

Rough Draft

**RIEPE:** [00:00:01] -- being here. This is the Health and Human Services Committee and today we're going to have a interim hearing on child welfare. And we have some speakers in here, some national speakers, and we're very excited for that. That's a real opportunity and a privilege for us here in Nebraska. I'm Merv Riepe. I'm Chairman of the Health and Human Services Committee. And I guess we want to start out and say, you know, we've had some issues with child welfare, that's-- and part that is because we deal with a lot of children. We deal with a lot of children that have great needs and families that have great needs and great challenges. And we're not going to solve all those, but hopefully we can make a difference and contribute to a better life for all of them. Child welfare, I would say, is not an entitlement, but it is something that's extremely important to all of us that live here in Nebraska. As Chairman, I thought it was prudent to bring forward some of the major players in child welfare. That's why we have our national speakers and we'll be hearing some. I also want to say that as we go forward, I know we had a hearing on the audit and-- in child welfare. I don't want to have this hearing happen without us saying that we feel that the audits are important and the audits bring us information. And we have areas for improvement in terms of our administrative oversight on terms of the way that the programs are run, in terms of making sure that we have correct billing and correct catch and bala-- checks and balances, if you will, in the system. As I will not be returning next seas-- session, I do pray and hope that you will all be able to move forward with great progress for the benefit of the state and particularly for the benefit of the children and the family in this great state. With that, I want to invite those for testimony and I will read them through, and not-- don't all three of you run up here right now because we're going to come back. But before I do that, my trusted legal counsel tells me I need to have the committee members introduce themselves. And so with that, I will start with the good-looking guy down here on the far right.

**KOLTERMAN:** [00:02:28] I'm Senator Kolterman from Seward, representing the 24th District.

**KRISTEN STIFFLER:** [00:02:31] Kristen Stiffler, legal counsel.

**CRAWFORD:** [00:02:33] Good afternoon. Sue Crawford, District 45.

**WILLIAMS:** [00:02:35] Matt Williams, Legislative District 36.

**LINEHAN:** [00:02:40] Lou Ann Linehan, Legislative District 39, which is western Douglas County.

**TYLER MAHOOD:** [00:02:42] And Tyler Mahood, committee clerk.

**RIEPE:** [00:02:46] And we're fortunate today that we have one our aides here that's going to be helping. And if anyone has, for some reason, some copies, we would ask them to make sure that they give it to the page and he will make enough copies for all of the committee members. I want to especially thank all of the committee members. We are on recess, as you know, as a Legislature and so this is their time. They're giving of it voluntarily, but they're giving up it because they have a keen interest in this particular subject, which we know is a big part of our state budget but it's also, as I had said before and I repeat, how very important it is to all of us. Our speakers that are with us today is, first of all, is Lauren Behsudi, I believe that's correct or close, of public policy advisory from the Casey Family Programs. We have also Nina Williams-Mbengue, who is the program director for National Council of State Legislatures; and Director Matt Wallen, one of our own here. And Mr. Wallen is the division-- director of Division of Children and Family Services for the Nebraska Department of Health and Public [SIC] Services. It's a mouthful right there. We will also be hearing from Kim Hawekotte, who is the executive director of Foster Care Review Office; and

Julie Rogers, Inspector General of Child Welfare; Dave Newell, who's chair of Nebraska Children's Commission; Jeanne Brandner from the deputy administrator Office of Probation Administration; Juliet Summers from the Voices for Children; Sarah Helvey from the Nebraska Appleseed; and Bill Stanton, who's with the Strategic Consultants of Nebraska on a Casey Family Program. We-- I will say this, is we do need to be completed by 11:59 this evening. And we restricted anyone from bringing in backpacks or overnight bags into this particular meeting. So with that, we're going to get started. And I think we start with Lauren. Lauren, would you come forward and then would you introduce yourself. And I think, did we hand out the bios on our national speakers?

**KRISTEN STIFFLER:** [00:05:08] They have them.

**RIEPE:** [00:05:08] And you have-- we have the agendas by the door. OK. So with that, if you'd just give us your name and, for the record, if you would spell it, please. And we'll see how far-- how much I messed up on your name. But thank you.

**LAUREN BEHSUDI:** [00:05:22] Thank you. Good afternoon, Senator Riepe and the committee. Thank you for having me here. My name is Lauren Behsudi, spelled L-a-u-r-e-n B-e-h-s-u-d-i. I'm with the Public Policy Office at Casey Family Programs. And thank you for holding this important, important hearing. So Casey Family Programs is the nation's largest operating foundation focused on safely reducing the need for foster care and building communities of hope. We work in all 50 states, including Nebraska, and really are-- we are a nonpartisan resource to you and to your peers and, please, please call on us as you continue to tackle this big piece of legislation in child welfare issues as you move forward. So I'm here to provide an overview of the Family First Prevention Services Act which became a federal law earlier this year. I'm going to provide a little bit of context that led to the development of that legislation, and then I'll walk through the legislation itself. So after many years of decline in the number of children in foster care, nationally the numbers have

risen significantly in recent years. This, coupled with the rise in parental substance use being a keen driver of entries into foster care and the increase in that, that reason for entry into foster care, has contributed significantly. Also we know that most children that are in foster care do return home. Nationally, it's about 51 percent return to their-- their biological parent or to-- and then about 17 percent to live with a relative. In Nebraska I believe this is a little bit higher even. So this legislation really looks at seeking to serve children in the context of their family and-- and really tries to get at serving and strengthening families as a whole. So briefly, what do we know is best for children and families? So we know that the goal in child welfare is to ensure their safety, first of all, permanency, and well-being for children and their families. We know that to support child well-being it's important to intervene as early as possible. We know it's traumatic to remove children from-- from their homes, even when it might be necessary, but it does create emotional distress and trauma and should be avoided whenever possible. Also we know that some children can be better served by remaining safely at home. So Family First Prevention Services Act seeks to address four key areas. First is the inflexible funding structure where the majority of federal funding is only available to children once they are removed from their home. Second is the strong consensus about the need for up-front services to strengthen families. Third is the overreliance on inappropriate congregate care use and the negative outcomes that come with that. And third [SIC] is the recognition of the ending of child welfare demonstration waivers that are set to expire on September 30 of next year. What this also seeks to do is to descale what is not working and to increase and invest in what does work for children and families to-- so to shift that balance. So the Family First Prevention Services Act was passed and signed into law in February of this year. It was part of a much bigger package of legislation and it creates three key areas. So the first is a new option for states and tribes to claim Title IV-E funds for prevention activities. This is available as early as October 1 of 2019. The second significant area is new policies around ensuring appropriate placements for children in foster care. Again, this goes into effect as early as October 1 of 2019. And then there are several new funding and reauthorizations of existing funding at the federal level

for child welfare programs. What title-- what this-- this legislation does is really expand what Title IV-E is-- is available to-- to fund and to serve, really expanding it for federal payments for not only foster care but prevention and permanency as well. So I'm going to focus firstly on the prevention activities. So this-- this new law allows states to claim open-ended entitlement through Title IV-E funding for evidence-based prevention services. This would be available for children who are at imminent risk of entry into foster care; secondly, for pregnant and parenting youth in foster care; and then thirdly, their parents and kinship caregivers. So the kinship caregivers are parents of children that are imminent-- at imminent risk of entry or pregnant and parenting youth in foster care. There is no income test for eligibility. So Title IV-E, before Family First was passed, had very specific income tests for eligibility. This whole section of prevention activities does not have that income test for eligibility. It also defines children who are at can-- who are candidates for foster care as those who could remain safely at home or with kinship caregivers with receipt of services. The services that are allowable under-- under this new program within Title IV-E would be mental health prevention and treatment services, again for the child and/or the parents or kinship caregivers; substance abuse prevention and treatment services provided by a qualified clinician; and then thirdly, in-home parent skill-based programs, and that could include parent skills training, individual and family counseling, parent education. All of these would be allowable for up to 12 months. There is no limit on how many times a child and family could receive prevention services, if they are continuously coming to the attention and being determined to be at risk of-- at imminent risk of entry into foster care and the receipt of these services would be appropriate. The prevention services that I just described, in order to be reimbursed at the--at-- by Title IV-E funding, must meet a level of evidence. There are three levels: promising, supported, or well-supported. This-- the Secretary of HHS is going to be issuing guidance to states regarding these, the criteria. There was an open comment period earlier this summer and the guidance will include a preapproved list of services and programs that satisfy these requirements. This list can be continuously added to, though. There-- in order to have this prevention program, the state will need to submit a Prevention

