a reduction of \$752,813 in General Funds for fiscal years 2018 and 2019 to domestic violence programs, which is half of the department's \$1.5 million modification. These agencies are not wholly dependent on DHHS funding and have access to additional funding resources. In addition, they do not exclusively serve families otherwise involved in DHHS services. The Governor's recommendation reflects savings to be achieved by reducing funding to domestic violence programs by 50 percent. We respectfully request the committee to include this item in its recommendation. There are three legislative bills associated with the budget reductions necessary to meet the savings identified in the Governor's recommendations for DHHS. LB333 is in the Health and Human Services Committee, and the department urges the Appropriations Committee to encourage the Health and Human Services Committee to advance it. LB335 and LB336 are on General File, and we urge your support of them. A fourth bill, LB344, has been indefinitely postponed. LB333, offered by DHHS as a budget modification and introduced at the request of the Governor, would end the State Disability Maintenance Program. This program provides a cash payment to people who have received a disability determination denial by the federal Social Security Administration because they have not met the duration requirement of having a disability for more than 12 months. This program serves about 50 individuals at any given point in time, with assistance averaging approximately \$740 per month for up to 12 months. It is financed entirely out of state General Funds. It is not federally mandated and there are no federal funds associated with it. About 90.5 percent of fiscal year 2016 General Fund appropriations were spent in fiscal year 2016. Ending the State Disability Maintenance Program results in General Fund savings of \$466,684 in both fiscal years 2018 and 2019. It would also end the Disability Medical Assistance Program, which pays for medical assistance for people

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who received a disability determination denial by SSA for the failure to meet the duration requirement of more than 12 months but meet eligibility criteria for a state program. Payments to providers are based on a fee for service and paid at the Medicaid rate. The program serves about 50 individuals, with medical assistance averaging about \$5,833 per month per client, for up to 12 months. About 57 percent of fiscal year 2016 General Fund appropriations were spent in 2016. The program is financed entirely out of state General Funds, it is not federally mandated, and there are no federal funds associated with it. Ending the State Disability Medical Assistance Program would result in General Fund savings of \$3,766,035 for fiscal year '18 and '19 for a total savings of \$4,232,719. LB335, offered by DHHS as a budget modification and introduced on behalf of the Governor, would hold current childcare subsidy rates through September 30, 2018. Current state statute requires DHHS to adjust the reimbursement rate paid to childcare subsidy providers every two years based on a market rate survey. LB335 would exempt the department from adjusting rates to take effect on July 1, 2017, through the federal fiscal year ending September 30, 2018. LB335 would result in estimated General Fund savings of \$7.4 million in state fiscal year '18 and \$1.85 million in state fiscal year 2019. LB336, offered by DHHS as a budget modification and introduced at the request of the Governor, would implement a nominal charge of \$2.50 for each background check against the department's Child Abuse and Neglect Central Registry. This will offset the costs of conducting an average of 10,000 registry background checks each month and generate an estimated \$300,000 cash funds to reduce reliance of \$300,000 in General Funds in both 2018 and 2019. Currently, 5.5 full-time staff assistants and one program specialist conduct background checks. This funding will help ensure background checks are completed efficiently by exploring newer automation to assist with this processing. There is currently no charge for this service. Thirteen other states charge for this same service, ranging from \$7 to \$30 per check. Midwestern states include Kansas at \$10, Wyoming at \$10, Minnesota at \$20, and Colorado at \$30. The Nebraska State Patrol also charges a fee for background checks. Again, the department requests the Appropriations Committee support these bills. A fourth bill, LB334, offered by DHHS on behalf of the Governor, has been indefinitely postponed. It would have shifted the delivery of family finding services to department staff instead of two providers that cover all but the Eastern Service Area. DHHS staff across the state have developed these skills and are actively involved in locating and engaging family members. Largely as a result of this efforts, the percentage of children placed with relatives or kin has increased from 36 percent to over 59 percent since the beginning of 2014. A

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total of 37 referrals were made to the two family finding contractors between July 1 and December 31 of 2016, representing between 1 and 3 percent of the total placements that were generated during that time. LB334 would have resulted in General Fund savings of \$883,800 for fiscal years 2018 and 2019. Thank you for consideration of these items. I'm happy to answer any questions you may have. [AGENCY 25]

SENATOR STINNER: Questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, thank you, Director Weinberg, for being here today. First, I want to commend you on the work you've done with ACCESSNebraska. [AGENCY 25]

DOUG WEINBERG: Thank you. [AGENCY 25]

SENATOR WISHART: You know, I think it's even more crucial that we continue to improve our child welfare system. I have personal experience as a foster parent and also with the limited time that I've been serving in the Legislature, I see that we have some significant needs of improvement with the child welfare system. I have been reading through some of the reports from the Office of the Child Welfare Inspector General. [AGENCY 25]

DOUG WEINBERG: Uh-huh. [AGENCY 25]

SENATOR WISHART: And there were reports of deaths and child abuse of children who are within state care. Can you talk to me about those circumstances and what we're doing as a department to make sure this doesn't happen again? [AGENCY 25]

DOUG WEINBERG: Sure. Safe...child safety is obviously always our first and foremost priority and we take every step that's available to try and assure the safety of children in our care. Unfortunately, deaths will happen. We can't control everything. We can't continuously monitor every foster parent or every placement, so we will have unfortunate things happen within the system. But I believe we've implemented enough safeguards, programs, policies, and practices to ensure, to the best of our ability, the safety of the children we serve. [AGENCY 25]

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SENATOR WISHART: So can you speak a little bit about those...the deaths? Where did they happen, in what part of Nebraska? And have we gone through an investigation to understand what we could have done to prevent that from happening? [AGENCY 25]

DOUG WEINBERG: Absolutely. These were both, you know, deaths as well as serious injuries. They weren't... [AGENCY 25]

SENATOR WISHART: Yeah. [AGENCY 25]

DOUG WEINBERG: ...all deaths. And they happen statewide throughout the entire state. There's no one particular area that had a concentration. You know, it's both urban areas, rural areas, eastern Nebraska, and western Nebraska. But for every serious injury or child fatality, we do a very extensive internal review and try to, you know, learn from any mistakes that may have been made and try to improve our processes accordingly. [AGENCY 25]

SENATOR WISHART: Okay. I want to ask a little bit about your work force needs. What is the turnover rate for caseworkers currently? [AGENCY 25]

DOUG WEINBERG: Our turnover rate in 2016 was about 29 percent. [AGENCY 25]

SENATOR WISHART: Okay, 29 percent. And what is the longest tenure of a caseworker in your department? [AGENCY 25]

DOUG WEINBERG: I don't know offhand. I'm sure it's, you know, multiple decades. [AGENCY 25]

SENATOR WISHART: Okay. And then are we offering any merit increases for caseworkers? [AGENCY 25]

DOUG WEINBERG: I don't believe so but I'm not 100 percent sure what's in the payroll budget for this coming biennium. [AGENCY 25]

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SENATOR WISHART: Okay. And then how many vacancies are there for front-line caseworkers right now? [AGENCY 25]

DOUG WEINBERG: There are currently 45 vacancies. [AGENCY 25]

SENATOR WISHART: Okay. I mean one of my concerns is even, you know, I had a three-month...a five-month-old baby for three months and experienced very high caseworker turnover with the department, even in the three months that I was a foster parent for this child. So that is a concern of mine, because it takes a lot for a caseworker to learn about a family and about a child and get caught up. And so with high turnover, it concerns me about the welfare of the child and the support of services for the foster parents. I have some more questions but I'll wait and let other members ask. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Good afternoon, Director. I've got several questions for you. [AGENCY 25]

DOUG WEINBERG: Sure. [AGENCY 25]

SENATOR BOLZ: I sat through the Child Welfare Inspector General's presentation at the beginning of the legislative session and one of the things that they pointed to in terms of the challenges related to the deaths, and there were also reports about sexual abuse, was the pressure that's currently on caseworkers. And so I'd be curious to know, as of today, what percentage of our caseload of...what percentage are we in compliance with caseload ratios with caseloads? [AGENCY 25]

DOUG WEINBERG: Yeah. We recently ran some data and for those caseworkers that have ongoing cases only, a standard is 17 cases. We're averaging 13.5. For those workers that are only doing initial investigation the standard is 12 and we are averaging 9.2. For those workers that are carrying mixed caseloads, both investigations and ongoing, the average caseload is 15.8. When you look at it individual by individual, you always have some people higher and some people lower. When someone leaves a local office, the remaining caseworkers need to pickup that

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caseload on a temporary basis, so they will be over the 12 and 17. But as we hire replacements and, you know, get near fully staffed, those caseloads will drop. So I think at the most recent point in time of ongoing caseworkers, we had 80 percent in compliance with 12 and 17; and over all caseworkers, 72 percent compliance. [AGENCY 25]

SENATOR BOLZ: Overall all caseworkers... [AGENCY 25]

DOUG WEINBERG: All caseworkers. [AGENCY 25]

SENATOR BOLZ: ...72 percent compliance meaning 28 percent noncompliant. [AGENCY 25]

DOUG WEINBERG: Right. And again, that number literally changes every day. [AGENCY 25]

SENATOR BOLZ: How does that compare nationally? [AGENCY 25]

DOUG WEINBERG: I think we're doing quite well nationally. We actually have a lower turnover than many other neighboring jurisdictions. We often have fewer vacancies at a percentage basis as other jurisdictions. So in my opinion, we're doing quite well. [AGENCY 25]

SENATOR BOLZ: But 28 percent noncompliance is not ideal. [AGENCY 25]

DOUG WEINBERG: And again, that may exist for a week and then that caseload may drop (inaudible). [AGENCY 25]

SENATOR BOLZ: What's your average over a year then? [AGENCY 25]

DOUG WEINBERG: It's actually been coming down, if I looked at data from a year ago. I don't have that with me. I believe we had overall total caseworkers, it was about 68 percent compliant. [AGENCY 25]

SENATOR BOLZ: Okay. [AGENCY 25]

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DOUG WEINBERG: So it's improving. [AGENCY 25]

SENATOR BOLZ: Okay. Tell me about the supply side of the system. Are you seeing increased demand for services? If so, where and what is driving that demand? [AGENCY 25]

DOUG WEINBERG: We're seeing, you know, an increased demand or increased need for parental substance abuse treatment services, so we are addressing that through our service array assessment. We have come up with some outstanding recommendations that we are taking a very close look at. They involve programs such as peer coaching for parents that have a substance abuse issue. We're working very closely with our sister division, Division of Behavioral Health, to better coordinate services. I think the progress we're making collectively on a system of care will go a long way in addressing some of those issues. [AGENCY 25]

SENATOR BOLZ: And one of those recommendations that was in your agency request was medication-assisted treatment. Is that correct? [AGENCY 25]

DOUG WEINBERG: Therapeutic...I'm not sure what you mean. [AGENCY 25]

SENATOR BOLZ: It's related to the Medicaid (inaudible). [AGENCY 25]

DOUG WEINBERG: Okay. [AGENCY 25]

SENATOR BOLZ: We can discuss it off the mike. A couple of other questions here. [AGENCY 25]

DOUG WEINBERG: Sure. [AGENCY 25]

SENATOR BOLZ: I would like to talk a little bit about, well, just briefly, I've noticed a little bit of an uptick in my service area in out-of-home placements in southeast Nebraska. Can you just describe what you're seeing in terms of the need for out-of-home placements? [AGENCY 25]

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DOUG WEINBERG: Yeah. We've seen an increase statewide in virtually every service area on a fairly consistent basis since this past fall. As we do case reviews and we look at reasons for initial call to the hot line, for screening in and for substantiation of abuse and/or neglect, we are seeing a consistent increase across the state in parental substance abuse. That's the single largest factor driving an increase in out-of-home placements. [AGENCY 25]

SENATOR BOLZ: So given all these challenges, you know, the still trying to meet compliance in terms of caseload size, the things that are out of your control like substance use, and the increased demand, the recruitment and retention of caseworkers, help me understand how the division plans to bring more responsibilities into the division. I mean your request is that the division is taking on more responsibilities rather than those outside contracted providers that have specialized expertise. So given all the challenges in your system, how are you going to respond to these new and additional responsibilities? [AGENCY 25]

DOUG WEINBERG: Part of our budget request includes an appropriation request for additional caseworkers to support relative placements, so there is an increase in staff there. But, you know, as I had mentioned earlier, we had tremendous success with ACCESSNebraska in terms of process improvement and really freeing up resources that we could better deploy to meet the needs of our clients. Now I grant you, you know, ACCESSNebraska is very different than child welfare. But since last fall we've undertaken a similar effort, quite different but similar in nature, looking at internal processes, practices, procedures, everything from how we prepare a placement packet, how we review licensing packets, how we determine IV-E eligibility, what levels of approval are required for various services and payments, and we've already identified some significant savings in staff resources of which we are in the process now of redeploying that funding to unfunded case manager positions. So we are addressing our need for case managers to provide all these services, whether it's ongoing case management, postadoption services, supporting family and kin placements through additional caseworkers through this process improvement effort. [AGENCY 25]

SENATOR BOLZ: Okay. I've got one more question and I didn't see other people hopping at the mike so I'm just going to keep going. [AGENCY 25]

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DOUG WEINBERG: That's okay. [AGENCY 25]

SENATOR BOLZ: I guess maybe my biggest concern in terms of all of your budget is the Nebraska Families Collaborative contract. And I guess my first question is, did you budget for the contract renewal in your budget request? [AGENCY 25]

DOUG WEINBERG: We budgeted in our budget request at the current contract,... [AGENCY 25]

SENATOR BOLZ: At the current... [AGENCY 25]

DOUG WEINBERG: ...the original contract amount for this current fiscal year. [AGENCY 25]

SENATOR BOLZ: But if my memory serves, I first heard about the contract renewal and the negotiations starting at a Children's Commission meeting maybe last August. So were you expecting that the contract would not be an increased cost even though you're seeing those supply side demands? [AGENCY 25]

DOUG WEINBERG: That is correct. We're in the middle of a competitive procurement process for which a decision will probably be made soon, shortly, and it is our expectation that we will stay at or below the \$60 million that was the original contract for this current state fiscal year. [AGENCY 25]

SENATOR BOLZ: And the last I heard--and I know that it's public information, otherwise I wouldn't have it--but that the best and final offer, the lowest bid, was \$71 million. So that's a differential of \$10 million at least. [AGENCY 25]

DOUG WEINBERG: And that was their do not exceed amount and obviously, you know, the annual costs will be a function of the number of kids in care. [AGENCY 25]

SENATOR BOLZ: But we're seeing an increased demand in that service area. [AGENCY 25]

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DOUG WEINBERG: Yeah. If I took our current caseloads and priced it out, it was closer to \$70 million. [AGENCY 25]

SENATOR BOLZ: Okay. When do you expect the contract to be finalized? [AGENCY 25]

DOUG WEINBERG: I think the decision will be made probably within the next couple weeks. [AGENCY 25]

SENATOR BOLZ: Okay. I guess I would appreciate knowing that as soon as possible so that we can fill that hole in our budget... [AGENCY 25]

DOUG WEINBERG: Absolutely. [AGENCY 25]

SENATOR BOLZ: ...and we'll have to... [AGENCY 25]

DOUG WEINBERG: Absolutely. [AGENCY 25]

SENATOR BOLZ: ...make account for that. And I can't imagine that...I can't imagine that it won't be at least some significant additional cost to our budget. Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: I'd like to talk a little bit about some of the differences between the Governor's recommendation and our committee's preliminary report. [AGENCY 25]

DOUG WEINBERG: Sure. [AGENCY 25]

SENATOR WISHART: So the first one you noted was agency supported foster care providers to pay for background checks. One of my concerns is that this would be passed then down to the foster parents as an additional cost to pay for their own background checks. Can you talk a little bit about...can you talk a little to that? [AGENCY 25]

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DOUG WEINBERG: Yeah. I'm not aware of that ever having taken place or being contemplated by any one of our agencies. I know in most jurisdictions part of their administrative fee is to pay for background checks, and I'm not aware of an instance where a licensed child placing agency has passed that cost down to the individual foster parent. [AGENCY 25]

SENATOR WISHART: And how much does it currently cost for an individual to get a background check? [AGENCY 25]

DOUG WEINBERG: The background check went up this past year from \$28.75 to \$45.25. [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

DOUG WEINBERG: It's a charge by the State Patrol. [AGENCY 25]

SENATOR WISHART: And you know, I mean just my thoughts through that is that it may not seem like a lot of money but when we're really striving to get additional foster parents I think every little bit counts. And I am concerned that, you know, I don't want to be balancing our budget and passing the dollars down to...for foster parents. [AGENCY 25]

DOUG WEINBERG: I agree. That would not be our intention. [AGENCY 25]

SENATOR WISHART: Okay. I also wanted to talk a little bit what Senator Bolz was talking about in terms of bringing in some of the support services for kinship families into the department. Does your department right now, are you the licensing agent for the placement providers? [AGENCY 25]

DOUG WEINBERG: We officially license all homes. [AGENCY 25]

SENATOR WISHART: Okay. So then who would be quality control? Who is quality control to make sure that your department is up to the standards that we would expect of the providers? [AGENCY 25]

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DOUG WEINBERG: Yeah, we have a very robust CQI process... [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

DOUG WEINBERG: ...which is...does not report up through child welfare. It's stand-alone; reports directly to me. That monitors that activity among many, many other activities. We currently support over 200 relative placements today in Nebraska. [AGENCY 25]

SENATOR WISHART: And so you would be expanding it out to how many additional placements? [AGENCY 25]

DOUG WEINBERG: Approximately we'd go from 200 to 500. [AGENCY 25]

SENATOR WISHART: To 500, okay. Again, you know, one of my concerns with that is that, well, first of all, I think a lot of the providers in the state are doing a really good job. [AGENCY 25]

DOUG WEINBERG: I would agree. [AGENCY 25]

SENATOR WISHART: And it's important that we have checks and balances, especially with child welfare, to make sure that we are...that our standards are high. [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR WISHART: So that would be a concern of mine. And then in terms of the postadoption services, I've been getting a lot of e-mails from Right Turn? [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR WISHART: From Right Turn. [AGENCY 25]

DOUG WEINBERG: Project Right Turn. [AGENCY 25]

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SENATOR WISHART: Project Right Turn. Is that included within the postadoption services?
[AGENCY 25]

DOUG WEINBERG: Yes. We have a contract with Project Right Turn. They currently provide the bulk of our postadoption services. [AGENCY 25]

SENATOR WISHART: Okay. And so with these changes then, would you be canceling that contract entirely? [AGENCY 25]

DOUG WEINBERG: We would cancel that contract. They provide services not only to adoptions of children from the child welfare system but they also support private adoptions, international adoptions. So we'd be taking on responsibility for supporting those adoptions of children from our system... [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

DOUG WEINBERG: ...with internal staff and resources. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Senator Vargas. [AGENCY 25]

SENATOR VARGAS: Thank you very much and thank you for being here. [AGENCY 25]

DOUG WEINBERG: My pleasure. [AGENCY 25]

SENATOR VARGAS: Kind of along the same lines, I just have a couple questions. I think this is a bigger question. As we...you know, I have some concern about moving some of these services within and then not taking into account this talent question, whether we've had this big a question of the departments too. We're trying to find some cost savings. I completely understand that and I think there's a lot of rationale in each of these around we have to sort of weather the storm. There's different circumstances now. But I am concerned about whether or not the

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talent...we rely very heavily on some of our providers to have this institutional knowledge and experience and obviously they do it. They do it well. What...this is sort of piggybacking off of this quality question. What's ensuring that we are...we have the talent needs; we are competitive with being able to hire that talent within our departments and that we can be competitive to get the right people and the right experiences to do this in-house? [AGENCY 25]

DOUG WEINBERG: Sure. And again, there's a couple of ways to answer that question. I'd be more than happy to share with you our CQI process, our packet, how we track information, how we track performance primarily of our internal staff, you know, and our internal resources. We've done very well. We continue to meet six out of seven federal measures, which I think speaks very well for the capability of our staff. We have some very, very strong and committed people within our division. [AGENCY 25]

SENATOR VARGAS: Okay. And I still have concern about this because as...we're not just bringing in, it seems like, or proposing to bring in just one or two jobs. We're proposing to bring in a large number of different FTEs in different services. Another question I had around...in your letter around domestic violence and taking the Governor's recommendation. Can you tell me more about the role that federal funding plays in this domestic violence cut that you're proposing? [AGENCY 25]

DOUG WEINBERG: Sure. There are a variety of federal programs that are available, some of which have been tapped into by our DV agencies, some which have not. So there's additional funding available for those folks. Our DV contract is not for sole source of revenue. They have local revenue. They have federal revenue. They probably have revenue for other state programs. We are just a piece of the overall funding. They provide services not just to children who are involved or families involved in our system but any family who may be suffering from domestic violence issues. So their role is much bigger than just DHHS or Division of Children and Family Services. [AGENCY 25]

SENATOR VARGAS: Will we be, as a result of cutting some of this funding, will they be missing out on some matching federal funds as a result of cutting some of our General Fund? [AGENCY 25]

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DOUG WEINBERG: I don't believe so. I mean the average cut over all of the various DV agencies with this proposed recommendation is between \$20,000 and \$60,000 a year. [AGENCY 25]

SENATOR VARGAS: So there would be no federal matching. [AGENCY 25]

DOUG WEINBERG: Every agency has a different funding stream. I can't speak for any particular agency. [AGENCY 25]

SENATOR VARGAS: And I ask, I think, one of the characteristics or parameters we keep using is when we're seeing federal funds that are not being...we're losing out on some federal matching funds, that that's not really good. We're missing out on something. And so I want to make sure, especially something such as so important as domestic violence programs. [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR VARGAS: We want to make sure we have as much funding sources that are supporting it and it's a longer term investment in a very high-risk population. My last question is...I guess it's along the same lines as Right Turn. I've gotten a tremendous amount of e-mails... [AGENCY 25]

DOUG WEINBERG: Uh-huh. [AGENCY 25]

SENATOR VARGAS: ...and phones calls about this organization and I just want to hear a little bit more on the rationale as to is Right Turn providing the right services to meet that we currently are asking for? Or is this...is the motivation to bring this in-house or to decrease, well, you know, the contract more because of our current economic situation? [AGENCY 25]

DOUG WEINBERG: I mean I think, you know, Project Right Turn does do very good work. I can't say we're not pleased with their performance. But sort of like the DV agencies, their scope extends far beyond just DCFS and DHHS. They serve many, many families who never had any system involvement. So we believe there are efficiencies--they may be short term in nature, they

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may be long term, that remains to be seen--but by internalizing some of those direct supports for those families who adopt children out of the child welfare system. [AGENCY 25]

SENATOR VARGAS: And beyond these requests that the Governor and you are proposing, do we have a long-term strategic plan for how we are going to sustain some of these internal new structures and all these internal new staff and programs? [AGENCY 25]

DOUG WEINBERG: Yes, we do. [AGENCY 25]

SENATOR VARGAS: Okay. [AGENCY 25]

DOUG WEINBERG: Yeah. I mean it's a living document that we're continually updating and improving. [AGENCY 25]

SENATOR VARGAS: Okay. I would love to see that. [AGENCY 25]

DOUG WEINBERG: I can (inaudible) share it. [AGENCY 25]

SENATOR VARGAS: I'm sure other members of the committee would also like to see that. [AGENCY 25]

DOUG WEINBERG: Sure. [AGENCY 25]

SENATOR VARGAS: I think we just want to think that we're strategically thinking about how we're going to sustain this and begin to grow it out if we are to do it. [AGENCY 25]

DOUG WEINBERG: Absolutely. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Clements. [AGENCY 25]

SENATOR CLEMENTS: Thank you, Director. I'm also concerned about the Right Turn, just the statistics. How many clients are they serving? Do you know? [AGENCY 25]

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DOUG WEINBERG: I believe they've served, since their inception in 2010, about 1,500 families. [AGENCY 25]

SENATOR CLEMENTS: I was just kind of wanting the current count. [AGENCY 25]

DOUG WEINBERG: I think in the last fiscal year they probably touched about 500-and-some children. [AGENCY 25]

SENATOR CLEMENTS: Okay. The...and you were talking about redirecting staff. How many staff do you think you'll need to take the place of Right Turn? [AGENCY 25]

DOUG WEINBERG: We're in the process now of accessing that and evaluating that. We have about three and a half months before July 1, so we'll have that answer shortly. [AGENCY 25]

SENATOR CLEMENTS: Okay. You're working on that then? [AGENCY 25]

DOUG WEINBERG: Absolutely, as we speak. [AGENCY 25]

SENATOR CLEMENTS: Thank you. [AGENCY 25]

SENATOR STINNER: Senator Kuehn. [AGENCY 25]

SENATOR KUEHN: Thank you, Mr. Chairman. Following up on your comment that the increase in out-of-home placements is due primarily to parental substance abuse issues, do you have any data on the nature of those substance abuse? Are we dealing with alcohol, illicit drugs, opioids? Do you have any follow-up data that you might be able to provide? [AGENCY 25]

DOUG WEINBERG: The primary drug of choice that we see is meth, followed second by alcohol, and then marijuana. We have not been hit by the opioid epidemic to date. [AGENCY 25]

SENATOR KUEHN: Okay. Thank you. [AGENCY 25]

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DOUG WEINBERG: But it's increasing. [AGENCY 25]

SENATOR KUEHN: I appreciate that. Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Hilkemann. [AGENCY 25]

SENATOR HILKEMANN: Director, you made the comment earlier that Right Turn is working. And so we're willing to...we have a program that's working but we are willing to take a chance to redirect this program to people who have to be reassigned and retrained. Are those cost savings so much to justify that decision? [AGENCY 25]

DOUG WEINBERG: Well, we wouldn't incur any incremental internal cost because we already have permanency teams out in our local offices. We have a Central Office Adoption Unit which is currently providing some of those services. So we are considering redeploying some additional staff, number to be determined, shortly to either one of those functions. [AGENCY 25]

SENATOR HILKEMANN: So are you somewhat alluding to the fact that Right Turn is a redundancy at the present time? [AGENCY 25]

DOUG WEINBERG: I mean they provide some services that we can probably live without. But we will continue to monitor. You know, our metric for measuring success of this initiative is adoption disruptions. We'll need to monitor that very, very closely and if we see any type of uptick in disruptions we will relook at our allocation of resources and take appropriate steps. [AGENCY 25]

SENATOR HILKEMANN: But if you stop the program are you going to be able to go back? [AGENCY 25]

DOUG WEINBERG: I suppose we could go back or we could address those internally. [AGENCY 25]

SENATOR HILKEMANN: And you have the manpower to do it? [AGENCY 25]

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DOUG WEINBERG: Yes, I believe so. [AGENCY 25]

SENATOR HILKEMANN: And you have the trained manpower to do it? [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Only a few more questions: You're discussing bringing the responsibilities of Right Turn and some of the child placing agencies in-house, and at the same time you've proposed doing away with the Center for Children and Families and the Law contract in regard to training. And so you'll have a lot of additional responsibilities that you don't have at the current time and...but you're also changing your training plan. Can you provide me some detail about what your new vision for training is? [AGENCY 25]

DOUG WEINBERG: Sure. Sure. We're not proposing eliminating a contract. We're proposing going through an RFP process this spring and summer. So we already are negotiating an amendment to the current CCFL contract for training. We are trying to move towards more distance learning, more Web-based learning, both interactive and noninteractive. We are changing the schedule, the timing of training, the mix of field training versus classroom training and Web-based training. So some of that will already be implemented before the new contract begins. But we're confident with some of the changes we're already beginning to implement that as we go through competitive procurement we will generate some savings in the new contract going forward. [AGENCY 25]

SENATOR BOLZ: Okay. Any backup or follow-up information you can provide to us about your plans initiative and strategies just would help (inaudible). [AGENCY 25]

DOUG WEINBERG: Sure. Absolutely. Absolutely. [AGENCY 25]

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SENATOR BOLZ: I mean the Center for Children and Families and the Law has been doing their work for ten years,... [AGENCY 25]

DOUG WEINBERG: Absolutely. [AGENCY 25]

SENATOR BOLZ: ...so it's a sea change there. A couple of other questions, two more, with the committee's patience here: One is related to the Youth Rehabilitation and Treatment Center. You know, I hate to...it's sort of tough timing so I want to ask this question gently, but you had some youth leave the campus. [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR BOLZ: Are the staffing requests that you've made here sufficient to make sure that the safety and security of the young people at the YRTCs are cared for? [AGENCY 25]

DOUG WEINBERG: We believe so. [AGENCY 25]

SENATOR BOLZ: And will the requests allow us to be in compliance with the Prison Rape Elimination Act? [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR BOLZ: A hundred percent in compliance? [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR BOLZ: Okay. [AGENCY 25]

DOUG WEINBERG: The budget issue that is incorporated in both your recommendation as well as the Governor's recommendation would, you know, not only is it prerequired; it's best practice. [AGENCY 25]

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SENATOR BOLZ: Great. And my other question is about LB335, the changes to the childcare subsidy payment rates. And as I understand it, the bill would basically delay the implementation of the childcare market rate study for one year. Is that...that's correct? [AGENCY 25]

DOUG WEINBERG: One year and three months. [AGENCY 25]

SENATOR BOLZ: One year and three months. And so I guess my question is one in terms of policy and relates to hesitation that we...that I have related to previous experiences on this committee, so take it with a grain of salt, I suppose. But we're very hesitant about anything that might result in a federal fine or a payback and so my understanding is that in October of 2018 there are new federal rules that tighten up the expectations around access. And so I'm just a little cautious about not implementing the market rate study when we know that in 2018 we have a higher level of scrutiny around access. And I'm just wondering how we can pull this off. [AGENCY 25]

DOUG WEINBERG: Right. This bill will put us in compliance or more...make us more consistent with the federal requirement. Current state statute requires a market rate survey and rate adjustment every two years. The federal requirement is do a market rate survey every three years, does not require a particular or specific increase or change in rates. But the next time we'll be required to implement a market rate survey and review rates for reasonableness would be October 1 of 2018. [AGENCY 25]

SENATOR BOLZ: Forgive me. Maybe I didn't ask the question very well. In addition to the compliance with the rates expectations, if I have done my homework correctly, there's also expectations around access. So if we're underpaying childcare providers in certain areas of the state, we lose those providers and kids don't have access, wouldn't that also create challenges with our federal partners? [AGENCY 25]

DOUG WEINBERG: We made it. We had an increase. It will be two years in July 1, and now we'll have another increase a year from...well, a year and three months from July 1. So we'll be in compliance with federal requirements. [AGENCY 25]

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SENATOR BOLZ: Uh-huh. But the rates are already set between the 60th and 75th... [AGENCY 25]

DOUG WEINBERG: Right. [AGENCY 25]

SENATOR BOLZ: ...percentile. [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR BOLZ: I'll not belabor the point. My concern is that because we are already under market rate, we're endangering access and the access is related to our federal compliance. And so I'm just a little hesitant about delaying the implementation of a market rate study that should be occurring every two years under our current statute. [AGENCY 25]

SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: You mentioned that you're seeing an increase. One of the reasons that you're seeing increases in out-of-home placement is because of substance abuse? [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR WISHART: Do you have the statistics on that? [AGENCY 25]

DOUG WEINBERG: We have data on it. Well, we actually gleaned the most information through case reviews. That's part of our CQI process. We do a continuous sampling of cases, study reasons for intake, reasons for substantiations. It's hard to track specific information in N-FOCUS, our data system, because you have certain, you know, certain findings at the time of the initial call to the hot line and then you have certain findings at the time that call is screened in for investigation, then you have additional findings at the time that family is investigated. So we may get a call to the hot line and a screen in for, say, a dirty home, but when we get to that home we realize, oh my gosh, there are significant substance abuse issues with that family. So it depends on which point in time you look at the reason for our involvement. [AGENCY 25]

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SENATOR WISHART: Okay. And so do you have numbers then on... [AGENCY 25]

DOUG WEINBERG: Yes. Yes. [AGENCY 25]

SENATOR WISHART: So I would like to see those. [AGENCY 25]

DOUG WEINBERG: Uh-huh. Sure. [AGENCY 25]

SENATOR WISHART: Thank you. [AGENCY 25]

SENATOR STINNER: I have a few questions and I apologize if I...I've been reading a lot of the... [AGENCY 25]

DOUG WEINBERG: That's okay. [AGENCY 25]

SENATOR STINNER: ...rereading a lot of your testimony just to try to get a feel for a few areas. I will say that I sat on a task force on ACCESSNebraska and the outstanding job of getting... [AGENCY 25]

DOUG WEINBERG: Thank you. [AGENCY 25]

SENATOR STINNER: ...that back into compliance, so I appreciate that. One of the comments that you made back here, that we meet six of seven child welfare standards measured by the federal government. What's the one we're not meeting and is it significant or (inaudible)? [AGENCY 25]

DOUG WEINBERG: So the one we're not meeting is timeliness to permanency, which means our kids are staying in the system too long. [AGENCY 25]

SENATOR STINNER: Ah. [AGENCY 25]

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DOUG WEINBERG: There's obviously a number of factors that contribute to that. [AGENCY 25]

SENATOR STINNER: Don't tell me there's a fine with this or (inaudible). [AGENCY 25]

DOUG WEINBERG: No. There isn't. We will be going through round three of our Child and Family Service review this summer and most likely the worst-case scenario is that we'll be on a performance improvement plan, as is every other jurisdiction. No one has ever passed it. [AGENCY 25]

SENATOR STINNER: And my fellow committee people have beat this postadoption thing to death and Right Turn and all the rest of that. I'm always for somebody that really is an advocate and, you know, is passionate about what they do. When you bring it internally, hopefully that passion comes with it. But what I heard you say is that you may be, may be adding more staff to this. So you really haven't gotten your complete analysis done (inaudible)? [AGENCY 25]

DOUG WEINBERG: We will likely be adding more staff. The exact number is yet to be finalized but we're already looking at some of those freed-up resources that we've achieved through process improvement and beginning to target some of those towards staff that could support postadoption services. [AGENCY 25]

SENATOR STINNER: I guess my point is, we have \$2 million you say we can save. We're going to have come costs that will wash up against that or do you think that you can absorb it without (inaudible)? [AGENCY 25]

DOUG WEINBERG: We'll absorb this. We're purposing staff dollars to new positions... [AGENCY 25]

SENATOR STINNER: Okay. [AGENCY 25]

DOUG WEINBERG: ...with different focus. [AGENCY 25]

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SENATOR STINNER: The other one that caught my eye is the \$10 million difference in what you believe might be the contract and the \$60 million that we have looked at, and that was in Nebraska Families Collaborative contract. [AGENCY 25]

DOUG WEINBERG: Yes. [AGENCY 25]

SENATOR STINNER: We've had, what, one or two deficiency requests coming out of the Nebraska Families Collaborative and I think it was \$10 million the first year I was here and then \$7.8 (million), I think is somewhere close. I'd almost say that this is out of control but tell me how we can control it so that we know what the number is, we don't have, you know, a tremendous \$7 (million), \$10 million bust again as we move forward with these folks. And is this the way to do it? Is this the most cost-effective way is to outsource this piece? [AGENCY 25]

DOUG WEINBERG: Well, I think all that is being carefully evaluated through this procurement process. You know, the concept of privatization is that you really turn responsibility over to a lead agency, a private agency. Is it the best way of doing it? It's hard to say. There's pros and there's cons. I could argue both sides. I was involved with privatization in Florida when I served in child welfare down there and it's had some successes; it's had some failures. So it's a very, very difficult question to answer. There's very, very many variables. [AGENCY 25]

SENATOR STINNER: Every time I get a deficit request from the same area, it has a tendency to catch my attention. [AGENCY 25]

DOUG WEINBERG: As it does for all of us. [AGENCY 25]

SENATOR STINNER: Yes. The "DOVES" program you're anticipating, how many...I'm talking domestic violence. [AGENCY 25]

DOUG WEINBERG: Uh-huh. [AGENCY 25]

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SENATOR STINNER: I call it the "DOVES" program simply because maybe that's our local folks. How many agencies or programs are there out there that this supports? [AGENCY 25]

DOUG WEINBERG: I believe there's 23 agencies. There's at least one agency involved in with the tribes and there's kind of an umbrella coalition. [AGENCY 25]

SENATOR STINNER: So 24. [AGENCY 25]

DOUG WEINBERG: Roughly about 25. [AGENCY 25]

SENATOR STINNER: Okay. Okay. So if I divide that out it's like \$30,000 apiece is what the cut would be or so. [AGENCY 25]

DOUG WEINBERG: Roughly, on average. [AGENCY 25]

SENATOR STINNER: Have these agencies or programs been informed that there's a cut that's... [AGENCY 25]

DOUG WEINBERG: Oh, yes. [AGENCY 25]

SENATOR STINNER: Okay. So they have planned on it. They know it's coming. They can figure out how to negotiate around it. The other thing that I have to ask about, it's LB333, State Disability Maintenance Program, and we have a cost associated with it and a cost savings with it, which tells me that there are people using the program. It's probably a needed program. So when we eliminate it and we eliminate the State Disability, Medical Assistance picks that up. [AGENCY 25]

DOUG WEINBERG: I mean there's a variety of avenues those individuals can pursue. I mean this is a state program only. It's relatively unique and are very few jurisdictions that have a similar state-funded program. So these individuals would have to rely on either private insurance, community resources. We have other, you know, other state economic assistance programs that

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we could refer those families to if they qualify for eligibility. There's a variety of alternatives out there. [AGENCY 25]

SENATOR STINNER: Local resources is, to me, county government. [AGENCY 25]

DOUG WEINBERG: Not necessarily. [AGENCY 25]

SENATOR STINNER: (Inaudible) pushes down another mandate. [AGENCY 25]

DOUG WEINBERG: We've done a lot of work with our communities through community response and our community response collaboratives that pull together community resources to address these and other issues that affect families in Nebraska. We've talked to the faith-based agencies about supporting. So there's a lot of discussions, a lot of ideas that are being actively pursued. [AGENCY 25]

SENATOR STINNER: Okay. Senator Bolz. [AGENCY 25]

SENATOR BOLZ: I'm having a hard time with your answer. I'm having a hard time seeing how doing away with that program won't result in greater reliance on general assistance, because if it's the State Disability Program, then I mean it's chronic, ongoing issues that will probably inhibit somebody's ability to work. And so could you be more specific? [AGENCY 25]

DOUG WEINBERG: Sure. These tend to be, you know, short-term disabilities. A typical case may involve an auto accident where an individual is disabled for a short period of time and cannot work in a short period of time. When I talk about community resources, you know, over and above county general assistance or even community response, all nonprofits, most nonprofits, have sliding fee scales. They provide some charitable work for families in need. So those are resources that are out there. [AGENCY 25]

SENATOR BOLZ: Okay. And just one follow-up. I'll let it go. Go ahead. Go ahead, Senator. [AGENCY 25]

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SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: I want to go back to something Senator Stinner mentioned about us being at six out of seven of the standards required by the federal government and, you know, the concern about any potential fines. Are there any practices ongoing in our child welfare system where you have concerns that we are at risk for a federal fine? [AGENCY 25]

DOUG WEINBERG: In child welfare, no, I'm not. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Thank you. Any additional questions? Seeing none, thank you very much. [AGENCY 25]

DOUG WEINBERG: Great. Thank you. [AGENCY 25]

SENATOR STINNER: Good afternoon. [AGENCY 25]

SHERI DAWSON: (Exhibit 1) Hello, Senator Stinner and members of the Appropriations Committee. My name is Sheri Dawson, S-h-e-r-i D-a-w-s-o-n, and I serve as the director of the DHHS Division of Behavioral Health. The Division of Behavioral Health operates three regional centers that are in Lincoln, and they provide general psychiatric services, forensic psychiatric services, sex offender services, and a campus serving adolescent males who have sexually harmed; Norfolk, providing sex offender services; and Hastings, providing adolescent male substance use disorder treatment, oversee community-based mental health and substance use disorder services for consumers, who are not Medicaid eligible and do not have insurance, through the regions; and manage additional behavioral health contracts with the tribes, Lasting Hope Recovery Center in Omaha, the Family Helpline, and Family Navigator Peer Support Services. We believe there is no health without behavioral health, and this really drives our work toward continuous improvement. Development of a behavioral health System of Care for children and youth, with a serious emotional disturbance, and their families is a priority for us and is underway in partnership with public and private agencies. We are fortunate to have

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received a \$12 million grant from the federal Substance Abuse and Mental Health Services Administration for implementation. Nineteen specific outcome measures will assess improvements within four priority areas: decreasing the proportion of youth who live in a setting other than their home, increase school attendance and school performance, an increase in the percent of youth and young adults living in home settings, and decreasing costs per youth in the service system while decreasing the average age of first contact. New services are on track for implementation this spring. Our Centralized Data System was created last year to improve upon previous limitations in collecting and reporting our behavioral health data. The CDS streamlines data collection and analysis across systems, which previously was either not possible or, at best, required time-consuming manual processes. A unique feature is an electronic authorization process. We'll implement an electronic billing system in July. The current process is paper-based and manual, and labor and staff intensive. This will include and enable a streamlined process for billing and reporting fiscal data and reimbursement reports with an accurate accounting of per person costs. Other initiatives include decreasing our nursing vacancy rate at the Lincoln Regional Center and we are making progress. We've gone from the vacancy rate of 48 percent down to 29.3 percent. And I might add we just got February's and we're down to 28.2 percent. In 2016, we completed a needs assessment and our 2017 to 2020 strategic plan, based on a System of Care approach, is in its final publishing stage. The department conducted a thorough review of all programs and services and identified both strategic increases necessary to meet our critical services and strategic reductions in response to the budget gap that we believe have the least impact to direct client care, service capacity, and consumer services. The budget proposed by Governor Ricketts reflects the realities of the current economic situation and enables us to implement operational efficiencies throughout the department and to redirect resources where necessary. It's intended to continue strategic and priority services in our commitment to our mission of helping people live better lives. The recommendations build on the Governor's priorities of creating a more effective, more efficient, and more customer-focused state government. In light of the recent Economic Forecasting report, the Division of Behavioral Health supports and is fully prepared to implement the Governor's budget recommendations. I'd like to thank you and your staff for your work on behalf of the department. My understanding is that the committee has included the repurposing of reappropriations at the Hastings Regional Center for construction and the preliminary recommendation including financing for the perimeter security system at the Norfolk Regional Center, and I'd like to thank you for that

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support. I will not address other Governor's recommendations that are included in your preliminary recommendation unless you have additional questions for me. The Governor's recommendation includes the merger of the Norfolk Sex Offender Budget, Program 870, into the Mental Health Operations Budget, Program 365. Prior to June 30, 2009, the budget for Norfolk Regional Center was a part of Program 365. With the department's focus on reducing General Fund spending, this is a critical step in achieving operational efficiencies for funding the regional centers, providing ongoing flexibility for funding shifts and staffing efficiencies, and assuring that the cash spending authority is available to achieve operational efficiencies at the three regional centers. Combining budgets will not impact services, programming, or reporting capabilities, and each facility's spending will continue to be tracked and reported separately. The Governor and the committee included in its recommendation cash spending authority of \$100,000 for the lease of Norfolk...at the Norfolk Regional Center of an automated medication dispensing system; \$100,000 for the lease of an automated dispensing system at Lincoln Regional Center; and \$200,000 in fiscal year 2018 for purchase of cameras, and \$6,000 of ongoing funding for cameras in fiscal year 2019, and that's at the Lincoln Regional Center. However, the merger of these programs is necessary for the cash spending authority for these purchases. So a combined budget will allow funding by different sources to be maximized to their fullest potential. The department urges the committee to merge these budget programs as included in the Governor's recommendation. The Governor's recommendation included \$174,946 General Fund savings in fiscal year 2018 and \$175,212 in fiscal year 2019. Efficiencies are due to a reduction of \$161,000 in General Funds in fiscal years '18 and '19 through a realignment of marketing funds for the Family Helpline contract from general marketing to a more targeted focus, improving cost-effectiveness while, most importantly, maintaining the Helpline capacity. The fiscal year 2017 Family Helpline total contract value is \$1,390,584, with a marketing budget of \$561,762. The additional savings in Program 268 each year will come from staffing at the Division of Behavioral Health central office. The committee did not include this in its preliminary budget and we urge the committee to adopt the Governor's recommendation resulting in General Fund savings. The department requested and the Governor recommended reductions to the Regional Behavioral Health Authorities of \$1,186,633 in General Funds in fiscal years 2018 and 2019. Savings could be the result of the reductions in the six Regional Behavioral Health Authority contracts, totaling 1.5 percent of their total contract and 1.96 percent of their General Funds, and are based on historical utilization, unspent funds, reduction