and Services Program as part of the existing Title IV-E plan that every state has. There will be several components that are required in that plan. For funding for these prevention services: So this goes into effect, it's a-- it's an option so it could go into effect as early as October 1 of 2019, and any point beyond that. And for-- from that point on until 2026, the federal financial participation rate is 50 cents. So for every dollar that you all spend on these activities, you would be able to claim 50 cents. After 2026 the reimbursement rate at the federal level switches to the FMAP rate, the Medicaid rate. At least 50 percent of all spending for these prevention activities do need to meet that well-supported practice area that I mentioned earlier. So there is an int-- an interest in investing in what we really have solid information about what is demonstrating improved outcomes for children and families, as well as providing that flexibility for more innovation in some of the promising and supported areas. States that opt in to administer this program can also claim administrative costs from the federal government at 50 percent, as well as training costs at 50 percent, so something to think about as you're building capacity in this area. These areas are also not tied to the income eligibility that Title IV-E traditionally has been tied to. Again this-- this goes into effect as early as October 1 of 2019. There is language to specifically require that these prevention services are intended to augment, not supplant, state funding for prevention services. And there is a maintenance of effort required. It will be set at fiscal year 2014 for spending on these prevention services for candidates for foster care. So it's very well defined in terms of what that maintenance of effort will be. The state will have the-- the opportunity to define what they determine a candidate for foster care to be. I have included in your packet some information that's specifically pulled from the U.S. House of Representatives committee report that describes their intent around this piece of legislation. I'm going to move on to the section in the legislation around ensuring appropriate placements in foster care. So the following placements are already allowable under Title IV-E and will continue under-- under Family First, so: facilities for pregnant and parenting youth; supervised independent living for youth aged 18 and older; specialized placements for youth who are victims of or at risk of becoming victims of sex trafficking; and foster family

homes. There was a new definition of what a foster family home is included in Family First and that does include that there are no more than six children in foster care. There are some exceptions to that, though, including sibling groups, existing relationships, and pregnant youth that may have their infant with them. There is a new option around placements for children in foster care that the state can consider. So Title IV-E foster care maintenance payments could be made on behalf of a child who is in foster care who is placed with his or her parent or parents in a licensed, residential, family-based treatment facility for up to 12 months. Again, this is-- there is no income test applied to this, unlike other Title IV-E foster placements. Secondly, beginning as early as October 1 of 2019, although there is the option to delay this for two-- two years, up to two years, so no later than October 1 of 2021, after two weeks in foster care, Title IV-E federal support will only be available to foster care-- for foster care maintenance payments for eligible youth placed in a Qualified Residential Treatment Program-- a QRTP. So what is a QRTP? It must have a trauma-informed treatment model. It must also have registered or licensed nursing and/or other-- and other clinical-- licensed clinical staff. Let me say that again to be clear. It must have registered or licensed nursing and other clinical staff on site that are consistent with the treatment model. There must be facilitation of outreach and engagement of the child's family in the child's treatment plan. There must be discharge planning and family-based aftercare supports for a minimum of six months. And it must be licensed by the state and accredited. There are, just to be clear, no time limits on how long a child could be placed in this type of setting and receive the Title IV-E federal support, as long as the placement continues to meet his or her needs, as determined by the assessment. So there's some new oversight components included in this, but there are no time limits as long as it's continuously appropriate. Again, states have the option to delay this provision for up to two years. So no later than September 29 of 2021 these must be put into place in order for you all to be receiving the Title IV-E funding to support these placements. However, I do want to point out that delays in implementation of these provisions around the QRTP do require a delay in prevention programs, so you cannot start the prevention until-- until the QRTP changes have been put into

place. To support this, we recognize-- or the state or the, I'm sorry, the Congress recognized that this will potentially have a significant impact on foster families. And so there is some grant funding that will be coming from the federal government to support the recruitment and retention of high-quality foster homes. I'm going to move on to some of the other areas that are included in this. So kinship navigators: Title IV-E support will be allowable for-- for evidence-based Kinship Navigator Programs, and this will be a 50/50 share between federal and state. This went into effect last month and can be-- can be incorporated at any point now beyond. There are also foster parent licensing standards. So the Department of Health and Human Services is required to identify model foster parent licensing standards. And then by October-- or by April 1 of 2019 states will have to react to this and identify where their licensing standards are aligned, and if they are not, explain what-- what the differences are and why they differ. There is a new requirement that all states must, in order to receive their Title IV-B funding, which is a separate but related set of federal funding for child welfare programs, there is a requirement that there must be a-- the development of a statewide plan to track and prevent child abuse and neglect fatalities. All states must document in their Title IV-B plan the steps that are taken to not only track these fatalities and including how they're working with other stakeholders and agencies. but also to develop and implement a comprehensive statewide plan around prevention, and that must also include engagement of public and private partners. There's also some funding to help states develop their electronic-- their electronic system to expedite the interstate placement across state lines of children in foster care, guardianship, and adoption. This, all states must have this in place by October of 2027. There were also-- there was a reauthorization of the Adoption and Legal Guardianship Incentive Program for five years. There was also the reauthorization of the Title IV-B funding for another five years. Also, there was a reauthorization of the Chafee Foster Care Independence Program for another five years as well. Briefly, I just want to describe some recent activities by Congress that's related to this in their oversight of Family First implementation. There was-- and also there-- there are some things that they have done to support this as well. So in the appropriations bill for 2018, as well as 2019, there was \$20 million in grants



for states and tribes to develop or improve or evaluate their Kinship Navigator Programs. I understand that Nebraska has-- has taken that option and received that funding. There is no state match for that, those dollars. So those dollars are really to help bring up the capacity and the development to eventually sustain Kinship Navigator Programs through Family First through that option of a 50/50 match. Also in the appropriations bill there was several other funding streams at the federal level that were increased or continued, including a significant increase in childcare and Head Start. So as you consider how opportunities with Family First can be leveraged and incorporated to really improve outcomes for children and families, would encourage you to also be considering looking at-- at these federal funding streams as well. Also, the Department of Health and Human Services re-- released a program instruction around several of the key areas particularly related to the Qualified Residential Treatment Program, the QRTP provisions. And in that they did clarify that the-- or in-- they have since clarified that a requirement that was in there to-- for states to notify the federal government about their intent to delay the QRTP provisions is nonbinding and it is flexible. Also, the-- their-- the model licensing foster-- model family foster home licensing standards, the-- that was open for public comment. And again, we expect that, that model foster family licensing standards, to be released soon. And then in Octo-- and then in April of next year, states will have to respond to that. With that, I would open it up to questions.

**RIEPE:** [00:22:02] Thank you very much. I'm going to ask the committee members, but I'd like to open with one because you talked a lot about 50/50 matches on--

**LAUREN BEHSUDI:** [00:22:10] Yes.

**RIEPE:** [00:22:11] -- both in 2027 on the electronic system but also on the shared kinship. And my question is this. I don't doubt the quality and everything else and the time that's been spent [INAUDIBLE]. You know, with expanded Medicaid coming to the state of Nebraska, money is

going to be an issue.

**LAUREN BEHSUDI:** [00:22:31] Uh-huh.

**RIEPE:** [00:22:33] Are-- are these 50/50, that's new money?

**LAUREN BEHSUDI:** [00:22:36] So just to clarify that there is not a 50/50 match on the electronic interstate compact. So that-- that was related to the prevention services and then also to the Kinship Navigator Program.

**RIEPE:** [00:22:47] But in general for the program.

**LAUREN BEHSUDI:** [00:22:48] Yes.

**RIEPE:** [00:22:49] So we're talking about new money for the state of Nebraska?

**LAUREN BEHSUDI:** [00:22:52] Yes. You--

**RIEPE:** [00:22:52] Not transfer from other programs over.

**LAUREN BEHSUDI:** [00:22:54] Correct.

**RIEPE:** [00:22:56] OK. And that's the number I think we didn't-- we don't have that solid number as to how many hundreds of dollars that would probably be.

**LAUREN BEHSUDI:** [00:23:02] Right. Right.

**RIEPE:** [00:23:04] Or thousands or millions or whatever.

**LAUREN BEHSUDI:** [00:23:06] Yes. And just to be clear, it is a-- it is a reimbursement program, so the state would have to spend the money and the claim reimbursement.

**RIEPE:** [00:23:15] OK. I'd-- I would like to afford the committee members, if they want to ask questions.

**LINEHAN:** [00:23:19] Thank you.

**RIEPE:** [00:23:21] Senator Linehan.

**LINEHAN:** [00:23:21] Thank you, Chairman Riepe. When you said they increased funding for-- and it's the federal level increased child-care and Head Start funding, so this is this year's appropriations?

**LAUREN BEHSUDI:** [00:23:33] Yes.

**LINEHAN:** [00:23:34] Do you know how much they increased it?

**LAUREN BEHSUDI:** [00:23:34] This was the 2019 appropriations that passed just about a month ago at the federal level.

**LINEHAN:** [00:23:39] So how much did they increase?

**LAUREN BEHSUDI:** [00:23:42] So the Head Start was an increase of \$200 million and child-- the Child Care and Development Block Grant was an increase of \$50 million that built on a significant increase that was-- it was a \$2.4 billion increase in 2018. So it was a continuation of building on an increase.

**LINEHAN:** [00:24:03] It's block grants for childcare.

**LAUREN BEHSUDI:** [00:24:04] Yes.

**LINEHAN:** [00:24:07] Thank you.

**LAUREN BEHSUDI:** [00:24:07] You're welcome.

**RIEPE:** [00:24:10] OK. Senator Williams.

**WILLIAMS:** [00:24:10] Thank you, Chairman Riepe. And thank you, Lauren, for being here. I'm not expecting you to answer this question, but I would like to have someone who will be behind you, Kim, answer this question. I would like some further explanation on the difference between a licensed, residential, family-based treatment facility--

**LAUREN BEHSUDI:** [00:24:29] Uh-huh.

**WILLIAMS:** [00:24:29] -- and a QRTP, particularly directed at the availability of QRTPs in more of our rural setting areas or whether those will only be located in urban settings where we have larger populations.

**LAUREN BEHSUDI:** [00:24:48] So I will certainly defer most of that question to Kim, but I do want to just make sure that the qualified or, sorry, the licensed, family-based treatment is intended to serve the child and the parent, whereas the QRTP is for a child only.

**WILLIAMS:** [00:25:04] OK.

**LAUREN BEHSUDI:** [00:25:04] So that is one clarification. But I'll let Kim expand on that.

**WILLIAMS:** [00:25:11] Thank you.

**RIEPE:** [00:25:12] OK. Seeing nothing else from the committee, questions, we thank you very much for coming here and thank you for the information. Our next presenter is going to be Nina Williams-Mbengue.

**NINA WILLIAMS-MBENGUE:** [00:25:31] Perfect.

**RIEPE:** [00:25:31] OK. And thank you for being here. If you would give us the spelling so that we capture it in the record here and then just proceed forward, please.

**NINA WILLIAMS-MBENGUE:** [00:25:40] Oh, yes. Thank you, Mr. Chair and members of the committee. My name is Nina Williams-Mbengue, N-i-n-a and then W-i-l-l-i-a-m-s M-b-e-n-g-u-e.

**RIEPE:** [00:25:43] Thank you.

**NINA WILLIAMS-MBENGUE:** [00:25:56] Yes, sir. Thank you very much. I am in the Children and Families Program at the National Conference of State Legislatures, NCSL. NCSL, as you all

are aware, we are a nonprofit bipartisan organization. All legislators and legislative staff in all of the 50 states and all of the territories are members of NCSL. So please consider us an extension of your staff. We are here to serve you. We do not advocate, promote, or support specific pieces of legislation, and we would be happy to continue, you know, working with you on this issue and providing information that we have. And NCSL seeks to improve the quality and effectiveness of state legislatures, to promote policy innovation and communication, and to provide state legislatures or to ensure that state legislatures have a strong cohesive voice at the federal level. I will be talking from a printed piece of information and I will try not to talk through all of the slides but the information is there. Most of this information, the legislation that we track is on our Web site, but again, and I have a link, the address to that Web site at the end of the presentation. And I will give a-- first, I will start out, with coming behind Lauren, to talk about the legislative role in Family First implementation, what we've been seeing, and then I will give a very brief overview of some of the recent state trends in legislative enactment, even prior to Family First. We do expect to be seeing a lot of legislation implemented starting in January in the new session, and we will be tracking that on our Web site and will be glad to continue to get that information to you. Echoing what Lauren said, the Family First legislation, it is a monumental shift in child welfare funding and structure. And of course we believe that legislators can play key roles in educating your members, your partners in other committees, also in convening stakeholders and in the planning and implementation and the oversight of Family First. As you heard, timing is critical. There are deadlines that states would want to meet and we do certainly see this as an ongoing long-term process for the Legislature. We are-- we are advising legislators of reaching out to the state child welfare agency, your partners, and talking through the legislation and making decisions around Family First implementation and around financing. We recommend setting up regular meetings during the interim-- interim to discuss Family First, to assess state needs and concerns, to examine the potential benefits and implementation issues. Some of the stakeholders that you would want to consider inviting to participate in this process, in addition to the child welfare agency of course, are Medicaid, early

childhood, the courts, education, health and mental health, your partners in provider communities, university and research partners, and others, and of course those that are part of the system: young people, children and young people in foster care, including transitioning youth; birth parents, kinship caregivers, and foster and adoptive parents. And again, educating and working with your other legislative colleagues, including members of appropriations, budget, health, and education committees, especially because there are budgetary implications for the federal legislation, and involving any members of-- and staff on your legislative audit review, finance, and similar committees and departments. We see Legislatures playing an important role in the planning, implementation, and oversight of the legislation. Again, this is an opportunity for long-range planning and discussion around child welfare. And we encourage you to work on development-- developing a process to look at this. The federal government will continue to come out with guidance related to Family First. They are trying to give-- to provide states as much flexibility as possible. And again, states would want to engage in these conversations related to prevention and involve child welfare, Medicaid, appropriations, and budget committees. States have already begun the process of looking at their existing policies and standards and processes, looking at their Child and Family Services reviews, for example, and looking at all the time lines and requirements related to Family First. And please feel free to contact NCSL if you want to look at best practice in other states, legislation in other states, learn-- to learn about evidence-based practice, and some of the other requirements, such as accreditation for the QRTPs that will be required through Family First. What we've been doing is we have been monitoring so far what states have been doing. Colorado, for example, has enacted legislation in the current session requiring the department to perform a cost analysis to-- to determine the fiscal impact of Family First and require that all of their child welfare spending allocation formulas to support the implementation of the promising and supported and well-- well-supported practices that will be required by Family First for the prevention services, although the prevention component, again, is an optional piece. Each county in Colorado will be required to perform an analysis of their available in-home and family-like and out-of-home

placements by July of 2019 and report on county utilization rates of these placements by July 2020 to the Joint Budget Committee. The Colorado legislation also creates a Child Welfare Services Task Force to look at all of the laws and administrative rules to ensure that they are aligned with Family First. In Oregon, the Senate Human Services Committee has established a three-branch work group to look at Family First. I put the link to the Web site here on that page. This group is three branch. It's staffed by legislative research staff, office staff. And legislators are on the committee, as well as representatives from the executive branch and the judicial branch. They have been walking through the provisions of Family First and calling in local and state stakeholders to see where the state stands, for example, in their congregate care setting, their foster homes, how many there are, and just continue to review the legislation and come up with a plan for implementation and oversight of the legislation. The state of Virginia also has an effort, a three-branch effort, to look closely at Family First and determine how they will respond. Other states we know have been setting up hearings and informational sessions such as this. Washington and Hawaii, I participated in the Hawaii hearing via phone and we've worked with a number of other states as well just providing information on the legislation: New Mexico, Iowa, Oklahoma, and today in Nebraska. And this next slide, and you'll see it on your-- in your packet, we just put together some really brief questions that legislators might consider thinking about and using and bringing to the stakeholders in your states, sort of next steps as well as questions: Identify the services that your state is currently funding and think what are the quality of those services, the prevention services. Are they evidence-based? If they are not, how will you build up your evidence-based services capacity? What does congregate care look like currently in your state, congregate or group or residential care? What is your foster family capacity? How many of them are licensed, trained, and prepared to accept children? And what categories of children? What is your plan to increase the capacity of foster family homes? And certainly looking at, you know, accreditation and what those requirements are; what bodies will, you know, will you work through to accredit those QRTP services, because this is, you know, there's time involved in getting that accreditation in place. So



we think this is a great opportunity for legislators to work with child welfare and other important stakeholders around the state to look at Family First. And again, please call on us to help in any way we can with that process. The remaining slides will look at some of the trends that we've been seeing over the past few years in child welfare generally. Again, we track all legislative enactments in all of the 50 states and territories on our database. We'll be updating with 2018 by the end of this year and that will be available to you all as well. Prior to this landmark legislation, Family First, in 2014 the federal Preventing Sex Trafficking and Strengthening Families Act was enacted and states have been working to enact provisions related to that. At that time, that was quite a bit of legislation related to protecting children and youth at risk of sex trafficking. On that piece there was also a piece related to supporting the normalcy of children and youth that are in care. There were plans for case plan requirements and transitioning, planning for successful adulthood of those older youth in care that were about to transition out of care. And there are also requirements related to documentation that these young people should be provided as they age out of the foster care system. And we track some of those legislative enactments. You'll see here, just briefly, I won't go of course into each state, but certainly the preventing sex trafficking, the general provisions, states are involved in enacting those pieces. There are provisions requiring the reporting of youth missing, missing youth in the foster care system. A number of states have enacted foster children's bill of rights laws. We do track that, and that was a requirement in the preventing sex trafficking piece. We also track foster parent bill of rights legislation on our Web site as well. But another important piece, and I'll talk about that a little bit, is the reasonable and prudent parenting standard, and there are now at least 39 states that have passed legislation requiring that, that standard. And human trafficking laws have been passed as well in a number of states. And on the next page I go into a little bit more detail about the reasonable and prudent parenting standard. And this is-- basically allows, states are developing a parenting standard so that foster parents can make important parental decisions for the children and youth in their care without going back through the child welfare agency. And this is thought to be very important for the normal social and emotional