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in training, administration, operational efficiencies, noncore initiatives, and supports. Statewide preservation of the core direct services and capacity remains a primary focus and is allocated to support a balanced System of Care, such as emergency services, community support, assessment, outpatient therapies, and prevention services. We respectfully request the committee include this item in the recommendation. The Governor's recommendation included a reduction in tribal outpatient contracts of \$150,801 in General Funds for fiscal year '18 and '19. These savings are the results of realignment with historic utilization by the tribes. Services supported through the four federally recognized tribes each year have varied depending upon tribal needs. Historically, two of the four tribes have not utilized all the funding made available to them. The proposed reduction reflects these unused funds. Ninety percent of the reduction (sic--funding) dedicated for tribal services will remain. We respectfully request the committee to include these savings. The committee's preliminary report includes a provider rate increase of \$593,317 in fiscal year 2018 and \$1,192,567 in fiscal year 2019 for the behavioral health region providers. Community-based provider rates for agencies funded through the Division of Behavioral Health have increased in eight of the last ten years, ranging from 0.5 percent to 4 percent annually. Annual increases over the past four years have increased the rates by 10 percent, or 2.25 percent per year. The Division of Behavioral Health has been reviewing the costs of providing select services over the past 18 months. Two services that were identified as being well below the comparable Medicaid rates have already been increased within the base appropriation. The department requests the committee to return to the Governor's recommendation which does not include a provider rate increase. Lastly, the Governor's recommendation included permanent funding for the Norfolk Regional Center to open a fifth unit for sex offenders being committed to the facility. The Governor's proposal includes funding for both staff and operating expenses for the fiscal year 2018 of \$683,638, of which PSL is \$370,903 and operating is \$312,735; and then in fiscal year 2019, \$1,022,261, of which PSL is \$545,738 and operating is \$476,523. The department appreciates the committee's support of the request but requests a clarification of the committee's information to reflect both the personnel service limitation, or PSL, and the operating expenses. The information presented in the preliminary report does not increase the PSL limit beyond the \$102,635 for fiscal year '18 and '19, which is the salary increases. Without the increase in the PSL limitation, the facility could not meet the minimum staffing required to safely staff and retain its license and operate in the state and, therefore, we'd be unable to achieve the Governor

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and the Appropriations Committee's intent to open that unit. I thank you for your consideration of these items, and now I'm happy to answer questions. [AGENCY 25]

SENATOR BOLZ: Thank you, Director. Are there any questions for Director Dawson?
[AGENCY 25]

SENATOR HILKEMANN: Tell me about the...I've been by the...just was by the Norfolk Sex Offender Unit. [AGENCY 25]

SHERI DAWSON: Okay. [AGENCY 25]

SENATOR HILKEMANN: You're putting in a new fence or changing the fence that's already there? [AGENCY 25]

SHERI DAWSON: Well, there's already fence there but the actual project is putting in a new perimeter and the reason for that is to really establish a boundary. The Northeast Community College is out there and they have wishes to expand where they're located, and there's also some community involvement in some kind of a technology park or additional expansion out there. And so the fencing and gating would really be putting an established boundary between the facility and the public, if you will. [AGENCY 25]

SENATOR HILKEMANN: So are we going...is this going to be a larger fence than what's already there? [AGENCY 25]

SHERI DAWSON: Yes. [AGENCY 25]

SENATOR HILKEMANN: And is it going to go in the front of the building as well as around the side of the building? [AGENCY 25]

SHERI DAWSON: Yes, and it will actually...there will actually be, what do I want to say, a circumference of a safety circle where the Northeast Community College wants to expand as

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well as the other future technology park. So it will establish a safety space between the facility where the fence is and a new perimeter. [AGENCY 25]

SENATOR HILKEMANN: Okay. So we're looking at...is it going to go outside of that boundary too? Is it going to completely wall off that area? Is that what you're...or fence off that area? [AGENCY 25]

SHERI DAWSON: It will. It will establish that boundary so, yes, it will. There will be additional fencing from where it is, if you've been up there recently. [AGENCY 25]

SENATOR HILKEMANN: Right. [AGENCY 25]

SHERI DAWSON: So it will be further away. If you know where the circle is in front of the building,... [AGENCY 25]

SENATOR HILKEMANN: Right. [AGENCY 25]

SHERI DAWSON: ...there will be...I don't know the exact feet but it will come further to that open area on the north side of the building and all the way... [AGENCY 25]

SENATOR HILKEMANN: You're going to encompass that area. You're going to encompass that area on the north side there where that circle is. [AGENCY 25]

SHERI DAWSON: Uh-huh. Uh-huh. [AGENCY 25]

SENATOR HILKEMANN: That's all going to be...so there will be security access on that as well going directly. [AGENCY 25]

SHERI DAWSON: Yes. And... [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

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SHERI DAWSON: ...we've been working with Dr. Chipps on gating and access for the college as well. [AGENCY 25]

SENATOR HILKEMANN: So...and that...and we...and it will be adequate, is that correct, we hope? [AGENCY 25]

SHERI DAWSON: We hope. We have done a safety assessment. We had Nesbitt and Associates do a safety assessment to help us with that when Dr. Chipps had made that request. So we are following recommendations and we believe it will be adequate. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

SHERI DAWSON: Uh-huh. [AGENCY 25]

SENATOR BOLZ: I have a couple of questions for you, Director. One is I had heard over the summer that the waiting list for the Lincoln Regional Center was higher than normal. Is that correct? And what is it now? [AGENCY 25]

SHERI DAWSON: As of Monday we had 20 individuals waiting on our court-ordered wait list and 2 people on our mental health board commitment list. [AGENCY 25]

SENATOR BOLZ: And that's never what we hope to see. Is it your hope that with the opening of the fifth unit that you'll be able to draw down those waiting lists? [AGENCY 25]

SHERI DAWSON: Yes. I think those additional court-ordered beds will assist with that wait list. We're also doing an operational excellence, so a process improvement with Lean Six Sigma engaging Corey Steele with the courts and really trying to look at what are those opportunities on both the front end and the back end of that court process to also help us with that list. [AGENCY 25]

SENATOR BOLZ: And I know that in the past we've had challenges in utilizing that capacity because of the availability of behavioral health nurses. And I also know that you had in the past

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year contracted for those nurses and no longer have that need. How's it going now? Will we need to contract again. I just want to make sure that you have the work force that you need to actually make that unit a go. [AGENCY 25]

SHERI DAWSON: Yeah. No, I appreciate that. We have, as I said in my testimony, gone from 48 percent vacancy down to 28.2 percent. And believe it or not, the facility ran with the 20 percent vacancy for quite a while, so we're approaching where we need to go. We are getting more applications. In fact, there were some additional interviews this week. So we feel like our changes with our behavioral health nurse classification and so forth has helped us be more competitive. So I do feel like, from a nursing standpoint in that building, once that unit is open, we'll also have some efficiencies. We're looking at other things we can do with the nursing staff, between RN and LPN, for example, to make it more efficient and, you know, again, ultimately, when they open that unit, it will be 15 beds. So if you look at our wait list of 20 right now, we should be able to accommodate that. [AGENCY 25]

SENATOR BOLZ: That's helpful. And you and I have had conversations before about the wait list and the capacity. Can you, either now or in a follow-up, give me some data on the frequency of emergency protective custody admissions over the past year or so? [AGENCY 25]

SHERI DAWSON: Uh-huh. I know in 2016 we were able to...in the calendar year, able to accommodate 13 emergency admissions, so those were folks either in a hospital or maybe in an emergency room that a hospital was not going to be able to serve, that we were able to accommodate. We're tracking that so we can keep addressing individuals in the community that need a more secure environment. [AGENCY 25]

SENATOR BOLZ: And that relates to what I especially wanted to ask you is I know that in our previous conversations trying to manage your supply side, for lack of a better term, you worked harder and found more partnerships in a really positive way with community-based service providers. And so I struggle a little bit with decreasing the resources that are available to those community-based regional service providers given the fact that we know that that demand exists in a variety of service areas and waiting lists still exist. With the regional behavioral health

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providers, where do you see the greatest need for services? Where are the longest waiting lists?
[AGENCY 25]

SHERI DAWSON: Uh-huh. Our longer waits right now are in our substance use services. Our short-term res. and therapeutic community, which typically will serve women and children, are longer waits. But I do want to clarify, Senator Bolz, that the reduction with regional behavioral health that we're requesting, I think it's very important that we do maintain that service capacity. And so when we looked at and scrubbed for what are those opportunities with the regional behavioral health authorities, we're really looking at not the service itself but how a service gets administered and the efficiencies that could come from that. So Region 1, for example, would have a \$77,000 reduction and Region 6, the larger, would be \$391,000. So we're trying to keep those service capacities but look at what are those efficiencies in the way those services are administered. [AGENCY 25]

SENATOR BOLZ: Right. Well, I appreciate that in your testimony you say that the reductions are based on historic utilization, unspent funds, administration, operational efficiencies. I guess my challenge there is that the historical utilization, that is not the same as demand for service and there's need for building additional service capacity. And so I struggle with reducing the money overall in a system that we know has ongoing demand. [AGENCY 25]

SHERI DAWSON: Well, I think you and I have talked about the kind of that adult system of care approach, and I think that's one of the opportunities we have in really looking with the Heritage Health vendors as a funder, Medicaid, and really looking at what are those opportunities for us to continue to be more efficient and blend funds to, you know, hopefully address some of those capacity issues. [AGENCY 25]

SENATOR BOLZ: Okay. The Chairman is back so I'll give him the mike. [AGENCY 25]

SHERI DAWSON: Okay. [AGENCY 25]

SENATOR STINNER: Okay. Additional questions? Senator Vargas. [AGENCY 25]

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SENATOR VARGAS: Thank you very much for being here. I have a similar, while more of a comment, I think I have additional concerns about these community-based service providers and the demand question. It is helpful to see that we're basing this reduction on many different things: reduction in training, administrative operational efficiencies, unspent funds. Just trying to get a sense of like...tell me a little bit about the weighing of these decisions. Which of these different decision points did you add more of a weight into making the decisions to make these cuts? Was it more the unspent funds? Was it more the operational efficiencies? Was it the historic utilization? [AGENCY 25]

SHERI DAWSON: Well, I think certainly we have to look at historic utilization. We do that for all of our services and certainly we ask that of the regions when they're doing their planning with their providers to look at utilization. So that's extremely important. I think unspent funds in these very tough times where you're having to make decisions is certainly an important factor as well. But the opportunity for efficiencies in the way we pay for services or the way we administer services as opposed to reducing an actual service certainly was a factor. [AGENCY 25]

SENATOR VARGAS: That's helpful. I just didn't know if there was a weight. Didn't seem like there was any type of formula. It's just trying to take into everything. And again, I recognize that a lot of the rationale we're using is that these are tough times and that we are trying to...every single department is trying to do the best that they can that I don't think unspent funds is always the only determinant on whether or not we would reduce or increase funds to something like that. But it's helpful to hear that historic utilization was taken into account. The provider rates, I know you mention here that there's two services that were identified as being below comparable Medicaid rates. What...talk to me about this comparability. [AGENCY 25]

SHERI DAWSON: You bet. [AGENCY 25]

SENATOR VARGAS: Like where are you...what are you using for comparability? [AGENCY 25]

SHERI DAWSON: You bet. Well, we used in the first phase of the cost study we were looking at Medicaid rates, to be honest with you. And so Halfway House was about 70 percent below the

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Medicaid rate and medication management that we were paying was about 30 percent below, and those were identified as very high-need services during the last session. And based on our spending and utilization of dollars, we were able to accommodate that increase within our base appropriation. Now we have the larger study that's ongoing. [AGENCY 25]

SENATOR VARGAS: Okay. Thank you very much. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

SHERI DAWSON: Thank you. [AGENCY 25]

SENATOR STINNER: Any additional agency? Okay. Okay, we will take proponents. And I want to make sure people understand what proponents are. Proponents are, and I'm going to make the definition right now, are people that agree with the Governor's budget and DHHS's budget. If you agree with that then you're a proponent; if you're opposed to that then you're an opponent. And if you're neutral then you're in the neutral stance. So anyhow, are there proponents? [AGENCY 25]

CHRISTINE JOHNSON: (Exhibit 2) Good afternoon, Chairman Stinner,... [AGENCY 25]

SENATOR STINNER: Good afternoon. [AGENCY 25]

CHRISTINE JOHNSON: ...committee members. For the record, I'm Christine Johnson, C-h-r-i-s-t-i-n-e J-o-h-n-s-o-n. I'm the director of the Behavioral Health Support Foundation and one of three chairs for the Mental Health Partnership in Omaha. And I really just...I had an opportunity to talk to several of you this morning and share the work of the foundation. Also want to thank you for provider rates, keeping those to zero for the next biennium. I do appreciate that. The work of the foundation is really to bring together the stakeholders in the community that all surrounds behavioral health, and what we're trying to do is find efficient and effective ways that we can deliver those services, reinvest those savings, and be innovative through public-private partnerships. So, while we're a strong proponent, we have enacted several pilot projects over the last year that are showing real promise in how we deliver services and how it can help in that

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continuum of care. And so we would definitely like to invite you in the interim to come to Omaha and talk about how we might partner together in doing that. So I want to thank you for your support and am happy to answer any questions. [AGENCY 25]

SENATOR STINNER: Questions? Seeing none, thank you. [AGENCY 25]

CHRISTINE JOHNSON: Thank you. [AGENCY 25]

SENATOR STINNER: Again, proponents, any additional proponents that are proponents of the Governor's budget, DHHS? Okay, seeing none, opponents, are there any opponents? And we'll try to keep it in some kind of order here but if you're a testifier, we do have seats up here in front. If you want to kind of line yourself up, that would be great. It will help facilitate this process. So thank you. Welcome. [AGENCY 25]

MICHAEL CHITTENDEN: Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Michael Chittenden, M-i-c-h-a-e-l C-h-i-t-t-e-n-d-e-n. I am the executive director for The Arc of Nebraska. I will first say that I apologize. I don't have anything written because I wanted to hear the testimony earlier today, and so I'm kind of shooting from the hip and going off my notes based on earlier testimony. Hopefully some very quick points: We oppose the rate reduction to the home and community-based providers' rate, the 2.2 percent reduction. As you well know, those of you in business, the cost of business goes up much more than that every year. So simply because they've had rate increases in previous years does not mean they're keeping up with the times. It was testified that LB495 they were asking you to take a look and talk to Health and Human Services Committee to get that through. We are very concerned with getting rid of the entitlement of day program for people with developmental disabilities. While we understand the fiscal ramifications of putting people on waivers and we like the home and community-based waivers, the issue becomes is when you remove the entitlement you will be creating a waiting list as you currently have for residential services. Right now in residential services it's an eight-year waiting list for some people. That's not acceptable. And while it may take a year or two, there will be a waiting list. As kind of talked about, there's an ebb and flow to money coming in and out of the state, and we understand that. But we highly caution against that. The \$352,000 per year at BSDC that's being spent per

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person, we highly recommend you look into investing into the home and community-based programs which do it for about an annual cost of somewhere between \$50,000 and \$75,000 per year. Learn the lesson from behavioral health when they didn't invest in the community infrastructure and then sent people out into the community. We need home and community-based providers to be well taken care of. While I agree that those with high acuity will cost more than that average, I can tell you as a past provider it still doesn't cost \$352,000 a year to provide services for those with high behavioral needs or high medical needs in the community. We can do it...they can do it cheaper. The comment was made to pull up by the bootstraps. I think that's a very flip attitude when we are talking about people who, to be on Medicaid and to stay on Medicaid, are forced to live on \$2,000 assets per year, especially when those people making those comments are making six figures and being administrators of programs that are giving away high-end contracts to consultants that have not paid off yet. We were paying consultants to come in and do Medicaid waivers for us. We don't have a waiver yet. And at the same time, we are dropping in national rankings on home and community-based inclusion. We cite the UCP example, United Cerebral Palsy example, in the case for inclusion. We've dropped from 37th to 41st in the past year. We're not doing a good job there. And we're ignoring state laws on quality reviews, and I'll cite that one for you. That's 83-1213. We're not doing quality reviews right now. Finally, I would ask the committee to look into how the wait list money that has been appropriated in the past has been spent. I don't point a finger at this administration. I look at the past administration. I don't think they used those funds wisely and I'm not sure that they used them to wholly address the wait list. Those are my comments and I'm open for any questions you might have. [AGENCY 25]

SENATOR STINNER: Any questions? Seeing none, thank you. [AGENCY 25]

MICHAEL CHITTENDEN: Thank you very much, Senators. Have a great day. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

JAMES BLUE: These days I need my glasses. [AGENCY 25]

SENATOR STINNER: Yeah. Good afternoon. [AGENCY 25]

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JAMES BLUE: Good afternoon. Thank you. My name is James R. Blue, B-l-u-e, and I serve as the president of CEDARS Youth Services. CEDARS Youth Services is a 70-year-old child welfare organization, community-based, nonprofit, serving much of eastern Nebraska. Looking back over my 25 years of service with CEDARS as a community-based partner with the Department of Health and Human Services, I do not remember a single time throughout that quarter of a century when the executive branch has proposed a cut in rates for their partner providers of care. We have become accustomed, of course, to rate stagnation. Any increases we have received we have had to work with the Legislature. I do not remember a single time when the executive branch has looked to cut rates for providers of care for children. This is particularly unsettling at a time when HHS caseworkers are desperately trying to find placements for kids who can no longer live at home. Current rates that we are paid for emergency shelter, family support work which is designed to keep families together are less than 50 percent of our actual cost of care, less than 50 percent of our actual cost of care. There is no fat to cut. I received yesterday an e-mail from a local Health and Human Services administrator who was desperately trying to find a placement for a child. The e-mail I received from this administrator read as follows: Twelve-year-old David has nowhere to go. I remember being involved in removing David from his home. He was living in squalor with his grandmother, moving from abandoned house to the next, using buckets for the bathroom, never knowing what was going to happen the next day. We have a responsibility to treat David better than the situation we removed him from. So far we have all failed to do so. We will start calling each of you at 2:30. There is a significant problem with the supply side and a rate reduction will make that even worse. There's plenty of demand. It is growing. You've heard about that this afternoon. Ultimately, we did find a short-term placement for David but nothing that he deserves. We're grateful for the hard stance that the committee has taken related to the support of children who are in the state's custody, but even a 1 percent increase is functionally going backwards when we consider cost of living, we consider background checks being passed on to providers, having providers pay for fingerprinting, having providers pay for Central Registry checks, freezing childcare rates for our lowest income families while they are working or in school, Medicaid cuts. We're going backwards even with the 1 percent that you folks put into the budget, which we do appreciate. You'll hear proposals later for a greater increase and we support that completely. As I discussed with Director Weinberg several weeks ago when we had breakfast, I shared my opinion with him that I disagreed with just about every point in the Governor's budget. Just one example is to hire 14

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more state government employees so that HHS can directly support half of all foster children who are in relative or kinship placement. I have not yet found a way mathematically that adding government employees, instead of working with the private sector which brings charitable resources to bear for the kids, saves us money, how adding employees saves us money. More importantly, I have not found a way that the very safety of children will not deteriorate. As we discussed earlier, the Department of Health and Human Services is an unlicensed organization that will be trying to support the care of kids who are in crisis, experiencing trauma, and removed from their parents' care. Every other provider in the state, whether it's Boys Town, CEDARS, Christian Heritage, are fully licensed and regulated by the Department of Health and Human Services as a child-caring organization. This will be unlicensed, unregulated care. Right now from the Department of Health and Human Services COMPASS Report: 100 percent of children in foster care are safe from reabuse. In my 25 years, I do not remember a time when we had hit 100 percent of children in foster care are safe from reabuse, recurrent maltreatment. This is a unique time and it is substantially better than how it was ten years ago when the state was providing care for relative and kinship. Thank you very much for your patience. Be happy to try to answer any questions. [AGENCY 25]

SENATOR STINNER: Questions? Seeing none, thank you. [AGENCY 25]

JAMES BLUE: Thank you. [AGENCY 25]

SENATOR STINNER: Afternoon. [AGENCY 25]

MICHAELA JOHANNNS YOUNG: Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Michaela Johanns Young, M-i-c-h-a-e-l-a J-o-h-a-n-n-s Y-o-u-n-g. I am currently the director of out-of-home programs for CEDARS, but I am here today as the chair of the Nebraska Chapter of the Family Focused Treatment Association, or FFTA. FFTA is a national organization of foster care providers established in 1988. The Nebraska Chamber consists of 18 member agencies from across the state that provide foster care services. I'm here today to talk about the department (sic--Division) of Children and Family Services' proposed budget and its impact on youth and families. We appreciate this committee's caution regarding the Governor's proposed budget and recommendation to increase child welfare