health and development of children and youth in care. And these are things like allowing children to go-- to participate in extracurricular activities, to go on sleepovers, to get jobs, to participate in social and cultural and enrichment activities, again, without getting permission from the state child welfare agency. And we again have that legislation on our Web site. The all-- the legislation also requires that children 14 or older participate in the development of or revision to their case plans. And again, I talked a little bit about requiring that children have access to important documents and information: their Social Security card, health insurance information, medical records, and also driver's license or state ID, state identification. Another area that we track in child welfare at NCSL because there's so much legislation around it is this support for older youth. And I have one slide here that provides a bit of background information about that. You know, we know that as of FY 2016 there's some more than 430,000 children and youth in foster care, and a quarter of those are age 14 or older. And I've listed here, and I believe Lauren talked about, some of the negative outcomes for children, especially those that age out of care at 18. The legislation that we are seeing, a number of states are extending foster care for young people beyond age 18. Some 25 states have enacted that in legislation. And this is so that the state will receive reimbursement through Title IV-E. A number of states have provided tuition waivers or scholarship programs for children, for youth, for older youth in foster care. And as I mentioned earlier, a number of states have passed foster child bill of rights laws; the normalcy piece in 39 states; and we're tracking at least 17 states have enacted legislation related to providing banks-- either bank accounts or some type of financial literacy education for children transitioning out of the foster care system. Lauren mentioned the piece about the congregate care and the federal government looking at congregate care services around the country, and I talk about that a bit here on this slide. We are tra-- we did track, between 2009 and 2013, the kinds of legislation that states were enacting to try and have more oversight of congregate care in their states. The federal government did a report in 2013-2014 on congregate care or states' use of congregate and residential care, and they noted that 31 percent of the children in congregate or group care across states were aged 12 and under. And they noticed a number of

states addressing a number of policies through their congregate care legislation and standards and procedures, and I list those there. And I provide some examples of the legislation that we tracked. A number of states set up task forces, looked at educational outcomes, funding, oversight and safety. Several states have policies related to psychotropic medications of children in these type of facilities. And other states looked at licensing issues. Another important area of legislation that we track and is of keen interest to lawmakers is that of supporting relative caregivers or kinship caregivers. And we've got numbers here: 3 million children are cared for by relatives. And we track the types of legislation that we see. At least 22 states provide subsidized guardianship programs that are reimbursed through, again, through Title IV-E. And I won't go to a lot of detail here. A number of states provide medical consent and school enrollment laws to help kinship care providers better care for the children in their care by being able to enroll them in school and provide them with-- take them to the doctor and other medical care. And going on to the next slide number 19, another area of great concern has been that of supporting foster parents and foster families. We note-- we note that 17 states have enacted foster parent bill of rights laws over the past few years, and those laws cover a number of different provisions, including requiring that foster parents have access to critical information on children that come into their care, that foster parents be involved in case planning and decision-making processes. This is an issue, you know, where they are often not. You know, they get children in care, they don't receive information about the children's health standing or their educational standing. A number of states provide respite care or-- or some type of a break or relief from the work that they're doing to take care of these children. At least 13 states address training for foster parents. Ten states in statute provide some type of assistance on a, you know, 24-hour, seven-day basis to access to a caseworker for-- specifically for the foster parents. And about ten states and D.C. have some type of accountability, a grievance, appeal, or mediation process for foster parents that are caring for children. And next I just provide a few examples of things in the last couple of sessions that have been enacted. Oklahoma, North Carolina required a foster parent inventory, again, a count of how many foster parents are in the states that are licensed, available,

and eligible to care for children. A number of states have-- provide some type of liability insurance for foster parents so they're not, you know, responsible for any damages that take place while with, for children in their care. And in a number of states provide some type of family or medical leave for foster parents. And I talked before about the reasonable and prudent parenting standard. This is just a map of those states that have something related to this in their state statute. And we're also noting states providing support in statute for caseworkers. In 2017, in Colorado, legislation was enacted establishing a resiliency task force. And again, this is the resiliency of the child welfare caseworker, trying to find best practice related to that. Several states provide incentives for caseworkers, you know, to meet certain standards. And next, I just provide some information on our recent effort that we-- NCSL has been engaged in with the National Governors Association. We, from-- in 2016 and 2017 we did a three-branch institute on improving child safety and reducing child fatality. We worked with eight states. The states-- and these were three-branch institutes. There were team members from the legislative, the judicial, and the executive branch, and they developed things like opioid task forces and policies, baby box campaigns related to safe sleep, and kinship care, focusing on the youngest, looking at screened out families, and looking at the opioid crisis and state substance abuse crisis-- crisis and the impact that was going to have on states and what type of policies and legislation could be enacted to try and counter that piece. We worked with the Commission to Eliminate Child Abuse and Neglect Fatalities. And I have a few of their findings here which I think are extremely important to states, recommending that they look at certain populations of children. For example, infants and toddlers are at extremely high risk of-- of an abuse or neglect fatality compared to other age groups of children coming into care. They also found that a call, one call to a child protective services hotline is the best predictor of later-- of a later child abuse or neglect fatality. This is important to those states that-- and all states screen out a high number of calls that come in. They're not eligible or they're not designated as needing to be investigated. However, some of those children may be coming back into the system and states are not necessarily tracking that. Native American children and African-American children need special

focus as they are still, though the numbers are going down, they're still overrepresented in states' child welfare population. And the involvement of healthcare and public health agencies and professionals is vital to safety for children based on the findings of the commission. And the next page I just have a bit of information about children of color and some of the strategies that states are engaged in. And finally, my last slide has our contact information, NCSL, our Web page, my phone number and email address, and please call on us. I'll be glad to answer any questions or get back to you with anything that I cannot answer.

**RIEPE:** [00:46:38] OK. Thank you very much. Are there questions from the committee members? Thank you. It's a whole lot of information and thank you. We appreciate--

**NINA WILLIAMS-MBENGUE:** [00:46:46] OK. You're quite welcome. Thank you.

**RIEPE:** [00:46:46] -- you coming in here from Colorado. Thank you. Our next presenter is going to be one of our own, Mr. Matt Wallen. And of course we'll ask you to do same thing. While we have a little bit of a break here, I did want to introduce one of our senator-elects who's John Arch over here. John would you give a wave out? So we appreciate his interest.

**WILLIAMS:** [00:47:21] Dave Murman.

**RIEPE:** [00:47:22] Dave Murman here? Where? Oh, OK. Thank you. Thank you for pointing that out.

**KOLTERMAN:** [00:47:31] Tom Brandt.

**RIEPE:** [00:47:31] Who else? OK. Thank you. And who else? OK. Well, there were two hands that

went-- and Joe put his hand up. I thought maybe you ran for office, Joe. Tom Brandt, OK. I apologize for those that I missed, but thank you. Thank you all for being here. This is critical information and your engagement is going to be critically important. With that, Mr. Wallen, please go ahead.

**MATT WALLEN:** [00:47:56] Good afternoon, Chairman Riepe and members of the Health and Human Services Committee. My name is Matthew Wallen, M-a-t-t-h-e-w W-a-l-l-e-n, and I serve as the director of the Division of Children and Family Services within the Nebraska Department of Health and Human Services. Thank you, Mr. Chairman, for inviting me here today to provide information related to child welfare and the work of the Division of Children and Family Services. I would like to specifically highlight three initiatives for the committee: the Quality Improvement Center for Workforce Development project, addressing caseload size, and the implementation of Safety Organized Practice. In December 2016, Nebraska was one of eight sites selected to participate in the Quality Improvement Center for Workforce Development, a five-year work force project. This is a partnership with the U.S. Department of Health and Human Services Administration for Children and Families and the Children's Bureau. Through collaboration with the experts on the QIC-WD team, CFS is working to identify strategies to retain team members that will lead to improved outcomes for the children and families we serve. Our Nebraska team has been working to develop an implementation plan around an intervention focused on the effects of secondary trauma through building resilience and support of our teammates. The next steps will be to begin implementation early next year. Another issue related to retention and quality casework are caseload sizes. While complete compliance with caseload standards is the goal, progress is the measuring stick. The most recent Child Welfare and Juvenile Services annual report indicates success in moving toward the Child Welfare League of America caseload standards as prescribed by a 2012 state law. Overall, caseload conformance compliance rates at the end of September were at 91 percent after steadily climbing from 81.5 percent conformance in January of

this year. Even though we have had great improvement in meeting the CWLA caseload standards, I have heard from the front-line team that the CWLA caseload standards do not reflect the increased and changing complexity of the business of child welfare. I have had several-- several conversations with the CWLA related to the caseload standards, and they advised that their published caseload standards are to be used only as a guide. The CWLA has since published a report on caseload and workloads, analyzing the evidence base regarding child welfare caseload and workload measurements. There is substantial support for moving from the concept of caseload to workload. CFS assembled a team, including internal and external experts and stakeholders, to review information and to develop a proposal for a new methodology to determine caseload sizes that incorporates the majority of case complexities related to workload. This proposal should be finalized in the near future. The final initiative I would like to highlight is the implementation of the practice model known as Safety Organized Practice. SOP will support caseworkers and supervisors in their work with children and families. This practice model is designed to help our team use critical thinking and build good working relationships with families to improve child safety. In mid-October, I traveled across the state and went with CFS team members and community partners to share information and gather input related to the implementation of SOP. Other agencies that have used this model have improved family engagement and collaboration, allowing them to keep more families together safely. SOP has several key features. It is a collaborative practice that focuses on teamwork. It aims to build and strengthen the partnership between the agency and the family and involves the family's informal supports and builds on their strengths. It uses strategies and techniques that support the child or children in the family being the main focus. The partnership between the family and agency is key to ensuring safety, permanency, and well-being. The breadth and variety of initiatives being undertaken by the division point to a bright future for our team and, most importantly, the children and families we serve. Recently there have been changes on the federal level that will enhance our efforts. In February 2018, the federal government enacted new legislation called the Family First Prevention Services Act. This act provides support to children

and families to prevent foster care placements and modifies federal funding, allowing states to claim Title IV-E funds for prevention and family services. The only legislation needed to comply with this act is to provide for mandated fingerprint background checks. There are several components to FFPSA. The Division of Children and Family Services held a stakeholder meeting in June of 2018. The meeting included representatives from advocacy groups, legislators, tribal representatives, service providers, education personnel, and other DHHS divisions, and other interested parties. At this meeting a summary of each provision within the act was provided, along with the date the provision needs to be implemented and the person leading the implementation. All persons who attended were encouraged to participate in an implementation work group. At this time, there are eight work groups regularly meeting. These working groups are in the areas of program services prevention plan, which was mentioned earlier today; criminal record and registry checks for adults working in child-care institutions; Title IV-E foster care maintenance payments for children with parents in a licensed, residential, family-based treatment facility for substance use; Kinship Navigator Program; protocols to prevent inappropriate diagnoses; plan for child maltreatment death; foster family recruitment and retention; and model licensing standards. Attached to the testimony you have received I have included an overview of each of these work groups. I would be happy to answer questions about these eight work groups following my testimony. CFS has already implemented the following provisions of the Family First Act: electronic case processing system; limit on the number of children in foster care-- foster family home; the John H. Chafee foster care program for success-- successful transition to adulthood; and grants for electronic interstate case processing system. The following provisions are awaiting approval from the Children's Bureau: the Title VI-E adoption assistance, delay of adoption assistance phase-in of applicable child requirements; and proof of foster care. Once approval is received, the state will be in compliance. Finally, I would like to address the Program 354 attestation which was released by the Auditor of Public Accounts this past August. Headlines about the state audit of the Child Welfare Program would lead you to believe we are throwing tax dollars



away. This is not the case. The department and CFS are committed to serving families in an effective and fiscally responsible way. Audits are an important tool for improvement that the entire DHHS team appreciates. In fact, the department has an internal audit team that constantly reviews programs for fiscal improvements. The audit identifies some areas in which we can improve. We have actively been addressing issues and have been good stewards of the funds appropriated for the program. Today I will address three aspects of the audit. First, the audit projects errors and does not identify \$26 million of misspending. Second, the APA used the DHHS internal audit team's work product related to PromiseShip, meaning we had already identified the issues and had addressed the issues as the attestation was released. Finally, the division strives to be fiscally responsible and draw down federal-- federal dollars when we can. I want to be clear to this committee and to taxpayers that the agency has not misspent \$26 million. The audit examined payments to child welfare service providers. Of more than 416,000 payments, the audit examined 113, or .027 percent, and handpicked 10 high-utilization cases. The audit questions approximately \$45,000, and from that projection projects an error of \$26 million. This projection based on the small sample is not an inventory or finding of actual misspent dollars. In our response to the audit, DHHS made it clear that we disagreed with the editorial decision to extrapolate and magnify the audit findings. Again, to be clear, the audit questions \$45,000 in expenditures, not \$26 million as has been widely reported in the media. There are-- there are a variety of comments related to PromiseShip in the audit. We have addressed the APA's findings. In fact, our internal audit team had been auditing PromiseShip. The team reviewed over 800 items. We identified issues and worked on remedies. Furthermore, the APA used our findings for their audit, but the attestation does not reflect our efforts. We've reconciled the contract and excluded unallowable and unreasonable expenses. Last session the Governor proposed and the Legislature approved an appropriation increase for the Child Welfare Program. The audit shows a misunderstanding of the rationale for the appropriation. The audit claims that the Legislature overappropriated the program based on the increase of children in the state's care. Services are provided based upon the unique needs of the children and families served,

and-- and the costs of services has increased. The appropriation also eliminated the need for annual deficit spending. All these factors must be considered to determine the level of appropriation needed for the Child Welfare Program. The audit does not consider all these factors. The division and the department strives for fiscal responsibility through the effective management of resources and drawing down resources when possible. The APA commented that we didn't fully utilize federal funds for adoption assistance. We try to draw down every dollar we can, but our federal partner, the ACF, did not provide clear and definitive guidance on Title IV-E funds. In order to not risk other federal funds, we chose to forgo and avoid a potential penalty. Overall, the division concurred with four of the Auditor's ten findings, and because we are committed to fiscal responsibility and effectively managing resources we are taking steps to address the findings. We disagreed with the audit findings in some areas due to the assumptions and lack of information the audit team had and made findings on. We have addressed several findings and have ongoing efforts to do so, including comprehensive internal reviews; training; updating policies, procedures, and internal controls; further monitoring and more. We are actively focused on fiscal responsibility and caring for children and families in Nebraska. Our CFS team and DHHS are helping families, caseworkers, and taxpayers live better lives. In conclusion, I want to thank my team for their tremendous efforts each and every day. I am proud of the work our team does each and every day to help children and families. I believe the information I described and the many other activities we are working on will serve to strengthen our work force, keep children safe, achieve timely permanency for our children, and be fiscally responsible. I would also like to thank the-- thank providers and stakeholders across the state for their contributions to the child welfare system. Thank you for the opportunity to testify today, and I will be happy to answer any questions you might have.

**RIEPE:** [00:59:27] Thank you. And I will at least start off, I guess. You know, my question would be on this significant of a program, what is your plan in terms of making sure that the administrative

side is working closely with the legislative side, primarily through, because there's a lot of this that will be policy, some of it will be through appropriations, but a lot through policy? How will you work with us to make sure that we have a successful outcome?

**MATT WALLEN:** [00:59:58] Well, that was really important right from the start to-- to have-- to be as transparent as possible in and working through the Families First legislation and all those requirements. And that's why we did that kickoff meeting back in June of 2018, and I think we had well over 100-150 stakeholders and all interested parties in the room. So we have an ongoing dialogue on each of the sections that we're required to work on. We have a Web site where we post meeting schedules and meeting minutes. We invite anyone and everyone who's interested to participate to, please, participate and we certainly value any input that anybody might have as we develop this plan. I think of when we-- when we-- when we move forward with this, we're caring for Nebraska's children, and it's not just the department's plan that we're trying to work through here. It's really the state of Nebraska's plan as we move forward with implementing Families First. We want to do it in a transparent and an inclusive way.

**RIEPE:** [01:00:57] I think "ongoing" is a keyword. And as you know, communication is always a real challenge. Another one that I had was is you had referenced that the \$26 million was maybe reported incorrectly. Is it-- are you saying that the paper got it wrong or the auditors got it wrong?

**MATT WALLEN:** [01:01:15] I'm just saying when-- when we talk about a lot of the papers and the media said the department misspent \$26 million, and the audit findings identified \$45,000 in potential errors and then extrapolated and did audit-- audit math, if you will, and identified \$26 million. So there was not a misspending of \$26 million.

**RIEPE:** [01:01:40] OK.

**MATT WALLEN:** [01:01:40] It was-- it was very small. I guess another point is out of 416,000 transaction lines, they picked 113 lines and drew a \$26 million conclusion based on a 113 lines, .027 percent of the sample.

**RIEPE:** [01:02:00] Hmm. Well, it certainly made headlines.

**MATT WALLEN:** [01:02:01] Yes, it did.

**RIEPE:** [01:02:02] The third one then I had is-- which was a concern to me if I heard this right, you said, I believe, quote, process is the moving status, is the way that I have it. I'm challenged by any standard that's a moving-- . To me, a budget, once you set a budget, a budget is set and any deviation to that you report. You don't keep changing the budget during the year. So do you have fixed standards or is this a moving-- the moving stick, as I think you've described it? That-- that kind of set off my alarm.

**MATT WALLEN:** [01:02:37] Progress, progress is the measuring stick. Is that--is that the comment you're referring to?

**RIEPE:** [01:02:42] Yeah, that was the line.

**MATT WALLEN:** [01:02:43] And I'm referring to meeting our caseload standards, where we talk about CWLA caseload standards and it's actually not a compliance type standard. It's-- it's actually guidance that's in our statute. And I said progress is the measuring stick as we continue to improve and to get to that 100 percent type compliance requirement.

**RIEPE:** [01:03:03] Is it fair to say that's more of a staffing model than it is-- that's not your standard. Your standard to me has to be a fixed standard. You either make it or you don't make it. Is that fair, that it's a staffing guide?

**MATT WALLEN:** [01:03:17] Well, our-- our-- our requirement is the statutory requirement to be 100 percent in compliance.

**RIEPE:** [01:03:24] Sure.

**MATT WALLEN:** [01:03:24] And as a way to show progress to reaching that 100 percent compliance, for a measure that-- that really is not a compliance measure to begin with, we're saying the measuring stick is that we continue to improve. We moved from 80 percent, where we've been in the low 90 percents now. The statutory standard, the guideline, the benchmark is, yeah, I want to get to 100 percent. But as we continue to grow towards 100 percent, we're at 91 percent now. So-- so maybe it's a softer way of saying we want to make continuous improvement till we get to that 100 percent requirement.