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provider rates. This appears to indicate that the current system, which mostly relies on FFTA member agencies to provide foster care services, including supporting foster placements in relative and kinship foster homes, will continue. According to the department's Web site, in the Southeast, Northern, and Central Service Areas where agencies are currently supporting a majority of the kinship and relative foster homes, the rate of safety for kids in foster care has consistently exceeded the federal standard since March 2014. This is a testament to the extensive support and auditing member agencies do with all foster homes. FFTA is concerned that the department is proposing to hire 14 new staff to assist in the support of relative and kinship foster homes, despite the department consistently not being able to meet the minimum caseload standards established by Nebraska law. The addition of 14 full-time staff does not begin to mirror the staffing and support required that member agencies provide. The Foster Care Review Office's December 2016 report indicated that relative and kinship foster homes should receive training specific to the challenges of caring for relatives or kin. FFTA member agencies are equipped to do this. Foster parent education is one of our areas of expertise. The report also recommends that relative and kinship foster homes should have necessary agency-based supports at the same level as nonrelative licensed foster homes. FFTA member agencies support all foster homes, whether they are licensed foster homes or not, at the same level within our current structure and contracts. The support provided to relative and kinship care providers must be flexible and unique, based on the needs of the children and families. Provider agencies are able to maintain communication via phone and e-mail, and staff are available 24 hours a day, 7 days per week, and making lots of home visits. Families who take in relatives or kinship placements are often doing so with very little notice. Due to this, they are generally in need of helping meet the youths' basic needs. Member agencies are able to help families with getting beds, clothing, food, gift cards, assistance with transportation and regularly scheduled visits in the home. FFTA member agencies are able to use their own resources to assist with this, saving the family and the department resources. We are concerned that any move backward toward the department providing these services rather than member agencies could delay and in some cases prevent these services from being delivered. Also, emphasis has been placed on licensing all relative foster homes in order to maximize Title IV-E funding, which helps offset the cost to the state of Nebraska in providing foster care. Member agencies work diligently to complete this licensing. While FFTA member agencies can appreciate the need for a responsible and balanced budget, we feel strongly that this is not the way to achieve this. Children, youth, and families deserve the

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level of support, education, advocacy, and intervention that member agencies can provide to ensure safety, permanence, and well-being. Ultimately, the people who suffer from a reduced appropriation would be the most vulnerable in our state--children who have been separated from their parents. We thank you very much as a committee for restoring the appropriation. And in conclusion, I appreciate your time and attention today and the ongoing commitment that you have placed on foster kids in Nebraska. [AGENCY 25]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. Afternoon. [AGENCY 25]

LYNNE LANGE: (Exhibit 3) Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Lynne Lange, L-y-n-n-e L-a-n-g-e, and I am the executive director of the Nebraska Coalition to End Sexual and Domestic Violence. I'm here to testify in opposition to the 50 percent cut to domestic violence funding through the Department of Human Services, Agency 25. The Nebraska Coalition to End Sexual and Domestic Violence is a statewide advocacy, nonprofit organization committed to the prevention and elimination of sexual and domestic violence. We provide training and program capacity building to Nebraska's network of 20 sexual and domestic violence programs and four tribes, supporting and building upon their services. Our mission is to enhance safety and justice by changing the beliefs that perpetuate domestic and sexual violence. We feel that if our state funding is cut it will significantly affect the ability of our network of programs to honor their mission. While the proposed budget states that our "provider agencies have access to financial resources other than state General Fund and are not wholly dependent on department funding," we would like it to be noted that the ability of the domestic violence programs to receive federal funding is in fact directly tied to their capacity to provide matching state dollars. Our member programs must provide state match at levels varying from 20 to 25 percent in order to receive federal funding. Many of the programs already struggle to meet the match requirements due to the limited state funding, and a reduction in the state General Funds will reduce access to bringing federal dollars into Nebraska to serve victims. The state funding amount for domestic violence services in Nebraska has historically been extremely low, with the only increase over the last 15 years consisting of a 10 percent increase. Yet the number of people being served has increased by 96 percent, serving 19,407 survivors, including over 40,000 shelter beds and over 51,000 crisis calls

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on our crisis lines. Our network of programs has a long history of working successfully with Department of Health and Human Services and we have a strong relationship today. They have praised us for our work and we have responsibly spent our dollars annually to serve survivors in Nebraska. Our programs have an average of 88 percent of their budgets that are dedicated to program services, showing good stewardship of the money that is received. Nebraska's Protection from Domestic Abuse Act names the Department of Health and...Services as the sole body that is responsible for ensuring that all Nebraska victims of domestic violence are provided services, whether or not they are using any other services provided by the Department of Health and Human Services. This funding is the only state funding that is specific to providing services under the act and it should be noted that federal funding sources are limited to very specific activities and do not cover the full range of services that are required under the state statute. In addition, federal funds are competitive across all domestic violence agencies in the United States and there are limited dollars. So there is no guarantee that these funds can be received. I would like to thank the Appropriations Committee for your attention to criminal justice reform and recognize the obvious connection between domestic violence and the criminal justice system. According to a report released by the Judiciary Committee of the United States Senate, domestic violence is the leading cause of injury to women between the ages of 15 and 44 in the United States, which is more than car accidents, muggings, and rapes combined. Domestic violence information tracked during 2014 reflected 15,856 calls to 911 in Douglas County alone. With the prevalence of domestic violence related crimes in Nebraska, it's concerning that DHHS would consider cutting state domestic violence funding at all and certainly not by 50 percent. Before becoming aware of these recommended cuts, we were going to come to this committee to ask for an increase in funding. And as we discussed it, we decided that we would still greatly appreciate the Appropriations Committee considering a 30 percent increase to our funding because we have only received that 10 percent increase over the last 15 years while serving 90 percent more victims. We realize the decisions that you're faced with and appreciate your thoughtful consideration of our request and your support of survivors in Nebraska. Thank you for your time. [AGENCY 25]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. [AGENCY 25]

LYNNE LANGE: Thank you. [AGENCY 25]

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SENATOR STINNER: Good afternoon. [AGENCY 25]

KAREN AUTHIER: (Exhibit 4) Good afternoon, Senator Stinner, committee members. My name is Karen Authier, K-a-r-e-n A-u-t-h-i-e-r. I'm the CEO of Nebraska Children's Home Society and I'm testifying in opposition to the proposal that postadoption services and postguardianship services cease to exist as contracted services, with a plan to, quote, shift the activity to current department staff. Ruth Henrichs, who is sitting back there, is president and CEO of Lutheran Family Services. She joins me in opposing a plan that we believe is shortsighted and would result in added expenses rather than savings. The history and experiences of Right Turn form the basis of our opposition to the plan. In 2008 the Legislature passed the safe haven bill without age limits and, as history would show, although it was intended for parents who were struggling to cope with parenting of infants, children of all ages were dropped off. And then, in looking at the data, it was found that 75 percent of those older children were former state wards who had been placed in adoptive homes and guardianships. To their great credit, the Legislature chose to learn from the unintended consequences of the Safe Haven Act and passed the Children's Behavioral Health Act in 2009. That act included provisions to address the gaps in services that had been identified, including funding for contracts for postadoption services. Nebraska Children's Home Society and Lutheran Family Services partnered to respond to a request for proposals from the Department of Health and Human Services and formed Right Turn as a collaborative initiative when we were awarded the statewide contract in 2010. Each of our agencies has over 120 years of providing adoption and postadoption services. The services through Right Turn are voluntary and targeted to families formed by adoption and guardianship and experiencing challenges in maintaining the family unit. Also, the Legislature wisely included funds for a third-party evaluation of the services created by the Children's Behavioral Health Act. Hornby-Zeller Associates, an evaluation, research, and consulting firm with offices in New York, Maine, and Pennsylvania, received the contract for evaluation services. They consistently reported positive outcomes with almost 99 percent of the families at postadoption...at postprogram measurement and documented that Right Turn was serving families caring for children with serious behavioral health challenges. In other words, the evaluation confirmed that the services were reaching the intended population and producing the intended results. What will be lost if postadoption and guardianship services cease to exist as specialty services? Families will lose their lifeline, their lifeline to a professional who is dedicated to serving families with

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specialized expertise. They'd lose a 24/7 access line, support groups and training for parents, a Web site that generates opportunities for on-line learning, a Facebook support group, and peer-to-peer mentoring relationships that endure over time. We believe that the department simply cannot provide these specialized services. The department does have statutory responsibilities for protection of children and at times struggles to keep up with those heavy caseloads. Several recent reports have highlighted the work that needs to be done to address those high caseloads and turnover in the system. It seems unlikely that the department could take on additional service responsibilities without there being a negative impact on the quality of their mandated services. Also, adoption and guardianship families who have worked with the state in the past are often reluctant to turn to the state for help, not because the state isn't functioning well but simply because of past relationships. Currently, according to experts at the national level, Nebraska is at the top tier of states providing a substantial array of specialized postadoption services. Once those services disappear the investment that the state has made in those resources over a period of seven years will be lost. We believe there has been a good return on investment. Child welfare literature does recommend that postadoption services be provided to maintain permanency, especially with vulnerable populations including African-American children and children whose histories include multiple placements. Nevertheless, I'm well-aware that the Legislature is challenged by revenue expectations that will not cover projected expenditures. There is room for contract adjustments. It would be possible for Right Turn to reduce the current budget by reducing the types of services provided. In fact, we are paid for what we provide and we are...we have been underspending our contract for the last several years and if we had been asked if we could make those adjustments before the proposal was submitted, we would have been happy to discuss that possibility. Thank you for your time and consideration of my opinions. And I'd be happy to answer any questions. [AGENCY 25]

SENATOR STINNER: Thank you. Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, thank you so much for being here today. Can you speak a little bit to the struggles that adoptive families go through when they adopt a child out of the child welfare system? [AGENCY 25]

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KAREN AUTHIER: I think the families that adopt children out of foster care are often families who have either had the child in their home as foster children or they're kinship placements. Sometimes they just reach out and a child appeals to them. They are willing to adopt. They're not experts. They're people like everybody in this room who have a heart for children but they run up against some obstacles. These are children who, I think with other testimony you've heard, who have been traumatized in the homes where they're been removed. And so any expectation that it's going to be normal life for those families is pretty unrealistic. The issues are usually behavioral. The problems that come to Right Turn are problems with the school. Just as examples, if you're holding down jobs and you're getting calls from the school every day and have to go pick up that child, how long do you think you would be able to maintain that child in placement even though you had adopted the child? At some point you would reach the end of your rope and think, I can't support the child if I lose my job, I can't keep my job. So I think those are the kinds of issues. I could go on and on with examples. That's just one example of the types of issues that we deal with and the services that we provide to address those issues. [AGENCY 25]

SENATOR WISHART: You know from reading some of the information that people have sent to me in e-mails about Right Turn, one thing that really stuck out to me was testimony about parents who may adopt a young child and everything goes well. But around 14 or 15 years old some of the trauma starts to manifest itself, and that's a really important time for adoptive parents to have support services like Right Turn. [AGENCY 25]

KAREN AUTHIER: Yes. Yeah. Most...I have three grown children. Most parents go through some rough times when their children hit adolescence. A complicating factor is children are dealing with establishment of their own identity. They have memories. These are children who have memories of what had happened. They have memories of those parents. And so there's a lot of confusion in their own minds and the parents really are not equipped to handle this. And we also know that sometimes therapists, even if they've been seeing a therapist, if they're not an adoption competent therapist, the therapist doesn't have that background. Not every therapist is trained to handle all kinds of mental health cases. So I think that, yes, that was a good example of how things change over time and we believe that the state does have a responsibility to continue to support those families. [AGENCY 25]

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SENATOR STINNER: Additional questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Today the director referenced achieving six of seven federally mandated indicators for the child welfare system, which is great. Glad to hear that. Have things...is that an indication of an improvement since 2009 when child welfare wasn't in such great shape? [AGENCY 25]

KAREN AUTHIER: Just...can you reframe that? In 2000... [AGENCY 25]

SENATOR BOLZ: In 2009 our child welfare system wasn't in very good shape. Is that correct? [AGENCY 25]

KAREN AUTHIER: Yes, I think the system is making progress and I guess part of my concern is that this would be...this could be a setback. I have grave concerns about what the department is planning on taking in-house and especially when services are being provided very competently. It's the private sector that helped the state meet their Children and Family Service reviews from the federal level. And I think that there's some mistaken notion that that was all the department's doing. And I think that that partnership between the public and private sector is important because I think the public sector provides certain expertise. We're not going to do child protective services. But I think the private sector balances that out with other expertise. [AGENCY 25]

SENATOR BOLZ: And that was my question as to whether or not you thought that the partnerships established in the Children's Behavioral Health Act of 2009 contributed to the good outcomes that we're seeing in terms of achieving six out of seven factors today. [AGENCY 25]

KAREN AUTHIER: Yes. And the partnerships I think with staff at the local service area level have been very good. They definitely refer families. They express satisfaction at seeing the results that we've been able to achieve with families. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Clements. [AGENCY 25]

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SENATOR CLEMENTS: Oh, thank you. I was wondering what areas of Nebraska you serve.
[AGENCY 25]

KAREN AUTHIER: We are across state and we can truthfully say we're no more than two hours away from any family. We have, with a combined--and I think this is the other piece--with the combined services of Lutheran and Nebraska Children's Home we have...Nebraska Children's Home has 11 offices across the state, Lutheran has...I don't know the exact number but multiple offices. We have staff stationed across the state and we go out to families. We provide support groups in communities all across the state from Omaha to the Panhandle and every place in between. [AGENCY 25]

SENATOR CLEMENTS: Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you very much. [AGENCY 25]

KAREN AUTHIER: Thank you. [AGENCY 25]

SENATOR STINNER: Can I have just a show of hands of how many testifiers we have today?
Okay. Good afternoon. [AGENCY 25]

PEG HARRIOTT: (Exhibit 5) Good afternoon, Senator Stinner and members of the Appropriations Committee. I am Peg Harriott, P-e-g H-a-r-r-i-o-t-t. Today I represent the Children and Family Coalition of Nebraska, otherwise known as CAFCON. You can see on the handout on page 2 the list of our members. I also am the CEO of Child Saving Institute. CAFCON members have concerns with the DHHS proposed budget and the impact it can have on outcomes achieved for children adrift in the state child welfare system. Please refer to Attachment A for CAFCON's talking points on the impact of the Governor's 2017-19 budget recommendations. I spoke to many of you about those concerns. Today I want to highlight two of our major concerns. The first: Vulnerable children and families will bear the burden of the budget recommendations. The perceived cost savings is shortsighted. Shifting services to already burdened state caseworkers who have not been specially trained to provide intensive services for family finding, kinship care support, and postadoption will jeopardize the positive outcomes for

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children deep in the foster care system. These programs were developed and expanded to meet federal child welfare outcomes, find forever homes for foster children, increase the number of extended family caring for children, and prevent the abandonment of previously adopted children. All outcomes--which ultimately provide stabilization for children and families, reduce placements in more expensive levels of care, and reduce the amount of time children are in the child welfare system--save the state money. Shifting these services to overburdened, undertrained state caseworkers will increase trauma to children, increase lengths of stay in the foster care system, and increase the number of children who age out of the foster care system without a family and, thus, needing the Bridge to Independence financial supports. Reducing the budget by shifting services to state caseworkers and increasing a small number of government workers appears shortsighted. Our second issue: Rate reductions and charging fees to providers who are already experiencing seriously low rates will result in a reduction of needed services for children and families. Thank you to the committee for not including the 2.2 percent rate reduction in the Appropriations preliminary budget. Rate reductions on top of seriously low rates risks the stabilization of the child welfare system the Legislature has worked so hard to achieve over the last five years. Shelter care and group home rates are only one example. Please refer to Attachment B illustrating the current rates compared to the cost of providing care for shelters and group homes in September 2015. This was the result of a subcommittee of the Foster Care Rate Committee. Please note that the discrepancy will only be greater in 2017 given the increased cost of doing business over the last two years, and the example that was talked about much yesterday was the cost of health insurance for our staff. In addition, you're talking about proposing provider fees for managed...or mandated background fees. When I went back and looked at our contracts, it had been approximately five years since the last rate increase for shelter care and group homes. As Jim Blue mentioned previously, the only way we've gotten increases is by coming to the Legislature for those increases. CAFCON respectfully asks for 10 percent rate increase based on the lack of the cost-of-living increases provided to child welfare services and the serious discrepancy between the cost to provide the services and the current rates. I realize that's a change since I met with some of you. But after meeting with some of you and going back to the CAFCON members, we are asking for a rate increase. The one exception is for foster care rates. The Legislature raised foster care rates in 2014 with LB530 which developed and directed the Foster Care Rate Reimbursement Committee. Foster care rates were reviewed on a regular basis, most recently in 2016 for both foster homes and agencies who

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recruit, train, and support foster homes. There's no other regular review of rates for the other child welfare services. In summary, CAFCON recommends, number one, amend the current budget recommendations as follows: provide a 10 percent rate increase for all child welfare services, with the exception of foster care; do not charge providers fees for DHHS-required background checks; and two, utilize licensed, accredited, and qualified private providers across the state for kinship care, Family Finding, and Right Turn. Thank you. [AGENCY 25]

SENATOR STINNER: Thank you. Questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: I'll ask you the same question that I've asked all the testifiers on rates, which is, according to CEO Phillips, the criteria we should be using in terms of assessing rates include history, access, fairness across the Department of Health and Human Services, and equity across states; so again, history, access, fairness across the division of the Department of Health and Human Services, and equity across states. How are we doing in the child welfare realm in terms of achieving those criteria? [AGENCY 25]

PEG HARRIOTT: Access, I think you've heard quite a bit that we're concerned that providers will reduce services by the result of the rate cuts. I can speak for Child Saving Institute itself. When I look at all the possible worst-case scenarios that could happen here, that would be a \$400,000 reduction to Child Saving Institute. Not in any one program is it a killer, but put together it is a killer. And Child Savings Institute will have to reduce something to make that difference. I can't fund-raise that difference. So as far as access, I'm only one that I can speak to that would result in a reduction of services. As far as how we compare to other states, I quick did a poll. I couldn't find much information just on the fly. What I can speak to is when the foster care rates were reviewed we did look across the country and Nebraska is one of the lowest paid child welfare rates. I can't speak specifically for the other rates right now but I can tell you what history tells us regarding that. How it compares across the divisions, we would really have to study that. I can't speak to that question. [AGENCY 25]

SENATOR BOLZ: And what about in terms of history? Have you had significant increases over time? [AGENCY 25]

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PEG HARRIOTT: No. And child welfare has not had significant history regarding rate increases and, as mentioned, really we've had to come to the Legislature to ask for those. And when I looked at our contracts and went back, it was five years since we have had a rate increase for shelter care, for example. [AGENCY 25]

SENATOR BOLZ: Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

ERIN BADER: Good afternoon. [AGENCY 25]

SENATOR STINNER: Afternoon. [AGENCY 25]

ERIN BADER: (Exhibits 6 and 7) Chairman Stinner, members of the Appropriations Committee, my name is Erin Bader, E-r-i-n B-a-d-e-r, and I am the director of permanency and well-being programs at Lutheran Family Services. I am here today in support of Right Turn. I'm also delivering, being handed out, written testimony on behalf of local and national social work and adoption experts who support Right Turn. Right Turn has been an overwhelming success and a cost saver for the state of Nebraska. Since its creation in 2010, Right Turn has served 974 families, and of those only 14 dissolutions of families occurred. That is a 98.6 percent success rate. In addition to that...so the 974 families were served with our intensive six months case management, and I know there was a question earlier about numbers served in 2016 and Right Turn has impacted the lives of over 3,300 individuals or families through our entire array of services. So that would be the intensive case management. That would be people calling our 24-hour access line, maybe just seeking some resources or additional support as a one-time thing, someone attending our support groups or one of our trainings or participating in our on-line support group. Adoption is a lifelong process throughout which children and families may need support and services such as those Right Turn provides: crisis intervention and case management, goal setting, direct services, and peer supports. Keep in mind many families adopt when the children are young. Yet, when those children become a little older, the significant trauma and losses they have experienced can lead to behavioral problems that adoptive parents are ill-equipped to manage. When a child is returned back to the child welfare system, the cost

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for both the child and the state are huge. The state pays just \$34.24 per day for six months of Right Turn case management services. If a child is return to the child welfare system, the cost can range from \$20 a day to hundreds of dollars a day, depending on the level of care the child may need. The child will also no doubt be in the system much longer than the six months that Right Turn works with the family. Far exceeding the monetary cost, the trauma and experience of yet another important loss for the child will negatively impact their physical, mental, and emotional well-being, as well as their ability to connect and form relationships with others. Early analysis of children served by Right Turn showed that they were much more likely to have been removed from their foster home more than once prior to adoption and had experienced many more placements while in foster care--over six on average--than other adopted children whose parents did not seek out help from Right Turn. Since multiple removals and placements associated with instability frequently accompany behavioral or emotional problems, these findings suggest that right turn serves the higher need children and families compared to the overall adoptive population in Nebraska. In fact, 68 percent of all eligible children had a mental health diagnosis. When you have an opportunity to review the handouts, you will see this finding reflected in the services families are accessing through Right Turn. Thirty-two percent of those services are parent education and support, nineteen percent are mental health therapy, and fourteen percent are child development services. In addition to the direct service Right Turn provides, it is equally important that families have access to adoption competent services in their own communities. Right Turn has trained 30 and is in the process of training an additional 24 adoption competent licensed therapists in Omaha, Lincoln, Kearney, Scottsbluff, and all of those surrounding areas. Right Turn also provides statewide trainings to professionals and families on topics such as child development, attachment, trauma and loss, and mental health needs. Right Turn helps adoptive families stay together and these services save money. This is valuable work and adds significant benefits to our communities. Please continue the funding for Right Turn. Thank you. [AGENCY 25]

SENATOR STINNER: Questions? Senator Hilkemann. [AGENCY 25]

SENATOR HILKEMANN: Yes. I just wanted to get...you said that you provide services for 3,300 children or...? [AGENCY 25]