**RIEPE:** [01:03:58] Have we ever hit 100 percent?

**MATT WALLEN:** [01:04:01] Not that I'm aware of.

**RIEPE:** [01:04:02] OK. I would-- Senator Linehan, please.

**LINEHAN:** [01:04:06] Thank you, Chair Riepe. Back to the audit, and I think you said in your testimony here that they used your internal audit.

**MATT WALLEN:** [01:04:14] Yes.

**LINEHAN:** [01:04:14] So did they find 113 lines in your internal audit and that's what they used?

**MATT WALLEN:** [01:04:20] What-- what they-- where I referenced that they used our internal audit is as part of our contract with PromiseShip we have a requirement at the end of that contract to do a reconciliation. And-- and basically, as part of that reconciliation, we went in and tested 800 lines of--

**LINEHAN:** [01:04:40] OK.

**MATT WALLEN:** [01:04:41] -- of transactional data with PromiseShip. And they basically took our internal audits work product and included that in-- in their attestation report.

**LINEHAN:** [01:04:50] OK.

**MATT WALLEN:** [01:04:50] And that's where I was referencing like that that's not anything new that was identified in the attestation.

**LINEHAN:** [01:04:56] Right. Those are problems you were already addressing.

**MATT WALLEN:** [01:04:57] That-- that was work, yeah, we had already worked with.

**LINEHAN:** [01:04:59] Or I mean, obviously, everybody has to reconcile books,--

**MATT WALLEN:** [01:05:02] Sure.

**LINEHAN:** [01:05:03] -- even a checkbook.

**MATT WALLEN:** [01:05:04] Yes.

**LINEHAN:** [01:05:04] I do. Yes. OK. Thank you.

**RIEPE:** [01:05:08] Did you have a follow-up question?

**LINEHAN:** [01:05:09] No.

**RIEPE:** [01:05:09] Senator Williams.

**WILLIAMS:** [01:05:10] Thank you, Chairman Riepe. And thank you, Director Wallen, for being here. I have a question on the audit also. I think, without a doubt, listening to your testimony you have some questions about the audit and the-- and especially maybe the reporting of the audit. What-- what I want to be sure that-- that we understand from an oversight perspective, we've got two different sets of auditors. We have the Public Auditor that's come in and conducted an audit, and you have internal auditors. And it appears that there are some differences in-- in their finding or maybe in how they use, as your term, audit math. Are you confident that your internal auditors are on top of this situation and doing a good job, or is there a potential that you need more staff in that area to assure those of us that are in charge of allowing the money to be spent, so to speak, that-- that we have confidence in the system?

**MATT WALLEN:** [01:06:19] No. And I'm-- I'm-- I'm very confident. We have an internal audit unit within the department and they go in and test a lot of our programs and they hold us to as strict,

if not stricter, standards than the APA, if you will, and they require us to develop corrective action plans and then go back in and retest if-- to see that that corrective action plan was, number one, effective and that we actually implemented it. So I'm pretty confident in the work of our internal audit unit to help us identify and ultimately make program improvements. We learn a lot from these audits, you know, in the process. So I'm-- I'm very confident that-- that our internal audit unit helps us a great deal. Also as a result of-- of the APA attestation, we identified that we needed to really improve our sub-recipient monitoring from both a programmatic standpoint and a financial standpoint. So I've gone ahead and added additional resources to perform those additional sub-recipient monitoring functions. And that's what a lot of the audit identified, the attestation identified, is that we weren't doing proper sub-recipient monitoring. So we've gone ahead and dedicated specific resources that are going to help us do that, that sub-recipient monitoring, in the future.

**WILLIAMS:** [01:07:36] Thank you.

**RIEPE:** [01:07:38] How many auditors do have and is this-- do you have an auditor for your-- your one of five divisions? Is that correct?

**MATT WALLEN:** [01:07:43] We have-- we have a number of auditors for the department as a whole. And then we have within-- within my division we've got a den of three sub-recipient monitors that are dedicated to that sub-recipient monitoring, and then we've got a number of additional contract monitors who work day in and day out with our providers on the billing and authorization, kind of the day-to-day transactional type things.

**RIEPE:** [01:08:10] OK. What is the continuity of the staffing on that? Have they been here for some period of time or are they all new, the auditors? Is there a high turnover, is where I'm going



with that.

**MATT WALLEN:** [01:08:20] Right. Right now our-- the sub-recipient-- the dedicated sub-recipient monitors that I have now have been in the contract monitoring role for-- for a period of time already, so they're not brand new. I'm in the process of-- of hiring the-- the financial sub-recipient monitor.

**RIEPE:** [01:08:39] Who does the auditor report to? Oftentimes in the corporate world they report to the board of trustees as opposed to the CEO. Who do your auditors report to?

**MATT WALLEN:** [01:08:49] The chief operating officer.

**RIEPE:** [01:08:51] OK. OK. Senator Crawford, you've been quiet, so please.

**CRAWFORD:** [01:08:56] Yeah. Thank you. Thank You, Chairman Riepe. And thank you, Director, for being here today. I would like to talk a bit about the license, the licensure of foster care. Just want to have you tell us a little bit about what the status is and what the process and progress is on fam-- on child specific licensure, licensure for kinship homes.

**MATT WALLEN:** [01:09:19] We're-- we're in the process now of working with a-- a number of the associations, VAMPA [PHONETIC] and others, to-- to look at what our licensing requirements are and how-- how we can make our licensing requirements more accessible so we can get more of those relative and kinship homes licensed. So we-- we are-- I would-- I would categorize it as being a work in progress, but we've got a, you know, a good-- a good-- a good start to identifying what we-- what we can do to get additional homes licensed, if you will.

**CRAWFORD:** [01:09:56] Do you have a time line for when you expect to have a model license?

**MATT WALLEN:** [01:10:00] Well, we're-- we're-- we're going to also track fairly close to, you know, the licensing standards that are identified in the Families First as well. So we want to make sure we're consistent with what's taking place in the Families First legislation.

**CRAWFORD:** [01:10:18] So does Family First legislation then have a model for this child specific licensure as well?

**MATT WALLEN:** [01:10:24] Well, they talk a little bit about model licensing standards, you know, for these foster family homes, so that I don't want to go off in one direction and then have to make a change based on what's identified. And I believe we're still, you know, waiting for some additional guidance from our federal partners on where we're at with that model licensing standards.

**CRAWFORD:** [01:10:45] Thank you. Thank you.

**RIEPE:** [01:10:48] I understand that you have a feasibility study with taking a look at PromiseShip. For those who don't know it's-- that's eastern Nebraska's privatization model. Can you give us some insight on terms of when that will be concluded or is there a con-- it's not again ongoing, is it, I assume?

**MATT WALLEN:** [01:11:06] No, it's-- it's an organization that we've engaged to really look very thoroughly at our data that we have and also to look at eastern-- data from the Eastern Service Area and really give us a pretty decent assessment on the-- the delivery of services to the Eastern Service Area and-- and really the state as a whole. So it's-- it's not specifically, if you will, targeted at PromiseShip. It's really to-- to look at from a state perspective. You know, some jurisdictions are--

are privatized. Some jurisdictions are county jurisdictions. Some jurisdictions are a 100 percent state run. We're a little bit unique in Nebraska where we have, you know, a state-- a state-run system with one of the service areas that's privatized. So we're just-- we asked them to kind of come in and take a look at our numbers and the Eastern Service Area numbers and get a better understanding of-- of how we're providing services to meet the needs of children and families across the state.

**RIEPE:** [01:12:06] But the standards are the same they are for the PromiseShip as they are for the state. [INAUDIBLE].

**MATT WALLEN:** [01:12:11] Yes.

**RIEPE:** [01:12:13] And when does that contract come up for a bid again?

**MATT WALLEN:** [01:12:17] Well, we, for the Eastern Service Area, that contract expires June 30 of 2019.

**RIEPE:** [01:12:25] 2019? So it's-- it's upon us.

**MATT WALLEN:** [01:12:27] We are-- we are in the-- in the process of-- of preparing a request for proposals to-- to put out for competition the case management services in Eastern Service Area.

**RIEPE:** [01:12:40] OK. Are there other questions? Seeing none-- oh, there. Senator Kolterman.

**KOLTERMAN:** [01:12:46] Thanks for coming today, Director Wallen.

**MATT WALLEN:** [01:12:47] Thank you.

**KOLTERMAN:** [01:12:47] Just out of curiosity, how long have you been in the position you're in?

**MATT WALLEN:** [01:12:52] I-- I was appointed effective August 4 of 2017.

**KOLTERMAN:** [01:12:57] OK. Thank you.

**RIEPE:** [01:12:59] And loved every minute of it, right?

**MATT WALLEN:** [01:13:00] That's right. [LAUGHTER].

**RIEPE:** [01:13:03] It's been an easy road. OK.

**MATT WALLEN:** [01:13:07] Thank you.

**RIEPE:** [01:13:07] Seeing no other questions, Thank you very much. Thank you for being here.

Kim Hawekotte, we would like to have you talk to us, please. Kim is executive director of the Foster Care Review Office. Looks like you brought your-- brought us homework.

**KIM HAWEKOTTE:** [01:13:29] I want to get rid of it. My muscles don't need to carry any more.

**RIEPE:** [01:13:32] OK. Well, if you'd be kind enough, you know the rules. Please state your name and spell it for the record and away we go.

**KIM HAWEKOTTE:** [01:13:40] Will do. Good--good afternoon, Chairman Riepe and members

of the Health and Human Services Committee. My name is Kim Hawekotte, K-i-m H-a-w-e-k-o-t-t-e, and I am the executive director of the Foster Care Review Office. Just very quick background: Foster Care Review Office is an independent state agency and we are charged with the oversight of the child welfare and juvenile justice System with regards to all children in out-of-home care, as defined by our statutes. We really do this oversight at two levels. And we do individual case file reviews. You'll notice in my testimony, I have it detailed out. In fiscal year '17-18 we did over 4,800 individual case file reviews in the state for children in out-of-home care. One of our staff go in and do the individual case file review. There are-- they're doing final recommendations to the court and to all legal parties and then also advocating for what's in the best interests of those children at that individual level. They are also completing a data form on each one of those children, so when they complete that data form, that is all put together in the nice binder that you have before you. That is our annual report on what are the children looking like within the state of Nebraska that are in out-of-home care. So I guess with regards to our testimony, you've heard a lot about the Families First Act; to me what's really important now is hearing about what are the children that this act is going to impact. How many do we have? What do they look like? What are their issues? What are their-- their concerns? We do know in fiscal year '17-18 we tracked over 7,960 children in out-of-home care, whether through the child welfare or the juvenile justice system. I'm going to concentrate today, because we are here on child welfare, about the child welfare use so that we have that. And in my testimony I included a couple of the key charts and graphs from our annual report, because I know nobody wants to flip through a hundred pages that they're sitting here. We also know, as previously testified, that federal and state law, we always talk about three things: safety, permanency, well-being. That's what we're concerned about is the three-legged stool. No one portion is any more important than the other. It's just like any stool. One leg is broken, you're not-- you're not going to be able to sit very well. So as we look at it, we want to look at-- at all that is going on in the life of the child. So first let's talk about where the children are. So when you look at figure number 1, which is on page 6, I know many of the senators appreciate

figure number 1 because it breaks out the number of child welfare children as of June 30 of 2018 that are in out-of-home care by county, and there were 3,566. And you guys are welcome to look at the various counties that impact each one of you with regards to it. Now, when you look at this, where are the children located? That's usually the next question we get. Or, what are their ages? If you look at figure number 2, figure number 2 shows that about 41 percent of the children in out-of-home care are ages 0 to 5, about 33 percent are 6 to 12, and then the remainder percent are teenagers. Where are they located in the state? About 45 percent of our children in out-of-home care are from the Eastern Service Area, so that is Douglas and Sarpy County. That means that 55 percent are from the remainder of the state. So what have we seen over the past year? In fiscal year '17-18, when you look at page 7, which is figure number 3, we have seen a significant decrease in the number of children in out-of-home care. In fact, it's an 8.8 percent decrease. And that graph on page 7, figure 3, shows very clearly by service area that there's been a dramatic decrease. If you look on page 8 and figure number 4, we have it broken down by service area so that you can tell is that one area of the state, all areas of the state. And you can tell from looking at the graph that it is all areas of the state. But the most significant decline that-- that we saw was in the Central Service Area, which is right in the middle of the state, and that was a 13.2 percent decline. OK? But we do have the percentages broken down for each one of the service areas with regards to it. So when you look at such a large reduction in out-of-home, all of us sitting here are going, well, that's a good thing, but we want to know why and is it a good thing, because some things are good, sometimes they're not. So as we began to look at it, you really have to look at, was there a decrease in the number of children entering the system? Was there an increase in the number of children exiting the system? Was there a decrease in the length of time in out-of-home care? What is causing this decrease? I would turn your attention to figure number 5, because we felt this was the most important figure as you're trying to look at this 8.8 percent decrease, and you will notice on figure number 5 that kind of orange-ish line is our exit trend. And you'll notice there has been an increase in the past year in our exits, in fact, almost a 23 percent. That's a good thing because kids are then exiting out-of-home

care. But you'll notice a more dramatic increase as to why there was a decrease in total out-of-home care is the entry rate, that that entry rate from out-of-home care from July 2017 to June 2018 went down 45 percent. So in other words, the children are not coming into out-of-home care and we've had an increase in the exits. So that's what accounted for the decrease. And I'd like to sit here and say that that is because of an improved system. I do believe we're on the way to an improved system. And I know you've heard me talk for the last two, three years that we have too many children in out-of-home care and I've been pounding the table saying there's too many, there's too many. So this is a good thing, but I do think we have to monitor and see what is happening and how it's being handled. We do know when we look at HHS data and you compare the out-of-home with the total children that they are dealing with that there has been a significant increase in what we call non-court voluntary cases. In other words, those are not the ones that enter the court system or enter out-of-home care. They are ones that are being done on a voluntary basis. Those have increased by about the same percentage as our decrease in out-of-home care, if that makes sense. So we're-- we're dealing with them in home, we're dealing with them from a service standpoint, all very positive for a system if we know that it is being handled correctly. I can't sit here at this point, because, as you notice, this all began about last October, November so we don't have a long history, to say. In our annual report we do bring out a couple of areas that we feel, as a system, we really need to look at with regards to this. Do we have the adequate service array to meet the needs of these children in a non-court voluntary situation? It's one thing to say we can serve families at home, but do we have the appropriate services to meet the needs and to keep them there? Or are we delaying it or doing more harm for children because they're going to end up in out-of-home care six months later or they're going to have more traumatic experiences? So we have to be looking at the service array. We have to be looking at how the system has adapted to handing-- handling those non-court cases, because we've been such a high out-of-home care state. Do we have the infrastructure built, both within HHS and within the rest of us, to handle those non-court cases? Lastly, you will see, with regards to non-court voluntary cases, there really is no external oversight.

Because the Foster Care Review Office and CFS and even Inspector General, we deal a lot with kids in out-of-home care, I do not look at or will be reporting on any data for the non-court voluntary cases. There's really no external oversight over that population as to whether or not things are going well. That was one of our recommendations in the report is that we need to talk together as a system so that we ensure that we all feel comfortable that there is the requisite oversight that is occurring. I'm not going to go through all of the data on page 3. Page 3, I tried to list out of my testimony some of the key data that we saw. I'm just going to point out a couple of them. It continues to be that the most adjudicated reason for kids being removed from their home is neglect in the state. It's running about 63 percent. Second is parental substance abuse, which is about 44 percent. Good news is, and, Senator Crawford, I'm going to get to your question, is that about nine-- between 96 and 95 percent of our children in child welfare in out-of-home care are placed in a family-like setting, so that as foster care, not in the congregate-- and, Senator Williams, I will get to your question also-- which is a positive indicator that they're in the least restrictive. The other good thing that [INAUDIBLE] state that is-- is about 46 percent of children we have that are in foster care are with a relative or kin, so people that they know. That's another positive thing. One of the concerns we did see that was for about 7.5 percent of the children we reviewed we couldn't determine if those placements were safe or not. In other words, there wasn't appropriate documentation. There had been some hot line complaints with regards to that foster home and we didn't see any resolution of those complaints. So that's an area we feel needs to be improvement-- improved on. Placement changes: Placement changes continue to be an issue, as you guys know from my previous testimony in other years. We always look at four or more placements, because anytime children move for or more times you are drastically affecting and impairing them. Concerning is that 11 percent of our children aged 0 to 5 had four or more placements in the past year, 27 percent of our children 6 to 12 had four or more placements. So we know-- and 55 percent of our teenagers did. So we know we have children that are moving placements a lot. Based upon our reviews, when we look at placement changes and the reasons, about 25 percent of them is at the



provider request, that the foster parent or provider is requesting that a child be moved. The other concerning data that-- that we feel is important I want to mention is that in these placement changes, 7.5 percent of them were due to abuse or neglect in that foster home. So we need to figure out better ways that we can-- we can take care of that. Next bullet just deals with caseworker changes. I know Matt talked to you about caseloads when he was testifying. Caseworker changes: As you can see, we look at whether or not there-- any cases had five or more caseworkers in a time period, and it was a little bit over 25 percent have had more than five or more case managers in the life of a case. The highest service area with that was Northern Service Area with close to 30 percent, and then second was Eastern Service Area with 27 percent. Our reentry rate has stayed about the same or writing-- right about 24 percent reentry rate of those children that were in out-of-home care and go home and then come back out. So we're running right about the same. The rest the data you can-- you can gladly look at. I want to briefly talk about, and I know my time is almost up, some of our key recommendations that you can get. And, Senator Crawford, I'm going to talk about yours first because that is one of our recommendations, is that in order to be eligible for IV-E funding all-- the foster home must be licensed. It cannot be approved. All of our agency-based foster homes are licensed, so they would be eligible for IV-E. But the majority of our relative homes are not licensed. They are approved but they're not licensed. We need to come up with, between now and next June 30, a very specific license process, a child specific license process. We need some regulations with which to do it. And then I-- our recommendation is we need to incentivize those relatives to want to become licensed. When you look at some of the national data, a lot of states do not pay their relatives for foster care. They just basically say we're not going to pay you and if you qualify for TANF you can go apply for TANF, but otherwise you're going to take your niece and nephew and we're not going to pay you. We do not advocate for that. That is not the answer to the situation. I-- it's our belief that relative foster parents should be paid, just like an agency-based. What some states have done is they've passed legislation that says, OK, relative, we're going to give you six months in which to get licensed so that you can do it and you can get a child specific license and come up with