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ERIN BADER: That we were involved 3,300 individuals, so whether that's a parent calling the access line or maybe two parents attending a training, I just was trying to count how many touches we had with our services. [AGENCY 25]

SENATOR HILKEMANN: Every contact. [AGENCY 25]

ERIN BADER: Yep. [AGENCY 25]

SENATOR HILKEMANN: Okay. That, as I...and I would like to go back and reread the...or where we fit. That number that Director Weinberg, when he was speaking here, seemed to be quite a bit lower than that. [AGENCY 25]

ERIN BADER: (Laugh) I'm not sure where he got his number, but I think it was also overlooking all of the array of services that Right Turn provides. So I would say typically people would think of that six-month intensive case management, but we are able to impact and keep families together sometimes just merely through them having the ability to call our access line when they're in a moment of crisis and speak to a licensed clinician right away and that, within itself, could keep that family together, or the option to be able to attend a monthly support group and have childcare available so that they are able to spend some time with fellow adoptive families and either learn about a certain topic that's relative to their parenting or just kind of discuss what problems they're having and receive support from people who really understand. All of those different pieces are going to strengthen children and families and ultimately keep them together and keep the adoptions intact. [AGENCY 25]

SENATOR HILKEMANN: Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Senator Clements. [AGENCY 25]

SENATOR CLEMENTS: Is there any fee paid by families that you serve? [AGENCY 25]

ERIN BADER: No. As long...any family that has been created through adoption or guardianship is eligible for the services. [AGENCY 25]

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SENATOR CLEMENTS: Thank you. [AGENCY 25]

ERIN BADER: Uh-huh. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

ERIN BADER: Thank you. [AGENCY 25]

JULIA TSE: (Exhibit 8) Good afternoon, Chairman Stinner, members of the... [AGENCY 25]

SENATOR STINNER: Good afternoon. [AGENCY 25]

JULIA TSE: ...Appropriations Committee. My name is Julia Tse, J-u-l-i-a T-s-e, and I am here on behalf of Voices for Children in Nebraska, which is an independent, nonprofit, advocacy organization that has been working to build pathways to opportunities for all children and families in our state. And when I say independent, I mean that we don't provide any direct services and we don't take any state or federal funds. For 30 years Voices has been advocating on behalf of children in our foster care system for good policy and practice that produces good outcomes. Over those 30 years there has always been a consensus on the values by which our child welfare system is structured. I think we can all agree that we believe that children thrive in a strong family and in strong communities, and that they don't belong in foster care for long periods of time. I think we all also agree that we have a moral and legal obligation to, as a state, to respond effectively to cases of child maltreatment and to strengthen families in order to prevent abuse or neglect. A strong and evidence-based investment in our child welfare system represents our collective desire to prioritize the protection and care of vulnerable children in our state. As is in many other states, our system has experienced many challenges, but it's unmistakable, to Senator Bolz's point, that we've made a lot of progress. We've talked about the CFSTRs and in 2000, which was the first round of CFSTRs, we only exceeded two of six of those standards. So I think it's fair to say that we've come a long way. And at Voices, we've been collecting data in our annual Kids Count for 24 years now and the data is saying that we've been making progress. Still, there is always work to be done in this field of work and we believe that the changes proposed for the Children and Family Services Division would permanently damage

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our ability to respond to maltreatment and severely undermine the progress that we've observed in the data. Within the context of potential federal changes that would fundamentally change our ability as a state to protect vulnerable children, we would urge caution in reducing our state investments in children. Furthermore, we are gravely concerned that a number of cuts that are proposed with the attention (sic) of being absorbed by existing DCFS staff given that child welfare caseloads have consistently been out of statutory compliance. Without an additional appropriation and thoughtful planning for effective service delivery, further burdening a work force charged with ensuring the safety and well-being of abused and neglected children can have dire consequences, as has been reported by our Inspector General. We've identified four specific concerns and I'll try to be brief because I think previous testifiers have done a really great job. Our first concern is with eliminating postpermanency supports that maintain family stability. Karen from the Children's Home Society mentioned the safe haven crisis and I think that was a good lesson learned for our state that our child welfare system shouldn't just stop at adoption and guardianship, because it's costly for kids to come back into the system and it's traumatic, most of all, for them. Our second concern is regarding the reduction of referrals of relative and kinship foster parents to child placing agencies for ongoing support services by 50 percent and absorbing that into existing staff, because we have made really significant progress over the last couple of years. This is our second year that relative placements have exceeded stranger foster care placement, so a family that the kid isn't familiar with already. We can continue to minimize trauma and result and produce long-term...improve long-term outcomes if we continue on this path. Our third concern is the elimination of services that engage relatives and other sources of social support for kids who are languishing in care through the Family Finding pilot, and I think that LB334 has already been indefinitely postponed so that might be a foregone conclusion. Our fourth concern is with proposals to eliminate or reduce state funding for domestic violence services. In 2015, 537 Nebraska children were placed into foster care due to domestic violence. The reduction or termination of funding for community-based agencies that administer emergency services to victims of domestic violence would likely result in even more children being removed from their homes due to domestic violence. And to answer some of the questions that had come up in previous testimony, the parental substance use disorders last year of all (3) (a), so filings in the courts remove kids from home. Of all those filings, 1,609 were for reasons of parental substance use disorders, which was 22 percent of all (3)(a) filings, and that is up from just two years ago. It was 462 or 14 percent of all filings, so that's about three times more than

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we saw just two years ago. I'll try to wrap up really quickly. We, like many other Nebraskans, believe that successful stewardship of our state is not just about looking at where we are today but thinking about where we want to be tomorrow. The changes proposed in the executive budget, in combination with other proposals, would permanently reduce revenue streams and paints a vision of Nebraska as a place where we will continually underinvest in meeting the needs of abused and neglected children. We are speaking out today on behalf of children in our state and many other citizens to say that neglecting the needs of vulnerable children is contrary to the values of many Nebraskans. And I'm sorry that I went over time. I want to thank this committee for their time and consideration and we respectfully urge you to consider our concerns. [AGENCY 25]

SENATOR STINNER: Questions? Seeing none, thank you. [AGENCY 25]

JULIA TSE: Thank you. [AGENCY 25]

SENATOR STINNER: Afternoon. [AGENCY 25]

MIKE BETZOLD: (Exhibit 9) Good afternoon, Chairman Stinner and members of the Appropriations Committee. For the record, my name is Mike Betzold, spelled M-i-k-e B-e-t-z-o-l-d, and I'm the president and CEO of Better Living Counseling Services. We contract with the Department of Health and Human Services, as well as Probation, to provide child welfare related services to children and families, including foster care, family support, supervised visitation, drug testing, in-home safety, intensive family preservation, tracker and electronic monitoring services. We serve families in over 30 Nebraska counties, primarily in the Southeast and Northern Service Areas. Our 125 employees serve over 1,000 families every year. In addition to our corporate office here in Lincoln we have an office in Beatrice, Columbus, Fremont, Nebraska City, South Sioux City, and York. I'm here today to talk about the impact to the children and families we serve, as well as the business of the Governor's biennium budget proposal to reduce rates paid to child welfare providers by 2.2 percent, as well as reducing utilization of foster care agencies to provide support for relative and kinship placements by 50 percent. Following through on these recommendations would require vulnerable children and families to be served by DHHS case management staff whose caseloads, as you already heard, are already higher than

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those of private agencies. Based on numbers provided to the child welfare provider community two weeks ago by the department, there are approximately 900 relative or kinship placements in the state of Nebraska at this time. DHHS is proposing to support half of those placements with 14 additional staff. That's a ratio of 32:1 caseload size, far more than the caseload size mandated in state statute. This scenario does not set those families or those case workers up for success. In addition, this will cause children to languish in the system, costing the department even more money. It worries me that the DHHS provision...I'm sorry, Division of Public Health, who currently monitors and licenses us as providers and other foster care providers, like Better Living...by the way, we still don't have our review, our annual review. We've been given an extension two times now. This oversight would be...they would be responsible for this oversight, monitoring the relative and kinship placements supported by DHHS Division of Children and Family Services. In my opinion, this creates and appearance, if not the reality, of a conflict of interest when an agency is expected to regulate itself. Requiring DHHS to both provide a service and regulate that service puts children and families at risk by removing the checks and balances provided for in a system that allows private agencies to perform the service and DHHS to contract for and to regulate it. While I am most concerned about the impact these proposals will have on children and families, I would be remiss if I didn't share with you the impact they will also have on my business. First and foremost, Better Living would stand to see a substantial reduction in our annual budget of child welfare provider rates were reduced by 2.2 percent and utilization of foster care agencies to provide support for relative and kinship home placements was cut by 50 percent. This is in addition to the fact that rates paid to child welfare providers have not been increased or even reviewed since about 2010, despite numerous promises by the department to both the provider community and the State Auditor's Office to conduct an independent rate review. Currently, 72.8 percent of our foster care placement here at Better Living is relative and kinship homes. Reducing utilization of agencies to provide support for these placements creates a situation where we must compete with government to provide these services. In all likelihood, our foster care program and the jobs associated with it would be significantly reduced or even eliminated if these recommendations were enacted. In a recent meeting with child welfare providers, DHHS officials told us that the 2.2 percent reduction would only result in approximately a \$640,000 annual savings. If that's true, I want to assure you that the cost to state, to the state of Nebraska, would be considerably more if the department were supervising those 500 children in relative/kinship homes. Before I close, I want to remind

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the committee that in 2013 DHHS requested and received a IV-E waiver from the federal government, allowing the state to expand Title IV-E funds for children and families who are not normally eligible for these federal funds. A provision of receiving such dollars is that any savings resulting from child welfare will be used for the further provision of child welfare services. It is questionable if that is happening under these recommendations and, therefore, puts those federal dollars at risk, potentially causing the state of Nebraska to have another disallowance. I want to thank you for your time today and for restoring the Governor's proposed cuts in your preliminary budget. I respectfully ask that the budget you send to the floor maintains rates at the current level or increases them, as well as gives the department the resources it needs to conduct an independent review of rates during the upcoming biennium. Again, I know you have a difficult decision to make in order to ensure we have a balanced budget. I truly appreciate the work you do. And now I would be happy to answer any questions you may have. [AGENCY 25]

SENATOR STINNER: Questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Could you provide me some follow-up information in writing about the potential for disallowance? [AGENCY 25]

MIKE BETZOLD: I will. [AGENCY 25]

SENATOR BOLZ: Thank you. [AGENCY 25]

MIKE BETZOLD: I'd be happy to do that. [AGENCY 25]

SENATOR STINNER: Okay. Additional questions? Seeing none, thank you. [AGENCY 25]

MIKE BETZOLD: At this time I would like to introduce Sue Pickel, who is a foster parent of ours that would like to address you before she has to go home to kids. Sue. [AGENCY 25]

SUSAN PICKEL: Thank you. My name is Susan Pickel, S-u-s-a-n P-i-c-k-e-l. I am Grandma that...slash foster parent. Our journey started back on December...or, excuse me, September 25,

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2014, when our grandchildren were taken out of their home by the SWAT team. Our children, my daughter and her husband, were involved with...very heavily with drugs. We got a call that they needed some place to go and, of course, what are Grandma and Grandpa for? DHHS lost track of them, could not find them. They had the sheriffs out at different places looking for them while we were waiting. By the time about three hours went by, we went ahead and they were getting ready to put out an AMBER Alert where the other grandparents, my son-in-law's mother, had taken off with the kids and was all over the county. Once that was getting ready to go out, the father-in-law went ahead and told his wife, bring them to the house and then have them picked up. At that time, DHHS came and picked them up, caused quite a scene, had to have the police in, scared the children to death. It took two hours for DHHS to come in our home, after all of this rambunctious, scary time, to fill out paperwork that same evening when those kids needs hugs, kisses, and love. We were told that we were responsible for many appointments, that we're not...and we were not educated on how to approach the state as state wards. We were responsible for finding day care for kids. We were responsible for doctor's appointments, finding psychiatrists, therapists. We were responsible for multiple medical appointments needed to be scheduled with no offer or help from DHHS. We had multiple caseworkers while being involved with the department; had both bad and good experiences. The first one was absolutely awful. We were the...we were not the victims; the children were not the victims. It was all about getting Mom and Dad back with the kids, which they refused to do any drug testing, don't go to any parenting classes, anything that they suggested. I do want to say in regard, we had a wonderful DHHS worker. A Mrs. Kelsey Pollard from the department has always been helpful and did whatever we could...she could to help us out. Kelsey worked with Better Living like this and us so that everything worked out. It was a very hard time as my husband was traveling. I could always count on Better Living if I needed something. I kept asking DHHS for some respite care or some help or what do I do to get a day off. I was told to call someone. I said, who do I call? I don't know who I should call. So I looked through the papers--this is four months later--and I found Better Living's paperwork. I called them. They were out within two days, had me signed up, gave me some time off. They supported me when the kids were upset or acting out. They were available 24/7. All three of them were traumatized, have posttraumatic stress syndrome, behavioral issues. They were available anytime we needed them. They helped with transportation issues. We had to drive...we live in south Lincoln. They made us drive Kale (phonetic), the youngest one, to Behaven, which is for children with issues, because he had never been around

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kids. He'd be locked away in his room. So we would go there to Clinton School because they wouldn't let us move him closer to us. And then I would go to work on 84th and O Street. We'd spend two hours a day in the car making the circle. They were a ton of help picking, going back and forth--I don't know what we would have done without them--or taking them to the doctor, because a lot of the time I was the only one that was available. They are like part of the village it takes to raise a child. The kids adore them and look forward to their visits each month. Anytime they get the chance, they give me agency support, kinship care for our kids who were victims of abuse, severe neglect, emotional abuse. They let me break down and talk to someone who understood and gave me pointers. We have attended many classes that helped us deal and understand trauma and abuse better to equip us as parents. They had emergency planning; respite care, which was not used often but sometimes you just need a day off; 24-hour support--anytime I needed anything, night or day, they answered the phone or would come out; weekly and monthly visits; and documentation on the children. Better Living has treated us all like part of their family with true love and respect. When my dad passed away, they took care of my kids and my family. My dad was so impressed with Better Living that he donated...we donated all of his memorial to Better Living, who used part of it to buy all of the other families, foster care families in their care, park passes so they could take those children to the parks and enjoy the great outdoors. It was something he would have been so happy about. There is no way that we could ever have made it just with DHHS. They simply did not have the time or the resources. And in my opinion, there are only a handful of caseworkers who are not burned out on having too many kids on their caseloads. Thank you. [AGENCY 25]

SENATOR STINNER: Just for the record, could you spell your name? [AGENCY 25]

SUSAN PICKEL: Pickel, P-i-c-k-e-l, Susan, S-u-s-a-n. [AGENCY 25]

SENATOR STINNER: Thank you. Any questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, thank you so much for being here today. I won't keep you too long from going to pick up your kids. I just wanted to ask you, in terms of respite care with kinship, since the children are still wards of the state you can't go out and hire a babysitter for the night. [AGENCY 25]

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SUE PICKEL: No, uh-uh. [AGENCY 25]

SENATOR WISHART: So you have to have somebody who is...had the background checks necessary... [AGENCY 25]

SUSAN PICKEL: Right. [AGENCY 25]

SENATOR WISHART: ...to be able to watch the kiddos. [AGENCY 25]

SUSAN PICKEL: That is correct. [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

SUSAN PICKEL: Most of my parents and my husband's parents and sisters and brothers were all background checked and they could watch them. The grandparents have been a great help also. But as if we wanted to go out for dinner, the two of us, that's not something that happens unless all five of us goes. At this point, we are almost to adoption. They appealed it and we're waiting now to hear. So it's a long, long process for the kids. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you very much. [AGENCY 25]

SUSAN PICKEL: No? Yes? [AGENCY 25]

SENATOR HILKEMANN: I was just going to say bless you. [AGENCY 25]

SUSAN PICKEL: Thank you and I hope you'll take this into consideration. [AGENCY 25]

LINDA OLSON: (Exhibit 10) Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Linda Olson, L-i-n-d-a O-l-s-o-n, and I'm the executive director of Bright Horizons, Resources for Survivors of Domestic Violence and Sexual Assault. We are the advocacy program serving ten rural counties in northeastern and north-central Nebraska. I'm here to testify regarding the proposed 50 percent cut to domestic violence funding

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through Department of Health and Human Services, Agency 25. In 2016 Bright Horizons served 1,185 individuals, which is a 10 percent increase from 2014. We also provided 3,991 shelter beds and answered 3,265 crisis calls. We provide 24-hour crisis line services, individual advocacy, shelter, support groups, legal and medical advocacy, financial assistance, and community education and prevention services across Brown, Rock, Keya Paha, Boyd, Holt, Antelope, Knox, Pierce, Madison, and Stanton Counties. We have an office in Ainsworth, and an office and emergency shelter in O'Neill, and an office and an emergency shelter and a transitional shelter in Norfolk. Each year, Nebraska domestic violence agencies participate in a national census regarding services being provided during one 24-hour time frame. On September 14, 2016, 508 victims received services from the 20 domestic violence programs within our network. In addition, 9.7 hot line calls were answered every hour, for a total of 233 crisis calls over that 24-hour period. At the same time, there were 106 requests for services that went unmet. When there are not enough funding resources in our state, survivors' needs for services such as a safe place to live, legal representation, counseling, and support tragically go unmet multiple times each day. DHHS state funding is vital to leveraging federal funds for our agency and to ensure that we are able to provide services all across the ten counties that we serve. If this state funding is cut, agencies such as ours would have to make critical decisions on how to cut their budgets, and my fear is that the services in our rural communities would suffer. Domestic violence in rural communities presents its own unique challenges. Victims are isolated from services. There's no public transportation and there's a lack of response time in emergency situations. There have been two times throughout the years that it's been the rural mail carriers that helped women escape their domestic violence situations. One time a woman left a note in her mailbox and asked the mail carrier to call the sheriff and have them come and get her because she was isolated and had no access to a phone. Another woman was so isolated that she would walk down to the end of the road every day just to talk to the mail carrier so she had someone to talk to. They developed a friendship and over the months she opened up to that carrier about the situation she was in. That rural mail carrier brought her into our office and we helped them develop a safety plan so that she could leave that situation safely. Another time a woman who was living in rural Boyd County was tied up, beaten, and raped throughout the night. That morning when the school sent the van out to pick up her older children, she grabbed the baby and the diaper bag and jumped into the van with them and asked them to her out of there. Because of the outreach we had provided throughout our communities the school knew to

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contact us, and within nine hours she and her children were on their way back to her family in Arizona. An additional challenge faced by rural families is that many times they are land rich but cash poor. We have worked with numerous women who did not qualify for other services because of the assets that were in their name, but they had absolutely no access to any money of their own. These women reported that without our assistance, which is free of charge, they would have had no choice but to go back. It is vital that our services are available all across our service area and for all victims. I'm asking you to carefully consider the funding for domestic violence and sexual assault services to please help us keep that safety net of services available all across Nebraska. Thank you. [AGENCY 25]

SENATOR STINNER: Questions? [AGENCY 25]

LINDA OLSON: Yes. [AGENCY 25]

SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: So can you explain to me what...how somebody qualifies for your services? [AGENCY 25]

LINDA OLSON: they self-report that they are a victim of domestic violence, sexual assault, stalking, dating violence, or human trafficking. [AGENCY 25]

SENATOR WISHART: And then why would somebody's income disqualify them? [AGENCY 25]

LINDA OLSON: They don't for our services. [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

LINDA OLSON: But for other services, like maybe applying for food stamps or something to help them,... [AGENCY 25]

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SENATOR WISHART: Okay. [AGENCY 25]

LINDA OLSON: ...they're not able to sometimes meet those guidelines. [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

LINDA OLSON: And so our services meet that gap. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

LINDA OLSON: Uh-huh. [AGENCY 25]

SENATOR STINNER: Senator Vargas. [AGENCY 25]

SENATOR VARGAS: Thank you very much for being here. I just had a question. I had asked this question earlier and we got some more information from the executive director around...for domestic violence. [AGENCY 25]

LINDA OLSON: Yes. [AGENCY 25]

SENATOR VARGAS: Can you talk about the federal funds, how that works for you and what are some of the trade-offs you're going to have as a result of seeing decreased funds? [AGENCY 25]

LINDA OLSON: Not just our agency but all the programs across the state use the state funds as matching funds for other federal funds. To leverage those funds, we're required to provide a match for some of our federal funding. And the other issue is federal...I can write a federal grant to maybe hire a campus advocate or for shelter or outreach, but no one wants to fund the executive director, the professional liability insurance, your audit, the bookkeeper, those kind of basic things that's the foundation for all the services. So we use that state funding as that foundation to build on,... [AGENCY 25]

SENATOR VARGAS: Uh-huh. [AGENCY 25]

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LINDA OLSON: ...and without that foundation we're not going to be able to leverage those additional funds, is my concern. [AGENCY 25]

SENATOR VARGAS: Thank you. And how have you...you've provided this data point, the 10 percent increase from 2014. What has been the increase for the last ten year...? Have you seen...what's been the change in need for the last 5-10 years? [AGENCY 25]

LINDA OLSON: I think it's more awareness. I think the need has always been there. We've been able to, with those federal grants, hire like community educators and outreach people to get the word out to make people aware of where the services are. You know, in the instance of the mail carrier bringing that woman in, she said, I never knew where to go. But, she says, once I heard about your agency, your information is everywhere. And so we just really try to get that word out because the need has always been there but to let people know where to come for services and that those services are available free, confidential, 24 hours a day. [AGENCY 25]

SENATOR VARGAS: All right. Thank you very much. [AGENCY 25]

SENATOR STINNER: Senator Hilke mann. [AGENCY 25]

SENATOR HILKEMANN: How much philanthropic support do you get? [AGENCY 25]

LINDA OLSON: We get about, I would guess, about 10 percent of our budget. It's about \$70,000 a year for our agency. [AGENCY 25]

SENATOR HILKEMANN: Okay. Thank you. [AGENCY 25]

LINDA OLSON: Uh-huh. [AGENCY 25]

SENATOR STINNER: Any additional questions? Senator Bolz. [AGENCY 25]

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SENATOR BOLZ: Do you concur with the Nebraska Coalition on Sexual and Domestic Violence, do you concur with their request that we should actually consider a 30 percent increase in funding to the amount of \$444,000, for a new total of \$1.9 million? [AGENCY 25]

LINDA OLSON: Yes, I would fully support that and would hope you would carefully consider that. [AGENCY 25]

SENATOR BOLZ: I appreciate that. I was just reflecting on the \$207 million that we spend for the Department of Corrections and thinking that it's probably only fair that a comparatively small investment be made to ensure the safety and recovery and programming that is appropriate for those who are victims of violence and crime as well. Thank you. [AGENCY 25]

LINDA OLSON: Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

LINDA OLSON: Thank you. [AGENCY 25]

SENATOR STINNER: Good afternoon. [AGENCY 25]

DEB NEARY: Good afternoon. Hi, my name is Deborah Neary; that's D-e-b-o-r-a-h N-e-a-r-y. I'm here to discuss the proposed end to a contract for postadoption and postguardianship services. The program is called Right Turn. And I'm someone that's actually used the services of Right Turn on several occasions and I just cannot imagine what would have happened to my family had I not had the support. Unless you've been a foster parent or adoptive parent, or as in my case, a legal guardian, and I'm certain that you can't really fathom some of the events that you bring into your home that you never imagined could happen to you or your family. When my husband and I became legal guardians to some very adorable children, we thought we were just going to help a family in trouble. We didn't know that these kids had experienced so much trauma and neglect and we didn't know the many ways that their hurts were going to come out sideways as they grew in age. When we became the legal guardians we learned quickly that we were not going to have a case manager that was returning our calls anymore. And it's just the

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way the system works, that they kind of close out a case with certain services once you become the legal guardian or adoptive parent. And our daughter at the time, you know, we had her since she was nine years old she had been in several foster homes and physically abused in several of those. But she was great and we had her in private school. We had her enrolled at Marian High School and when she was a...I'm sorry, at Mercy High School and when she was a sophomore she won volunteer of the year because of the number of hours she volunteered in the community which was an award they usually only gave to seniors in the high school. She volunteered at Bergen Mercy Hospital. She, I remember, made a lot of news stories because at the time she turned 16, the World-Herald interviewed her and several news stations because she was so excited about turning 16 not so that she could get her driver's license and drive but because she wanted to be able to donate blood at the Red Cross and give back to the community. So this is an amazing young lady. But as she got older and things changed and she learned more about her biological family, we learned that we needed help from the system and we didn't get it. When she ran away for several weeks even the police were not able to help us with some of the issues that we faced as the legal guardians. We found out when we called the police that...they just told us, do you know how many foster kids run away every day? And they said if she's still gone in 90 days, well, then call us back and we'll help you then. So there really wasn't any support for us and it wasn't until we did find Right Turn that we were able to get the supports that we needed. And it wasn't just one time. It was, you know, every few months something different would come up. And even though the services that we received Right Turn was over a period of six months, they did put us in touch with...we had a mentor that supported us, somebody who'd been a foster parent, that I could call whenever things happened. And there...we were part of a parent support network and there were quite a few services that we were able to access because Right Turn was able to help us. Let's see, I guess over time, some of the things that we just never expected with Ashley (phonetic) living in our home. We had our credit card stolen from us, we had our cell phone stolen from us. Our foster daughter was inviting her meth addict mother into our home and when we were gone. We even had an experience where her brother sexually assaulted her in our home. This young man had...I mean this is so sad but this young man had watched his own parents having sex in front of him. They were meth addicts. And he repeated this behavior on his sister. And I'm just telling you these stories just because these are the types of things that happened after we became legal guardians. We never expected any of these things to occur and there were no supports for us had we not had access to the Right Turn services. And so I just

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think it would be unconscionable for us to continue to let people adopt and become legal guardians and not have the supports there that they really need. So that's all I had to say today. [AGENCY 25]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. [AGENCY 25]

DEB NEARY: Thank you. [AGENCY 25]

CHASE FRANCL: (Exhibit 11) Good afternoon, Senator Stinner, members of the Appropriations Committee. My name is Chase Francl, C-h-a-s-e F-r-a-n-c-l, and I am submitting the following testimony on behalf of the Friendship House and the Nebraska Association of Behavioral Health Organizations. This letter is being offered in support of the Appropriation Committee's Preliminary Budget proposal. I've served as the Executive Director for the Friendship House, a male-only halfway house located in Grand Island, for the past two and a half years. My agency offers 6-12 months of transitional support to men who have successfully completed short-term residential treatment for substance dependence. Our services are specifically designed to support those who recognize the need for additional time in a recovery-focused environment in order to sustain their sobriety while they learn to utilize their skills in a nonsecured, more real-world environment. Over the past year, 77 percent of our residents were classified as below poverty level, and 0 percent were insured or Medicaid-eligible upon entry. Currently, our service is not funded at full capacity. Despite that we can provide services to 20 individuals at any given time, we're only contracted to be paid for 17 individuals per day, yet over the past two years, we have exceeded our contracts by averaging 19 residents per day, while commonly maintaining a wait list of 3 to 5 consumers awaiting admission. In fact, for our current fiscal year, we are projecting to exceed our contract by over \$89,000, or 12 percent in services provided. And my agency is not unusual in this respect. Consistently across the Region 3 Network Providers, the need that substance use providers are meeting exceeds our contracts by an average of 10-20 percent year-to-date. Understanding that the nature of the population utilizing residential substance abuse treatment is nearly entirely uninsured, full funding for the Division of Behavioral Health to be able to meet this need, among many others, is crucial to the maintenance of this system. This priority for funding represents not only a responsibility to care for our most vulnerable populations, but research also supports it to be a sound financial

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investment for states as well. According to a May 2009 study, out of every \$1 that's spent as a result of the wreckage caused by substance abuse--primarily in hospital and emergency room visits, as well as corrections costs--only \$0.02 is spent on treatment, research, and prevention. This staggering disproportion exists despite that for every \$1 spent on treatment, there's a \$12 return on investment which is realized within our communities. Anecdotally, I have seen this evidence verified firsthand. Throughout calendar year 2016, we served 66 men at our facility, and not a single one of our residents had any new or increased legal issues from their date of admission through their date of discharge. Each resident who was involved with probation or drug court made substantial progress towards leveling up or resolving their legal issues throughout their time in our facility, and 81 percent of our men maintained employment at their time of discharge. As you can clearly see, behavioral health services benefit not just individuals and families, but communities and economies as well. Finally, I want to share with you what properly funding behavioral health services allows providers like the Friendship House to do. Last April, with the support of the Appropriations Committee, halfway house received a nearly 70 percent rate increase to our service. We had been struggling with having the worst rate in all of behavioral health, receiving barely half of what one hour of outpatient counseling was paid, despite heavy regulations which required round-the-clock staffing and the equivalent of 12 full-time employees. Our contract did not even cover our staffing costs alone, let alone facility maintenance and upkeep, food for our residents, utilities to our facility, training for our staff, and other essential operations costs. Since receiving our new rate, however, we have been able to position ourselves to begin meeting what I believe to be the most pressing issue that Nebraska is facing as regards behavioral health. The most recent annual report published by the Grand Island Public Schools cites their student population at 48.53 percent Hispanic. That number is believed to be the most accurate representation of Hall County in general, yet behavioral health services that are able to be offered in Spanish are almost nonexistent. Discussions with professionals running Probation's Reporting Centers echo the same concerns within their system, as the language barrier removes opportunities to apply less restrictive penalties and interventions, ultimately resulting in higher and costlier penalties. However, by securing our new rate increase, my agency has since purchased a building from which we will begin offering an array of Spanish-speaking services delivered by bilingual counselors and therapists in their native tongue. We believe this to be the first and only such clinic in the state, and such innovation was not possible until we began receiving a sustainable rate for our halfway house. Unfortunately, even

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our rate increase came at the cost of other agencies across our system, as capacity in those services had to be cut since no new funding was appropriated alongside our rate increase. So while myself and all of us within NABHO fully appreciate the reality of budget challenges--they have, after all, been the lone constant in behavioral health over the years--I want to strongly voice my support for the budget proposed by the Appropriations Committee. I thank you for recognizing that the proper way to address this challenge is through supporting Nebraskans access to low-cost services, further preventing heightened reliance on high-cost interventions. At this time, I'm happy to respond to any questions you may have. [AGENCY 25]

SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: You you wrote here in your testimony: According to a 2007 study, out of every \$1 that's spent as a result of the wreckage caused by substance abuse--primarily in hospital and emergency room visits--only \$0.02 is spent on treatment, prevention, and research. [AGENCY 25]

CHASE FRANCL: Correct. [AGENCY 25]

SENATOR WISHART: That's disappointing to me. Do you know of any other communities...any other states that have reversed that and are investing in these prevention programs and seeing reductions in expenses on the other side? [AGENCY 25]

CHASE FRANCL: I'm not aware of any. The study was actually in May 2009. I wrote that from memory and then since checked it this morning. It's from an article called, "Shoveling Up: The Impact of Substance Abuse on Federal, State and Local Budgets." They initially did it in 2001 was their first study. They redid it in 2009. So we're hoping for an additional one to update those statistics and see if there's advancement made in those lines. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Senator Bolz. [AGENCY 25]

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SENATOR BOLZ: Good evening. It's your turn. [AGENCY 25]

CHASE FRANCL: Okay. [AGENCY 25]

SENATOR BOLZ: CEO Philips has articulated the criteria that we should be looking at in terms of rates as being equity across states, fairness across the Department of Health and Human Services, access, and history of funding. Can you tell me how we're doing in terms of the Nebraska Association of Behavioral Health Organizations as it relates to criteria? [AGENCY 25]

CHASE FRANCL: Sure. We had a study commissioned one or two years ago by Seim Johnson that showed the increased costs that correlate with providing behavioral health services as opposed to the rate increase. And quite simply, we're not stacking up. As I shared, we've been...we're contracted for 17 bed days. We serve closer to 19. And so the...we provide that service because it's so desperately needed. I believe there's only four male halfway houses across the state. We're the farthest west in state of Nebraska. So as far as the needs there, our mission is to fill that need and so we're going to step up and do that despite that our contracts can't fully support that work. [AGENCY 25]

SENATOR BOLZ: So have you historically received funding increases, funding decreases? Give me the history of your service agency. [AGENCY 25]

CHASE FRANCL: Small increases, I've been at the Friendship House for the past two and a half years. When we initially started we were receiving \$65.12 per day. We got a small increase up to \$67.45 per day prior to getting our large increase with the previous rate study that Director Dawson mentioned earlier in her testimony. [AGENCY 25]

SENATOR BOLZ: And so being the only organization like yours in a fair portion of the state, you have concerns regarding access if you did not receive fair rates from the... [AGENCY 25]

CHASE FRANCL: Absolutely. [AGENCY 25]

SENATOR BOLZ: Okay. Thank you. [AGENCY 25]

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SENATOR STINNER: Senator Wishart. [AGENCY 25]

SENATOR WISHART: Do you have any wait lists for your services? [AGENCY 25]

CHASE FRANCL: We do. We typically run between three to five people waiting for services. They have to have successfully completed a short-term residential treatment so a lot of times they will look at...they'll be interested as they approach completion. And then if we don't have a bed immediately available for them and they can't roll right into a safe transitional program, a lot of times they go back on their own and you lose track of them until they surface again requiring another level of residential treatment. [AGENCY 25]

SENATOR WISHART: So...okay, so explain to me somebody who's on the wait list, how long do they typically wait to be able to get your services? [AGENCY 25]

CHASE FRANCL: It varies pretty widely because we're such a long-term program. With being able to be 6-12 months, I would say typical is probably two to three weeks. [AGENCY 25]

SENATOR WISHART: And then so when somebody has to wait two or three weeks, what do they do while they're waiting? [AGENCY 25]

CHASE FRANCL: A lot of them return home which isn't typically safe environment. That's where they came from when they were actively using. They try to stay with friends. Some can get referred to a sober living home like a three-quarter house. But they struggle with success there because it doesn't have the type of structure that's needed to maintain sobriety. [AGENCY 25]

SENATOR WISHART: Okay. Thank you. [AGENCY 25]

SENATOR STINNER: Senator Vargas. [AGENCY 25]

SENATOR VARGAS: Yes, thank you very much. Thank you very much for being here. This is just more of a comment. It's really heartening to hear you talk about services. It's very unique for

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you to identify this...the language barriers really being, you know, one of the barriers to access for the Latino/Hispanic populations. I have not heard of a lot of different organizations doing this like yours. And so it's just very comforting that you're doing that. Thank you. [AGENCY 25]

CHASE FRANCL: Thank you. [AGENCY 25]

SENATOR STINNER: Any additional questions? Seeing none, thank you. [AGENCY 25]

CHASE FRANCL: Thank you. [AGENCY 25]

MISTY FRAZIER: (Exhibit 12) Good afternoon. Cante waste napeciyuzapi: I shake your hand with a good heart. My name is Misty Frazier, M-i-s-t-y F-r-a-z-i-e-r. I'm the director of the social services department for Santee Sioux Nation and I came to speak on behalf of the tribal nations in Nebraska. I originally came here to speak about the domestic violence programs that we offer, but pretty much everything that they've been talking about today--child welfare, foster care--you know, that's within my department as well. I could speak upon that as well and I would...and I've learned a lot today hearing about the various services that are available that are not available in our area and I could speak about that also because we're such a...we're so rural. And as tribal nations, a lot of times we're the last to be brought to the table, last to be heard that voice where it's just not heard in a lot of situations. And I...she handed out our written testimony. So I'm going to skip down a little bit here to the tribal domestic violence programs in Nebraska provide a vital service to our tribal members that are already at a great disadvantage. Our programs serve others living in our area, which most of the tribal nations in Nebraska are also in rural areas. Some tribal programs serve everybody, not just our tribal members, including stays in our DV shelters. There is some reference to some studies that have been done and the amount of...the rates of victimization of American Indian, Alaskan Native women and to show that...and this is according to a 2010 study that of the Native American people surveyed, more than 56 (percent) had experienced sexual violence in their lifetime and more than 55 percent had experienced intimate partner violence in their lifetime and nearly half had experienced stalking at least two to three...and at least two in three had experienced psychological aggression by an intimate partner. The rates of victimization of American Indian, Alaskan Native women is what some of the highest in the country; Nebraska is no different. We are a small population, but we have some of

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the greatest needs. And I can go in and talk about historical trauma and how is that's affected our people. But for the women that live within our communities and within Nebraska, you know, the services that we provide are that lifeline. You know, for somebody that's been there and lived that life, you can't thank those service providers enough for the work that they do. For somebody that doesn't have someplace to go when there's domestic violence in the home, it's also the experiences of the children. In 2011, we opened our domestic violence shelter in Santee. And since we opened we've seen our numbers doubled. And we've also seen...you know, we've seen a lot more of the issues that the women have had to deal with, from mental health, substance abuse issues, also the issues that the children of mental health issues as well. And there's a lack of housing, employment opportunities. And so there's a lot of barriers to self-sustainability. And so we've tried to provide those services within our tribe, within our programs because we don't have services. I mean it's amazing to hear that a lot of these programs are statewide, but we don't feel...we don't see those services on our tribal reservations. So we've provided a lot of those services ourselves when it comes to domestic violence, child welfare, behavioral health, substance abuse issues. We do work with a lot of outside agencies. You can see there are already increased in the number of clients that we've served. We also...our tribes get a very minimal amount of money for tribal domestic violence services. If that were cut in half we would...pretty much our programs are going to be nonexistent. It would be really difficult to even function on half of what we receive now, which is very minimal. So I thank you for your time today. If there's any questions, I'd be happy to answer. [AGENCY 25]

SENATOR STINNER: Any questions? Seeing none, thank you very much. [AGENCY 25]

MISTY FRAZIER: Thank you. [AGENCY 25]

KATIE McLEESE STEPHENSON: (Exhibit 13) Good afternoon, or perhaps it's now become good evening. Chairperson Stinner and Members of the Appropriations Committee, my name is Katie McLeese Stephenson. For the record, that's spelled K-a-t-i-e M-c-L-e-e-s-e S-t-e-p-h-e-n-s-o-n. I am proud to serve as the executive director of the Child Guidance Center in Lincoln. We were founded in 1949 and provide an array of specialized, trauma-focused mental health services for children and their families. We are the largest provider of children's mental health in Lincoln and last year we served over 2,000 children and families. Today I am testifying on behalf of the

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Nebraska Association of Behavioral Health Organizations, or NABHO, regarding the Child Welfare budget. The Governor's budget recommendation proposed nearly a \$9 million cut to the Child Welfare budget. NABHO is pleased that the Appropriations Committee's Preliminary Budget Recommendation proposes to eliminate this budget cut and to increase the Child Welfare budget in both years of the biennium. The child welfare system in Nebraska has experienced tremendous changes and fluctuations, especially in the last decade. The privatization of the child welfare system led many agencies to close their doors and others to lose thousands and some millions of dollars. The system remains impacted. For the weakened child welfare system to sustain a sizeable cut as proposed by the Governor, it would serve to further decimate the system for some of the most vulnerable children and families in the state of Nebraska. I recently had the opportunity, along with some of you, to attend a briefing on the Nebraska Child Welfare Blueprint Report hosted by the Children's Commission. This report was funded by the Sherwood Foundation and was conducted by Child Focus. I was struck by the fact that the very services that the report outlines as ones that are stabilizing the child welfare system are ones that the Governor's budget proposes to eliminate or move in-house. This includes support to kinship foster families, the Family Finding program and the Right Turn postadoption support program. To add additional responsibilities to DHHS when the Division of Children and Family Services has not been able to stabilize its own work force to meet the caseload standards enacted in 2012 by the Legislature seems problematic. It is important to acknowledge that the first recommendation of the Blueprint Report is to address gaps in behavioral health services noting that gaps in substance abuse treatment and mental health services are two of the most commonly cited areas of concern in our state. If rates for child welfare and behavioral health providers are decreased through cuts in Child Welfare, Division of Behavioral Health, and Medicaid we will move further and further away from addressing these gaps. These cuts will increase the gaps in behavioral health services. There are not enough services currently and waiting lists to receive critical care are too long. If you are a family that is ready to obtain mental health services or are a parent of a teen that is ready to enter substance abuse treatment only to find that you may need to wait weeks or months to begin, the results can be devastating. You may be unwilling or unable to receive these services when there is a spot open for you. We need to adequately fund these services so that those that need them the most can receive high-quality services available to them at the right time. Thank you for serving our state as legislators and making important and often difficult decisions. Many are counting on your wisdom. NABHO's members are appreciative of

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your support to keep budget cuts away from the child welfare system in hopes of helping to stabilize it. Please remember what is needed to help make families whole again included an array of adequately funded services. I'd be happy to take any questions you might have. [AGENCY 25]

SENATOR STINNER: Any questions? Seeing none, thank you. [AGENCY 25]

TAMMY LEE FATINO: Good evening, Senator Stinner. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

TAMMY LEE FATINO: Good evening, ladies and gentlemen. My name is Tammy Lee Fatino; that's spelled T-a-m-m-y L-e-e F-a-t-i-n-o, and I am a foster adoptive parent of two children. I am here to testify on behalf of my family and tell you a little story. Back in 2009 I remember watching the news and being mortified, my heart broken as well as my husband's seeing the children that were coming from across the country to our safe haven. I'm glad to hear after all the testimony today here and based upon your reaction, the turnout that we have, how compassionate Nebraska is towards its children and I feel very fortunate to be here as intimidating as this is to me. I've never done anything like this and when I was asked I said sure. I had no idea what I was getting into. So, wow. I feel honored to be here. We started our journey as a family, my husband and I, in 2010. We looked into what it would take to become foster parents. It seemed a little much and we were driven to make a difference in our community. And also we wanted to show our kids, the kids that we had, the five children and we had together, that there is a world much bigger than just our little, little tidbit that we had. We wanted to model to them what it meant to give and to be a steward of the things that has been given to us. We elected to become foster parents of one child. She soon had a brother. She wasn't even hardly a year old. So we fostered him as well. Both those children are Latino and they have had trauma and we did not intend to adopt them. We went into foster care to just do foster care. My husband and I, having the fire in our hearts, really couldn't see past doing the right thing and the hardest thing being the same thing. We adopted both of these children and we were outnumbered severely with seven kids. I had no idea what I was in for again and didn't think it through quite frankly. I'm that parent that they are talking about that's ill equipped. (Laughter) And I admittedly was not equipped. And I'm

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here to testify on behalf of my experience with Right Turn. I called at a time of desperation when I was ready to quit. I wanted to throw the towel in. And the lady on the other line, on the other...on the phone when I called made it perfectly clear to me that their goal was to keep my family intact. She made no bones about it. She told me right away. I didn't believe her. I said I wanted out. I was overwhelmed. I didn't know what I was going to do. I was honestly in fear of my marriage. It was...my marriage was suffering at this time. But I agreed to allow her to send a worker from Right Turn out to my home and when the worker came out she was very compassionate, she was very understanding, and I just felt like there was something different about this individual. Amy Montgomery (phonetic) and I have established a relationship and have become...I consider her a friend. I don't know what I would have done without Right Turn. With the tools that they have given us as a family and helped us overcome these obstacles, I'm back in the game and I'm committed for life. I can say before all of you and my maker that I'm committed to see these two children through and be a forever family. And that wasn't the case just eight months ago. The tools that I got with Right Turn and the relationships that I had built have been life changing. They were that lifeline for these two little people. I don't want to think about what would happen if we hadn't had...just opened our doors and allowed Right Turn to come in. I don't have to now. I sit here before you and I would like to ask you humbly, in my humble opinion, to reconsider this budget and please allow Right Turn to operate fully, if not maybe some extra funding honestly. (Laughter) I'm sitting here listening all this. I am familiar with Behaven. I'm familiar with the transportation gentleman. I'm familiar with all these people. I'm familiar with the grandma and what she says and what she went through. I've been down that road. It's exhausting. It is just so exhausting. I appreciate your consideration and I'm honored to be here to testify. Thank you. [AGENCY 25]

SENATOR STINNER: Questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Thank you for coming and thanks for doing what you do and thanks for the reminder about who we are and what we're here to do and who we're here to serve. Sometimes people refer to serving in the Nebraska Legislature as drinking from a fire hose. And I'm reminded tonight that drinking from a fire hose is trying to keep track of seven children, two of whom you've taken on out of the goodness of your heart. And so I thank you for your work and for being who you are. [AGENCY 25]

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TAMMY LEE FATINO: Thank you. [AGENCY 25]

SENATOR STINNER: Senator Hilkeemann. [AGENCY 25]

SENATOR HILKEMANN: Thank you for coming being honorable. Thank you. [AGENCY 25]

TAMMY LEE FATINO: Thank you, sir. Thank you. [AGENCY 25]

SENATOR STINNER: Thank you. [AGENCY 25]

SARAH BUCHHOLZ: (Exhibits 14 and 15) Good evening, Senator Stinner and members of the Appropriations Committee. My name is Sarah, S-a-r-a-h, Buchholz, B-u-c-h-h-o-l-z, and I am a foster care consultant for Boys Town in the Kearney area. I am also a foster parent myself. I am here today to speak on behalf of Jared and Kristie Dugan who wanted to provide testimony to the committee but were unable to attend due to their work schedules. I have submitted the Dugans' letter along with a copy of my testimony. If the Dugans were here today they would tell you about how drastically their lives changed last October when they became a kinship home to two young children. As you would expect, they were overwhelmed by the number of phone calls, meetings, appointments, and individuals they became newly acquainted with. Also, the new additions to the family needed clothing, bedding, and other personal belongings to make them feel at home. The Dugans were also responsible for arranging medical and therapy appointments for the youth, while working around a visitation schedule arranged by DHHS. The Dugans had never fostered before these children were placed in their home. Understandably they had many, many questions. Often, kinship placements are very complicated due to the direct contact with and the needs of the birth family as well as the needs of the children. The caseworker did not have time to share details and answer all their questions but did offer a list of agencies to contact if they needed additional support. I know this because before coming to Boys Town, I was a caseworker for DHHS for approximately a years' time. In my caseworker role for DHHS my focus was on the safety of the children and needs of the biological family, not the foster parents. I had a caseload of 20-30 which did not allow me the time to discuss any of those details with a family or provide the necessary supports to a family like the Dugans. My initial meeting with Dugans as a newly assigned foster care consultant lasted more than two hours as we began to

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review their questions and provide them with answers as well as help them organize what seemed like an overwhelming number of tasks and appointments for the children. I am available at any time day or night by phone when they need assistance or when the occasional crisis arises. I am also helping the Dugans prepare to become a licensed foster home. This is important because the more licensed foster homes available, the more the state is able to draw down on federal dollars while ensuring the necessary services and supports exist for foster children, foster homes, and foster parents. As a foster parent myself I understand all of the emotions, challenges, and ongoing needs of families like the Dugans that open their home and hearts to vulnerable children. Kinship and relative homes, such as myself and the Dugans, are not initially trained on the child welfare system, childhood trauma, or how to teach to behaviors of foster youth prior to them being placed into their home. However, with kinship agency based support services, all of these unmet needs soon become met. The Dugans are a good example of why the budget recommendations to shift 50 percent of kinship and foster care supports to DHHS caseworkers are problematic. Staff supporting kinship and foster families need to be specially trained and dedicated 24/7 365 days of the year to this critical role. From my personal and professional experience, I know shifting this service to DHHS will result in decreased support for families. In conclusion, I appreciate your time today and your commitment to ensure that difficult budget decisions do not negatively impact children and families or create unintended long-term consequences to the child welfare system. I'll be happy to answer any questions. [AGENCY 25]

SENATOR STINNER: Questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, thank you for being here today. Since you're both a foster parent and you helped foster parents, I wanted to just ask you if you could explain sort of the complexity of having to manage not only the foster parents and the kids, but also the schedule of the bio parents and how that all works out. It's not like a family is just taking in a kid and that's it. There is also a lot of work being done for that kid to eventually go home. So can you explain the complexity of all that. [AGENCY 25]

SARAH BUCHHOLZ: Yes, absolutely. So the role of DHHS ultimately is reunification, to get the children back home to the parents. And what that entails is often times a very strict visitation schedule, usually five times a week depending on the child's age. The foster parents' schedules

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are not taken into account when a visitation schedule is set up by DHHS. And so they're oftentimes running their biological children around as well and the foster youth. And they're required to make physical, dental, and vision appointments within the first 30 days of placement, as well as set up therapy for the youth all while working around five days typically of a visitation schedule for the foster youth as well. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

SARAH BUCHHOLZ: Thank you. [AGENCY 25]

SARAH HELVEY: Good evening. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

SARAH HELVEY: (Exhibit 16) My name is Sarah Helvey, S-a-r-a-h H-e-l-v-e-y, and I'm a staff attorney and director of the child welfare program at Nebraska Appleseed. Nebraska Appleseed is a nonprofit, nonpartisan public interest legal advocacy organization that fights for justice and opportunity for all Nebraskans. A report released last week--this was referenced by earlier testifiers--the Blueprint Report which is being passed out currently and represents the consensus of a diverse group of stakeholders including advocates, providers, and state administrators concluded, as others have said, that Nebraska has made significant progress and improvements in child welfare in recent years and makes a number of recommendations for additional improvements needed to more effectively serve children and families. I won't go over some of the progress that's noted by the report because our testifiers have done so and you now have a copy. But I will mention a few recommendations that the report made: to address gaps in behavioral health services, to create partnerships with foster parents to meet children's needs including ensuring they have the support they need, understanding and addressing racial inequities, addressing caseload and turnover issues, and developing standardized data measures. The progress, as others have said, again made in welfare in recent years is significant. And that is a credit...just some targeted initiatives of the department, legislative leadership following child welfare crises, established procedures for oversight of stakeholder involvement, and smart investments in best practices. It is also a credit to the many dedicated private providers of child

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welfare services across the state of Nebraska. But we're concerned that this progress would be threatened by proposed budget cuts to critical community services such as Right Turn and we're worried about the capacity of HHS given that existing caseloads have failed to meet statutory requirements for years. In order to meet our state's obligation to children and families, we need to invest in an adequate workforce, address gaps in our service array including those in rural parts of the state, and support family and family-based placements including kinship, guardianship, and adoptive homes. And then I just want to go off script to say I was sitting in the audience behind former Senator Annette Dubas who was a legislative leader during the safe haven crisis, which reminded me of that time. And it was a crisis it seemed that every day or every few days we would learn of another youth that was relinquished at a hospital. These were caregivers who cared and loved these children deeply, children that had trauma from being in the foster care system and unmet behavioral health needs. And we have many new senators and almost entirely new leadership within HHS. And I thank all of you for your service, but when I look around this room at the providers and advocates there were many of them that were there in many long hearings like this one today, this evening. And so I just offer that to you as you make difficult budget decisions, that many of the providers in the room today have fought very hard for the progress that's made for these children. So again, just urge you to keep that in mind as you make difficult budget decisions. And we urge the committee to protect the state's critical funding of child welfare and we thank you for your efforts on behalf of children and families. [AGENCY 25]

SENATOR STINNER: Thank you. Additional questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Good evening, Sarah. I appreciate your point about stakeholders and previous work and previous investments. And as I was noticing you in the audience, I was remembering the work that we did a couple of years ago around the child welfare financing primer and the related interim study that you worked on with my office. And the recommendations that came out of that interim study informed by the child welfare financing primer were greater integration between the Division of Children Family Services and the Medicaid Division to break down those silos, better leveraging IV-E funds from the federal level, maximizing opportunities for federal bonuses and other incentives, investing in targeted preventive services, and engaging in the Pew Charitable Trusts Results First Initiative to promote evidence-based planning and

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programming for the Child Welfare Division. And I bring that up because a couple of years ago I think the stakeholders in this room along with my office put forward a different vision for how we might be able to better maximize the funds in the Child Welfare Division as well as create cost savings. And that is maybe a long-winded way of saying, do you still believe in Results First and do you still think that there maybe would have been a better way of addressing the needs to draw down the spending in the Child Welfare program? Could there have been a different approach? [AGENCY 25]

SARAH HELVEY: Yes, I think so and I thank you for bringing that up and for your leadership on that interim study and I'd be happy to provide copies of...we still have additional copies of that financing primer. It gives some good background on federal and state child welfare financing, and thanks to Liz Hruska who gave some input into that report as well. I think the recommendations in that report are still very sound and offer up some opportunities that where we could save and increase federal funding, braid some funding sources, and make improvements to the way that we fund child welfare that would be helpful in the current context. [AGENCY 25]

SENATOR BOLZ: Great. I think we should most certainly revisit those ideas. I think there are better ways to create cost savings in the system and I think we should renew the conversation about the Results First evidence-based strategic planning approach. [AGENCY 25]

SARAH HELVEY: I agree. Thank you. [AGENCY 25]

SENATOR STINNER: Additional questions? Seeing none, thank you. [AGENCY 25]

SARAH HELVEY: Thank you. [AGENCY 25]

ASHLEY BROWN: Good evening. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

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ASHLEY BROWN: (Exhibit 17) Thank you all for hanging in there. This is starting to be a very long day. My name is Ashley Brown, A-s-h-l-e-y B-r-o-w-n. I'm the vice president for KVC Behavioral HealthCare Nebraska and I'm here today to discuss the Health and Human Services budget and implications should it remain as written today. Transitioning work from private agencies to the Department of Health and Human Services is not in the best interest of the people of Nebraska. While initially it may seem financially efficient, the long-term impact and costs will far outweigh any short-term savings. At this time when we are spending more and more money in Corrections, we must think about the long-term repercussions of our decisions today. Focusing on one of many of the budget recommendations, historically, the Department of health and Human Services has demonstrated the inability to support foster homes well. While some may have met the measure to document a visit to a foster home, providing sufficient support, education, and advocacy to foster parents is something entirely different and requires specialized skills that private agencies have perfected over time. Moving the support of lower level kinship homes to a government agency assumes these families are somehow easier to manage and support; that is simply not the case. Serving kinship families is complex; they require the same and sometimes more support and advocacy as fully licensed foster families in Nebraska. As a former support worker, I cannot count how many times I was asked by foster parents if there was an update on the case or when they could expect a call or visit from the caseworker when I arrived to pick up children to visit their parents. At that time, the only support to foster families was the Department of Health and Human Services. Shifting work back to the Department will put foster parents in the same predicament I saw 15 years ago. As a system, we've made so much progress. We must maintain our commitment to improvement. Despite the expertise KVC has demonstrated in supporting all foster families including kinship, we have also achieved and maintained licensure as a child-placing and adoption agency, obtained the highest level of accreditation through the Joint Commission and set our goals extremely high to achieve results beyond standard requirements. The value what would you want for your child drives our work and sets the measure for every child and family we serve. KVC Nebraska is known to serve the children with some of the highest needs who also happen to be older. We take great pride in looking to solve the most difficult problems and one of our mantras, we don't sleep until you do clearly demonstrates our commitment to partner with whomever it takes to ensure the safety of children in Nebraska. We have achieved a 100 percent safety rating for children placed in KVC foster homes; we have achieved and maintained 97 percent of foster parent retention, and our

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placement stability rate averages 95 percent. Despite those major accomplishments, we remain focused on improvement until 100 percent across the board is achieved. Nebraska has come a long way in making the necessary changes to improve the child welfare system. We encourage system stability and laser focus on continual improvement in case management in the areas of caseload sizes, CFSR outcomes and rightsizing foster care in Nebraska. I'm confident this committee will make the best decision for all of our Nebraska residents. Thank you so much for your time and I'm happy to answer any questions. [AGENCY 25]

SENATOR STINNER: Any questions? Seeing none, thank you. [AGENCY 25]

ASHLEY BROWN: Thank you. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

JORDAN RASMUSSEN: (Exhibit 18) Good evening, Chairman Stinner and members of the committee. My name is Jordan Rasmussen, J-o-r-d-a-n R-a-s-m-u-s-s-e-n, and I'm testifying on behalf of the Center for Rural Affairs. Although the reduction to the Behavioral Health and Child Welfare aid as outlined in the Governor's budget have been reinstated or increased under the Appropriations Committee Preliminary Report, the cuts that do remain place rural residents at a disadvantage by limiting their ability to access behavioral health services and the full scope of child welfare services. According to the Nebraska Rural Health Advisory Commission, of the 90 counties under the commission's jurisdiction, only two counties have adequate psychiatry and mental health staff. While these figures reflect the shortage of licensed psychiatrists and psychologists, there is further strain on the behavioral health sector due to the shortage of nursing staff to assist with inpatient and substance abuse treatment stays. Moreover, the 2016 Nebraska Behavioral Health Needs Assessment identified 78 Nebraska counties with high needs for mental health services on the basis of population and age ratios. These compounded staffing concerns place severe limitations on rural residents' ability to access the mental health care they need. The same issues that lead to increased need for behavioral health services are often tied to an increased need for child welfare services. The committee's decision not to adopt the cuts to child welfare services proposed by the Department is a positive step, but it is worth recalling that the caseloads and workloads for child welfare caseworkers in Nebraska are already far too high.

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The Inspector General for Nebraska Child Welfare found that high caseloads and workloads were directly contributing to negative outcomes for children and families in the child welfare systems. The total number of state wards has increased about 6 percent over the last year, with increases in some other areas. Caseworker burnout particularly harms rural Nebraska due to existing challenges in recruiting and retaining a qualified work force. As prospects for Nebraska's agricultural economy remain bleak, the proposed cut to the behavioral health voucher program of Nebraska's Rural Response Hotline runs counter to the need for services for rural Nebraskans. For more than 20 years, the hotline has provided assistance in navigating financial and legal concerns and the underlying need for mental health care. When the counselors of the hotline ascertain that additional services are needed, the voucher program has provided access to care to rural residents who would otherwise be unable to pay for behavioral health services. According to Legal Aid of Nebraska, which facilitates the hotline, calls have more than doubled in the last year. While all of Nebraska is reeling from the downturn of the agricultural commodities market, further reducing funding to programs that afford behavioral health and child welfare services to rural Nebraskans, places this population at a great disadvantage. Thank you for your time and I welcome your questions. [AGENCY 25]

SENATOR STINNER: Any questions? Seeing none, thank you. [AGENCY 25]

BILL WILLIAMS: Good evening. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

BILL WILLIAMS: (Exhibit 19) My name is Bill Williams; that's B-i-l-l W-i-l-l-i-a-m-s. I am the chief operating officer and cofounder of Compass, a nonprofit foster care and family services agency. And I'm a foster parent now for ten years and I have fostered 46 children as well. I've worked in human services for over 27 years and I'm here today because I want to talk about a couple of different things. Department of Health and Human Services' proposal to cut 2.2 percent the rate reduction for family support parenting time and time and travel services will have a dramatically negative impact on services to kids and I'll tell you why. Providers will be forced to consider scaling back services in remote areas because the cost is becoming too great. I can tell you that the reimbursement rate right now for time and travel to provide these services

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are already well below what the actual cost incurred. Providers are absorbing the costs. Even an additional 2.2 percent cut would impact the availability of services to outlying communities. Those towns in remote areas outside the metro area of Omaha and Lincoln would be at the greatest risk. Providers would be forced to decrease staffing costs. Cutting wages and benefits only hurts the quality and availability of services providers want high-quality human service professionals, but decreasing the rates to providers will mean a corresponding decrease in potential applicants, a decrease in staff quality, or both. Department of Health and Human Services has not increased rates for family support parenting time or time and travel services for seven years. Did you catch that? These rates have not been reviewed since 2010. In the same time the minimum wage in Nebraska has increased 24.9 percent. With that in mind, can you see that a 2.2 percent decrease is significantly more difficult to absorb? Furthermore, the impact of a proposed cut is magnified when you consider the rising cost of labor, the increased training requirements, state policies that continue to expect more and more providers and new regulations. The demands on the work we do increase constantly while the rates for service have been stagnant. How do we absorb a cut on top of that? Director Weinberg said that the 2.2 percent reduction allows provider participation in cost savings. Absolutely. We've done that for seven years. We're participating in that. We've been participating for seven years but the demands and responsibilities on the work that we do increase and yet the revenue that we receive continues to remain the same. And so that is a problem in what we do. The other thing, I want to go off script for just a minute and talk about the shifting of kinship and relative placements back to the department, those foster homes back to be supported by the state workers. It doesn't matter if you give them 14 new workers or 50. They can't do it and I'll tell you why, because that state has shown that they're effective at coordinating services, managing cases, and reviewing files, assessing services. That's what they do and that's what they do relatively well at this point. There's a big difference between coordinating services and providing them. Coming alongside a family is different than answering a phone. You have to go out to a family at 2 in the morning. You have to show up at the doorstep with a crib because that family just got a placement in the middle of the night and they don't have a crib for a child. Does the department do that? No, and wouldn't expect them to. That's why we have service providers and they're the people who are best equipped to do it. And it doesn't matter how much money, how many workers the department has. That's not what they do well. That's what providers are here to do and that's why they should continue to do that. Another thing I want to mention is we talked about background

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checks and fingerprints and the cost of that being shifted to foster care agencies and I want to address that because the cost of that is much greater than you think. It's...it costs about \$50 for a fingerprint background check. I think the director said it was \$45.95, and then you add the other checks involved, it's over \$50 per person. If a foster family is a two-parent family, that's \$100. If they have an 18-year-old senior in high school or a grandparent there's another \$50 and another \$50. We've had foster families that have cost over \$250 for background checks. Director Weinberg said...well, I think a question from the committee was is there any consideration about pushing that cost down to foster parents from providers? Absolutely, that's a consideration. Providers have to figure out a way to cover those costs. Is anyone going to stop providing care because of that? No. But are we going to come alongside our foster parents and ask for them to share that burden with us? That's a possibility. The other thing is when Director Weinberg talked about those services, that reimbursement being available for that through an administrative reimbursement, that is not...that's just not the case. There is no funds that are provided to reimburse those expenses unless care is provided by a foster home. I thank you for your time and I hope that you'll consider those comments. I'm available for any questions you might have.
[AGENCY 25]

SENATOR STINNER: Questions? Senator Wishart. [AGENCY 25]

SENATOR WISHART: Just to make sure that we have this correct in the record, did you say you fostered 46 children? [AGENCY 25]

BILL WILLIAMS: Yes, 46 children. [AGENCY 25]

SENATOR WISHART: Congratulations. I think that's a record. [AGENCY 25]

BILL WILLIAMS: Well, it really isn't. Senator Bolz didn't ask a question. I was hoping she would ask the history, fairness, and other states question that she asked other folks. (Laughter) I'd be willing to entertain the question if you want to ask it. [AGENCY 25]

SENATOR STINNER: Senator Bolz. [AGENCY 25]

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SENATOR BOLZ: I had saved that question for the associations or providers, but I think your commentary illustrates that we certainly have a challenge related to the history of services, rates for family support parenting time and travel services. Do you have anything further to add?
[AGENCY 25]

BILL WILLIAMS: No, no, that's fine. [AGENCY 25]

SENATOR STINNER: Thank you for your testimony. [AGENCY 25]

BILL WILLIAMS: Thank you. [AGENCY 25]

PATTY JURJEVICH: (Exhibit 20) Good evening. Senator Stinner, members of the Appropriations Committee, my name is Patti Jurjevich, P-a-t-t-i J-u-r-j-e-v-i-c-h, administrator of Region 6 Behavioral Healthcare, one of 6 Regional Behavioral Health Authorities in the state of Nebraska. I am here representing the Nebraska Association of Regional Administrators, behavioral health providers and the over 30,000 consumers who annually utilize behavioral health services in the public Behavioral Health System. I appear before you today in support of the Committee's Preliminary Recommendation made for Behavioral Health Aid to the Division of Behavioral Health. I begin by offering the Regions' deep appreciation to this committee for acknowledging the need for behavioral health services by leaving intact the dollars for Region-funded services, as well as recommending a 1 percent rate increase. We would also like to publicly thank and acknowledge the Division of Behavioral Health's hard work to minimize the cuts passed under LB22 and their continued collaborative work with the Regions to maintain and improve a system of behavioral health care that this committee and the state of Nebraska can be proud of. As we continue our work to improve this system, I will point out that many other systems throughout Nebraska need access to behavioral health services: schools, probation, child welfare, and Corrections, just to name a few. In many cases, Regions are working cooperatively, both in their regions and statewide, to address this rapidly expanding list of needed services and supports. We anticipate that supported employment, youth care, mental health and substance use, residential and nonresidential treatment, and rehabilitation programs will serve more people than we can reimburse the provider for. This demonstrates the continued and growing demand for access to services by individuals that are eligible in our system. The reality is the demand for

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behavioral health services exceeds our capitated financial resources to cover them all. The amount of uncompensated care is increasing across the Regions and is projected to be hundreds of thousands of dollars this fiscal year. Our service providers cannot sustain large losses of revenue and remain viable. The Regions have worked with our individual provider networks to improve access, but we do continue to experience wait lists in certain services. Significant demand exists for substance use services. With the increase in methamphetamine use, 44 percent of children coming into the child welfare system are due to parental substance use and our behavioral health provider community is most often called upon to provide treatment and support for these parents. Timely access to substance use treatment resources is critical in addressing permanency issues for families. When treatment capacity is limited and access delayed, children stay in state custody longer than necessary which is costly to families and Nebraska. Each year, money left on the table is scrutinized as potential cost savings and a possible method to determine future allocations to the Public Behavioral Health System. Many factors affect drawdown each year; these factors vary from year to year and even from Region to Region. I am happy to follow up with information on what has contributed to drawdown issues in specific regions if you would like. We expect very little to be left on the table on June 30, 2017 and when I asked my colleagues for their thoughts on this year's funding utilization, here are a few of the responses I received. In Region 1, they indicate they will draw down most of their dollars. They have several services that have been put out to bid with the intent of starting during the last quarter of this fiscal year. These are services that were identified as being needed and necessary in the Panhandle. Region 2 is experiencing higher numbers of persons served in outpatient, short-term residential, halfway house, supported employment, youth care, and day support. Some of these numbers can be attributed to partnerships with Probation, child welfare, and drug court but they are also seeing an increase in the general population usage, as well. Region 2 generally draws down every dime. This year they expect to be short roughly \$307,000 in service reimbursements. For Region 3, they are projecting in excess of \$600,000 in uncompensated behavioral health services. Region 6 is experiencing higher-than-projected costs for psychiatric residential rehab, secure residential, and substance use residential treatment services, including those for women with children, and unanticipated costs associated with the transfer of services from Catholic Charities to other service providers. Before I close, there are two points that I would like to make note of. First, Nebraska's new Medicaid Managed Care, Heritage Health, is negatively impacting the viability of behavioral health providers across the

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state. Managed care organizations are slow to get providers enrolled, claims processing and payment has been extremely slow. Statewide, behavioral health providers are experiencing hundreds of thousands of dollars in unpaid Heritage Health claims that puts the entire public behavioral health system at risk financially for continued operation. Second, The Division of Behavioral Health has conducted a cost rate study which we believe is essential to sustaining the system. Any cuts to the system will have a negative impact on implementation of that cost rate study. With that, I will stop and certainly answer any questions you might have. [AGENCY 25]

SENATOR STINNER: Any questions? Senator Bolz. [AGENCY 25]

SENATOR BOLZ: Good evening. It's your turn. CEO Philips told us that the criteria we should consider when we're setting rates include equity across states, fairness across the Department of Health and Human Services, access to services, and the history of funding. Do you have any comments on how we're doing in terms of setting fair rates based on those criteria? [AGENCY 25]

PATTY JURJEVICH: I would say that based on this committee's work over the last few years we have been fortunate to have some rate increases--2.25 percent this year as well as last year, prior years some modest increases as well. I think the concern ultimately is, do we have those rates set at the right point to begin with? I'm hopeful with the Division of Behavior Health's work to implement or develop cost studies, looking at individual services, working with providers to collect information, and hopefully be able to set rates that help cover the cost of those services. I do know that part of that process is also looking at what the Medicaid rates are for those similar services so I think there is probably some look to see what the comparability is against those Medicaid rates for same or similar services. [AGENCY 25]

SENATOR BOLZ: And are your rates higher or lower than the Medicaid rates? [AGENCY 25]

PATTY JURJEVICH: I probably cannot answer that off the top of my head. I would have to get back with you to know for sure. [AGENCY 25]

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SENATOR BOLZ: Okay. And regarding the need for whether or not rates have been set correctly to begin with, do you think the rates have been set too high or too low or are you unclear about that? [AGENCY 25]

PATTY JURJEVICH: I would say without saying what the full results of the study are, my guess is that the rates that we're paying now are probably below if not well below where they need to be to help cover the cost of providing those services. [AGENCY 25]

SENATOR BOLZ: And when that occurs does that relate to the criteria of access? [AGENCY 25]

PATTY JURJEVICH: Most definitely. I think some of the key pieces to having access to services is sufficient capacity. And if the rates are not sufficient for providers to be able to provide those services, there will be a direct correlation then with folks being able to access services. [AGENCY 25]

SENATOR BOLZ: And my last question is you've referenced the statewide behavioral health providers are experiencing hundreds of thousands of dollars in unpaid Heritage Health claims. That puts the entire behavioral health system at risk financially for continued operation. I hadn't heard it put quite that way before. Can you describe more what that financial risk looks like? [AGENCY 25]

PATTY JURJEVICH: I think my experience in working less a variety of different providers in our Region as well as around the state is they're operating on pretty narrow margins and they don't have the financial resources to be able to make payroll and pay rent and utilities when reimbursements from any source is delayed by weeks and months, which is what we're hearing. So I think if providers are at that point where they can't keep the doors open, then they will have to make a difficult decision about whether they can continue to stay open and continue to provide services. So I think there probably are some agencies that are teetering on the edge based on delayed payments. [AGENCY 25]

SENATOR BOLZ: Thank you. [AGENCY 25]

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SENATOR STINNER: Any additional questions? Seeing none, thank you. [AGENCY 25]

PATTY JURJEVICH: Thank you. [AGENCY 25]

CAROLE BOYE: Good evening. [AGENCY 25]

SENATOR STINNER: Good evening. [AGENCY 25]

CAROLE BOYE: My name Carole Boye, C-a-r-o-l-e B-o-y-e. I'm the CEO of Community Alliance in Omaha, Nebraska, which serves roughly 2,6000 adult men and women with serious mental illness every year in the Omaha and Region 6 area. These are individuals that primary have schizophrenia, bipolar disorder, and other major mental illnesses. Just what you need is one more testifier tonight. I wasn't going to testify. I don't have written testimony. I will keep my remarks brief. But I just wanted to start out by just saying thank you. Thank you for taking the time. I don't envy your jobs. Thank you for your stamina. Thank you for digging in to the issues that are real to all of us that are in the human service industry and, most importantly, to the people that we that we serve in the state. There are really seismic changes coming in the behavioral health world we're experiencing now managed care, the acuity and complexity of the clients and the people that we're serving, new technologies in all of that. And I'm talking to you first as a businesswoman because that's what we've providers are--we're small businesses and trying to make ends meet. We happen to serve human beings instead of manufacturing widgets, but from the business side of things, our operational costs are increasing. There's no question about it. Every time the state expands their work force or when you rightfully try to do something about our Corrections crisis by implementing some retention bonuses or raising their rates, you're increasing our operational costs which in turn increases problems with capacity because we are competing for those same mental health workers, for those same substance abuse workers, for those same case managers across the state. We have work force shortage. Every time we have a new state electronic system like DBHS is putting into it into effect, we have technology cost because we have to mirror that. We have to figure out a way to interface with that. And we've already experienced technology cost. Now we have to have to do that. I'm not complaining about this. By and large, I, Community Alliance and I believe most of our colleagues, absolutely support what Medicaid is doing in terms of integrated health. People with

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serious mental illness die 25 years younger than people without serious mental illness in this state and across this country and they die of preventable health conditions. Integrating health care is absolutely essential and we are fully supportive of that and we want that to work. What we have to understand though is that it is impacting our operations. You heard three times as many of this and three times as many of that. We have to get through this. I want to thank you for recognizing that too. The time to cut costs or cut rates or what have you during this time of seismic change, it's pretty hard to figure out as a businesswoman how to juggle that, how to juggle those extra costs. At Community Alliance alone, we have already invested over \$100,000 in this change, not for direct services but to manage this change and small businesses have to do that. We don't have an MIS department or an IT department or a credentialing department that we can hand this off to. We have to take that from our direct service staff and from my one or two MIS people and we have to figure it out. I want to apply Medicaid Director Calder I want to DBHS and Sheri Dawson because they have...they are trying to ease that transition. They, too, have put tremendous resources into this and we'll get through it. But we need time to get through it and we need to understand that there are costs to get through that. And for that, we need your help and support. In terms of unspent dollars that have been talked about, there's always reasons for those unspent dollars. But we need them because once they're taken out of the budget, as a businesswoman I can't expand. I may have a position open for three or four months because of the work force shortages, yet if I want....knowing that there may be cuts coming because those dollars were unspent, I could not provide services while I had an open position. Once they're lost or if I think they're going to be a lost, I'm not going to fill that position until I know that I can support that position going into the future. Again, your support, it's just critical during this time of change. And I want to stop where I started. I want to say thank you for that. I want to say thank you as a businesswoman. That's my day job. But my passion is serving people with serious mental illness. And what you're doing here with your changes in this...in the budgets and trying to sustain services for our most vulnerable citizens is...I want to say thank you on behalf of people with serious mental illness because times are tough. We're all fighting to make it right, to do right. And you're making a difference, so thank you. Thanks for sitting here until 6:00 at night. Thanks for going through all these numbers. And thanks for making a difference.

[AGENCY 25]

SENATOR STINNER: Any questions? Senator Clements. [AGENCY 25]

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SENATOR CLEMENTS: Thank you. I was wondering what percentage of your clients are Medicaid clients. [AGENCY 25]

CAROLE BOYE: It ranges by service areas, anywhere from 50-80 percent. So it's huge. Ninety-four percent of the people that we serve, adults with serious mental illness, have incomes below the poverty level at the time of admission. And 50-80 percent of them would be Medicaid eligible. And by far the next group would be Region 6 and DBHS eligible. [AGENCY 25]

SENATOR CLEMENTS: Thank you. [AGENCY 25]

SENATOR STINNER: Any additional questions? Seeing none, thank you. [AGENCY 25]

CAROLE BOYE: Thank you very much. [AGENCY 25]

JULIE ROGERS: In the neutral? [AGENCY 25]

SENATOR STINNER: I am in opponents still. Are there any additional opponents? Seeing none, (laughter) we'll now have people in the neutral capacity. Good evening. [AGENCY 25]

JULIE ROGERS: (Exhibit 21) Good evening. Chairperson Stinner, members of the Appropriations Committee, my name is Julie Rogers, J-u-l-i-e R-o-g-e-r-s, serving as your Inspector General of Nebraska Child Welfare. Thank you for receiving my testimony. The OIG is charged with ensuring accountability and identifying systemic issues in Nebraska's child welfare and juvenile justice systems. Like all inspectors general, the OIG is expected and committed to holding government systems accountable for efficient, cost-effective operations, integrity, and high performance. Specifically, we investigate death or serious injury of a system-involved youth and complaints of wrongdoing to children and families being served by or through our child welfare or juvenile justice systems. Ensuring the safety and well-being of Nebraska's children, particularly those in the state's care, is one of state government's essential duties. As you contemplate appropriations for our child welfare system, I wanted to give some examples of investigations that we have completed. The Nebraska Department of Health and Human Services, the Division of Children and Family Services in particular, has begun to take action on

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recommendations that we have made for improvement from our investigative reports. Some recommendations have been fully implemented. However, too many of the children and families in our child welfare system experience tragic outcomes and significant challenges remain. I will talk about two examples. One is a report that we completed from fiscal year '15-16. It was...we named it the death and serious injury following a child maltreatment investigation. The summary between October 2013 and June 2015, 11 of Nebraska's children who had recently been the subject of a child abuse or neglect investigation died or were seriously injured. In all of the cases, the injuries were caused by abuse or neglect. We focused a report on cases where no ongoing services had been provided to the child or family by the Division of Children and Family Services, cases where the cause of death or serious injury was not related to abuse or neglect were also excluded from our report. Cases came from every service area except for the eastern service area. The cases included near drowning of a 15-month-old; collapsed lung, multiple fractures of a 3-year-old; skull fracture of the 8-month-old; abusive head trauma of a 6-month-old; another abusive head trauma of a 16-month-old; battered child syndrome including abusive head trauma of 3-year-old; death from abusive head trauma of an 8-month-old; abusive head trauma of a 2-month-old; starvation of a 3-month-old; a skull fracture of a 3-month-old; and a death by drowning of a 2-year old. Findings in this report included that children aged 3 and under were the victims in every case; physical abuse, most often abusive head trauma by the father or mother's male partner, was the cause of injury in the majority of cases; each family had significant risk factors for child maltreatment but did not receive services; most children lived in rural communities impacting initial assessment practice and families' access to resources; initial assessment policy and procedure was not consistently followed; and initial assessment and mixed caseloads do not comply with state law. Some of our recommendations included increasing the initial assessment workforce to comply with Nebraska law and caseload standards; taking steps toward greater initial assessment work force specialization and experience; increasing the number of supervisors at the hotline and assess hotline workload and ongoing training and supervision; and enhancing data available on initial assessment and mixed caseload and make the information publicly available. All these recommendations were accepted by the department, but they are not yet completely implemented. Investigation we completed during fiscal year '14-15 was the death of a child placed in a relative or kinship care. A 22-month-old died after suffering abusive head trauma including a brain bleed, skull fracture, and other bruising while in the care of a relative foster placement. The findings were that DHHS did follow

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policy in placing the child in the relative foster home. The home study improvement process was inadequate, needed supports were not provided to the relative foster home, and DHHS was slow to react to indications that a new placement was needed. Included in our recommendations were to improve the home study process and provide stronger supports of kinship and relative...supports for kinship and relative families. And I wanted to note this is not...was not an agency-supported foster home. DHHS accepted all recommendations, but these specific recommendations have not yet fully been implemented. These investigations and others conducted by our office uncovered a number of systemic issues that merit attention. It is my hope that we can continue to learn from the tragic deaths and injuries of children who are served by our child welfare system and make needed improvements to stop incidents from happening. Thank you. [AGENCY 25]

SENATOR STINNER: Thank you. It looks to me like high caseloads, trying to find enough workers, filling vacancies is...what would be your recommendation? Is it a pay scale thing? Is it a training thing? Is it all of the above? Or how do we get... [AGENCY 25]

JULIE ROGERS: It might be... [AGENCY 25]

SENATOR STINNER: How do we get this fixed? [AGENCY 25]

JULIE ROGERS: It might be all of the above. I think first you have to make sure that the case managers have a workable caseload or workload. I think the Legislature in enacting caseload standards was trying to put that, put that...the bar in statute. It has never been reached since it was implemented in 2012. So maybe that's the first place to start. The problem is exacerbated by high turnover and lots of vacancies. And then we get to quality. Then you have to train the workers and you have to make sure that they are providing good, quality services. [AGENCY 25]

SENATOR STINNER: I know working in this, myself I couldn't do it. It takes a special person to deal with the child abuse... [AGENCY 25]

JULIE ROGERS: Yes. [AGENCY 25]

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SENATOR STINNER: ...and the caseload. But I know in my district they normally would have five people. They tried to staff it with two now and I think that's a formula for disaster because you're not following up on incidents as fast as you should and probably not doing a thorough enough job. [AGENCY 25]

JULIE ROGERS: Yes. [AGENCY 25]

SENATOR STINNER: Anyhow, I'll open it up to other questions. Senator Wishart. [AGENCY 25]

SENATOR WISHART: Well, Julie, thank you so much for being here today and for the work that you do on behalf of children. I wanted to talk a little bit about the initial assessment policy. [AGENCY 25]

JULIE ROGERS: Yes. [AGENCY 25]

SENATOR WISHART: So would the same person who's assigned to do an initial assessment also serve as a...could they also service as family's caseworker? [AGENCY 25]

JULIE ROGERS: Yes, and in the rural areas where there are not enough case managers, they do...it's called mixed caseloads. I think the Director talked about it. Earlier so if you have mixed caseloads that means you're doing a initial assessment work or investigating abuse and neglect allegations that have come in, and you are providing ongoing case management. So I think...in what the division has communicated to us, their intent is to have a specialized initial assessment work force and an ongoing work force. But that is not happening across the state at this point. The one service area where it is happening is the eastern service area because the state provides initial assessment and Nebraska Families Collaborative provides the ongoing case management. [AGENCY 25]

SENATOR WISHART: Okay. We...I think it was part of your report or it was the Foster Care Review Board that reported that while there was an increase in out-of-home placements across the state, it was significant in some of the more rural areas of the state. [AGENCY 25]

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JULIE ROGERS: Yes. [AGENCY 25]

SENATOR WISHART: Can you speak a little to that. [AGENCY 25]

JULIE ROGERS: I think that that was the Foster Care Review Office's last quarterly report. And the percentage of increases was more I believe in the southeast service area, so that includes Lancaster County, and the western service area. And then the two that had the least...I mean all service areas increased. But the least percentage was the northern service area and the eastern service area. [AGENCY 25]

SENATOR WISHART: Okay. And then the last question I'll ask is, do you have an idea of what the average length that a caseworker...so what's the average length of a caseworker staying within the system? [AGENCY 25]

JULIE ROGERS: I don't know off the top of my head. I think the Foster Care Review Office might. [AGENCY 25]

SENATOR WISHART: Okay. [AGENCY 25]

JULIE ROGERS: I know they track turnover or how many caseworkers a family has when they when they review a case, how many...but I don't have that off the top of my head. [AGENCY 25]

SENATOR WISHART: Because... [AGENCY 25]

JULIE ROGERS: But I could figure it out for you and get that information. [AGENCY 25]

SENATOR STINNER: I thought it was reported 29 percent turnover rate, so you can compute based on the turnover rate how many years an average is. [AGENCY 25]

SENATOR WISHART: They're staying, yeah, because one of my concerns--and I've talked with you about this in meetings--is that for a lot of the kids that jump around from different...that are sort of tough kids for foster families to be able to house and so they jump around to a lot of

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different foster families, there isn't one person, there is not one person in their life who's consistent. [AGENCY 25]

JULIE ROGERS: Yes. [AGENCY 25]

SENATOR WISHART: That's concerning to me. So there's not one person throughout their life that is following that kid because their caseworker changes, their foster family changes, their biological parents are absent. So that's concerning to me just in terms of watching out for that kid. [AGENCY 25]

JULIE ROGERS: And I think national studies show that if you have over I believe it's two, it could be three caseworkers during the length of your case in child welfare, that outcomes become progressively worse. [AGENCY 25]

SENATOR STINNER: Senator Bolz. [AGENCY 25]

SENATOR BOLZ: I don't recall whether you were in the room during Director Weinberg's testimony or not, but his comments in relation to the questions regarding the caseworkers, he referenced the average caseload it being 13 but a little bit of a floating number depending on when you count it... [AGENCY 25]

JULIE ROGERS: Yes. [AGENCY 25]

SENATOR BOLZ: ...as well as somewhere around 28 percent of caseworkers not meeting the caseload ratio standard. And then in response to questions about training and being able to bring that in house, he seemed to think that the department could absorb that in addition to some of the other responsibilities that they're presenting to this committee. And I don't want to put you on spot, but I just want to give you an opportunity to respond from your point of view to those comments about the department's perception of how caseloads and casework is going. [AGENCY 25]

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JULIE ROGERS: The caseload standard in statute admittedly is very...it is a complex formula. It's hard to provide data on because, for example, an initial assessment, initial assessment workers are not supposed to get more than 12 new cases per month. So we're talking if there's, okay, a caseload of 12 per month, well, I think I think the way it goes with the Department is they can only look at it with a point in time. So if...the caseload report that's reported to the Legislature around September 15 of every year is a point in time on June 30. And so that does not take into consideration, in this initial assessment example, all...on June 30 they might have let's say 13 cases. But we don't...we're not capturing how many new cases that they have that month. I haven't done a complete analysis...I mean in inspector general work, we tend not to comment unless we've investigated something thoroughly. So I don't know. We have a lack of caseworkers. Things...corners are being cut and things are not...if corners are cut and it's reported to us that we are not in compliance with caseloads, I don't know...I think the last...rightly so the division is looking at every position and making sure that they need that position no matter what area it is and maybe looking to see if they can turn some of those positions into caseworker or case management positions. To my knowledge they have found six positions that way so far. But I don't think that this, in terms of just caseworkers, that it's not going to be enough in my view.
[AGENCY 25]

SENATOR BOLZ: Thank you. Appreciate your comments. [AGENCY 25]

SENATOR STINNER: Any additional questions? Seeing none, thank you. Good evening.
[AGENCY 25]

MIKE MARVIN: Good evening, Chairman Stinner, members of committee. My name is Mike Marvin, M-i-k-e M-a-r-v-i-n. I'm the executive director of the Nebraska Association of Public Employees, the union representing the majority of state employees. I had no intention of testifying on this budget, but a couple things came up that I felt I needed to address Senator Stinner, you talked about the deficit appropriations of \$7 million and \$10 million. That is a large concern of ours, where that's going. It harkens back to the days of when we contracted out all the case management. And the people who kept coming in, we need more, we need more, we need more. We don't know all that that contract is being let in the most efficient manner if these things are happening. So we're concerned about that. My next comment would be to Senator Wishart. I

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have my office working on it right now. I sent them a message. I should have it and will be able send it to you tomorrow the caseworkers seniority roster broken down by who's been there longest, what's going on, how many we have, and how many have less than maybe two years' seniority. We should have that for you tomorrow and I will e-mail it to you. Then I want to talk about Director Dawson's comments in behavioral health staffing levels, when we open up new beds at the regional centers. She talked about the nurses and where we are at on filling vacant positions with nurses. And it is getting better. I'm not going to say it's not. It's nowhere near what it needs to be. But when I testify on the next bill I will hand you a chart and on that chart is a job class called the mental health security specialists. These are the people who do the most day-to-day care of those people at the regional centers. They're number 12 on the turnover list. We're not doing a good job there. If we open new beds, I have no idea how we're going to staff the facilities to manage those beds. With that, that's the only comments that I had on the budge. I would be willing to take any questions if you have them. [AGENCY 25]

SENATOR STINNER: Just a note, we did pass, at least to Select File, additional judge or two for Omaha on the juvenile side which hopefully will help unclog some of the cases. We'll see how this all works out. Anyhow, any additional questions? Seeing none, thank you. [AGENCY 25]

MIKE MARVIN: Thank you. [AGENCY 25]

SENATOR STINNER: Any additional testifiers in the neutral capacity? Is that Calder over there? Calder, do you want to come up and say anything? You're passing, okay. (Laughter) Thank you for that. (Exhibit 23) I do have two letters: one opposed by the Nebraska Association of Homes and Services for Children; and I have also a letter from the Teamsters Local 554 in the neutral capacity. Seeing no other testifiers, that concludes our testimony on Agency 25, Department of Health and Human Services. Thank you all for staying this late. I will now open LB205, designated aid funds, fiscal year '16-17, developmental disability appropriations. Senator Krist. [AGENCY 25]