a specific process, but if after six months you don't, then you don't get paid anymore. So they've come up with kind of a halfway between the two. But it's our belief, and that's one thing I really wanted to push and to thank Senator Crawford, because now we are collecting data and information on how many are licensed and approved after the last legislative session. The two other things we're recommending are just with regards to non-court voluntary services, the use of informal living arrangements, and our getting information on that so we can start seeing how that non-court system is working. And outlined on page 4 are the specific recommendations. And then the last one deals with the systemic response and ensuring we have appropriate services for children and family. I think we have two issues going on in the state. One is, which is the more appropriate system? Is it the child welfare, the juvenile justice system, or is it both? But then the second issue becomes for-- for some of the cases we see, especially the long stayers, is it the disability system? Is it the child welfare system? Is it the mental behavioral health system? Or who should really be responsible for these children and best suited to meet their needs? Last thing I just wanted to-- to mention, because I always like to end with a teaser so that you're excited for our next report, is that there's a couple of things that we're looking at. One of the concerns we came across when we were working on-- on this report and others is currently we have 105 children in the state this have been continuously out-of-home five years or longer, and 22 of those children are ten and under, which is, to us, is not acceptable. Two-thirds of those children are from the Eastern Service Area. We've just started to beginning to look at that data. What is it? Why is it happening? What parts of the system aren't working right that we would have children out that long? Are these children with some heavy needs that we as a system do not have the appropriate services for? The-- the other information, data, that we've been-- been working on is the adoption guardianship disruption rate. It's all wonderful if we think we have adoptions and children have permanency. But if they end up coming back into the system because that adoption disrupts, are we really providing permanency for that child? So we need to look at that rate. And the other thing that we are looking at is more of an in-depth analysis of children that are missing from care in both the child welfare and juvenile justice system. There's

some great national research out there that talks about when you have children that are missing from care, they are at much greater risk for sex trafficking. And nationally, they're defining it as either running away from home three or more times or being gone 30 days or more. And we-- when we pulled some of the preliminary data on how many youth that was in the past year, we came up with 461. So we know we have an issue and we need to deal with some of that. So, Senator Williams, I'd love to answer your question if I can, and I might not be the perfect one. Here in Nebraska, our congregate care, we talked about it really at two different levels. We have group homes and then we have treatment facilities, and those would be our PRTFs and our treatment group homes. When you look at the new Family First, our treatment facilities will meet those requirements, because they have to have those to have Medicaid eligibility and they are all Medicaid eligible. Some of our group homes, on the other hand, will probably not meet that. You know, the good news is, as a state, all-- I can't think of any that are not accredited. We do not have an accreditation issue in the state because our facilities are, but at our group home level they always don't have that licensed clinical piece or they might not have that nurse piece. Now when you asked about where they were located, there's not many in any of the rural areas. They're mainly concentrated in the eastern half of the state.

**WILLIAMS:** [01:30:36] Are there any?

**KIM HAWEKOTTE:** [01:30:38] No.

**WILLIAMS:** [01:30:41] I wanted to be sure that I heard that right.

**KIM HAWEKOTTE:** [01:30:43] No. I know they are working very hard in Hastings to bring up-- and I don't know if they've been successful or not-- to bring up a facility where parents with substance abuse issues can move in with their children and can reside together while they're going

through treatment. I'm not sure what stage that is in. So that would be in Hastings. And I know in the North Platte and Kearney and some of that area some of the judges are working on group homes. It might be a good question to really ask Jeanne Brandner from Probation, because a lot of the youth in group homes are Probation youth.

**WILLIAMS:** [01:31:14] Thank you.

**RIEPE:** [01:31:18] Senator Kolterman.

**KOLTERMAN:** [01:31:18] Is-- is Seward in the Eastern Area?

**KIM HAWEKOTTE:** [01:31:20] Is what?

**KOLTERMAN:** [01:31:20] Seward in the Eastern--

**KIM HAWEKOTTE:** [01:31:20] Seward? Seward would be in the Northern Service Area.

**KOLTERMAN:** [01:31:31] OK.

**KIM HAWEKOTTE:** [01:31:31] But, to me, when I think of the eastern part of the state, I usually think from about Grand Island, east.

**KOLTERMAN:** [01:31:38] Yeah. That's-- that's what I was getting at.

**KIM HAWEKOTTE:** [01:31:38] Yeah. Mainly Grand Island, east is where most of our facilities--

**KOLTERMAN:** [01:31:42] Because there are-- we have one in Seward. I do know that.

**KIM HAWEKOTTE:** [01:31:44] Yeah. Yeah. So when you think about it in the eastern half of the state, that's where most of our congregate care facilities are located.

**RIEPE:** [01:31:56] Senator Linehan.

**LINEHAN:** [01:31:56] Thank you, Chairman Riepe. Thank you for being here. On your one point here, it's like the third bullet point on page 3,--

**KIM HAWEKOTTE:** [01:32:06] Uh-huh.

**LINEHAN:** [01:32:06] -- so 24 were because the foster parent asks for a change?

**KIM HAWEKOTTE:** [01:32:10] Correct.

**LINEHAN:** [01:32:11] And 7.4 are because of abuse, so that's 31 percent. So what's the other almost 70 percent?

**KIM HAWEKOTTE:** [01:32:18] I have it all detailed in the annual report.

**LINEHAN:** [01:32:20] OK.

**KIM HAWEKOTTE:** [01:32:21] I can get you the specific page.

**LINEHAN:** [01:32:22] No, no, that's OK. That's fine. It's in there. OK.

**KIM HAWEKOTTE:** [01:32:24] But those were-- the highest one was because of the provider. Sometimes it's because the child is going to a lower level. Sometimes the child is going to-- needs a higher level of treatment, so they're leaving the foster home to go. Some of the placement changes might be that they are in an agency-based home and they're being moved to a relative home.

**LINEHAN:** [01:32:41] OK.

**KIM HAWEKOTTE:** [01:32:43] So that wouldn't be necessarily at the provider request. It would be because we, as a system, have decided that they're better at another placement.

**LINEHAN:** [01:32:53] OK. Thank you.

**RIEPE:** [01:32:56] Are there other-- ? Senator Crawford.

**CRAWFORD:** [01:32:56] Thank you. And thank you for your report. I wanted to ask a little bit about your point about providing an incentive for foster parents. Is that statutory or is that something that can be done through regulations?

**KIM HAWEKOTTE:** [01:33:11] What most states have done is statutory. I mean sta-- what most states have done is either-- it's that old carrot and a stick. Do you incentivize relatives to become licensed by giving some type of bonus, or do you use the stick and do some type of penalty that if you don't do it in this time period then you lose the money? I don't know which is better. I'm usually a carrot-type person. But-- but most the states have done it through some type of legislation. Now it's just getting started and currently there's only about three or four states that have started to do that because some of them are in the same boat we are that do pay their relatives, but they're having

to come up with a different way.

**RIEPE:** [01:33:53] Is guilt a third option?

**KIM HAWEKOTTE:** [01:33:55] If it works, go for it. That was my parenting tactic, OK, so.

**CRAWFORD:** [01:34:00] But just to be clear, do we have a-- a kinship appropriate licensure to require people to achieve, or-- or we're still-- we still haven't really developed that licensure level?

**KIM HAWEKOTTE:** [01:34:17] Under regulations, under current HHS regulations, there is the beginning of a relative child specific license. It probably needs to be fleshed out. And in fairness to the department, I agree with Director Wallen, we've been waiting to hear what are the federal government going to require before we finish those so that we can ensure that two years from now we're going-- not going to be penalized because we didn't do the right thing. So I think we're set up to do it within regulations, to develop the child specific license. The issue might become that it might have to be legislative if you expect to put some type of teeth to it to ensure that--

**CRAWFORD:** [01:35:01] Correct.

**KIM HAWEKOTTE:** [01:35:01] -- it gets done instead of letting it be voluntary.

**CRAWFORD:** [01:35:03] So I guess I was just wondering, in terms of timing, if it's appropriate to do the legislation now or if we don't really have a child specific license yet.

**KIM HAWEKOTTE:** [01:35:12] There is one currently in statute,--

**CRAWFORD:** [01:35:15] Oh.

**KIM HAWEKOTTE:** [01:35:15] -- Senator, that-- that would at least give us the groundwork.

And as we know, it is easier, sometimes faster, depending upon-- to change regulations than it is to change statutes. So we do have the basic in there and it does allow-- we do have the statutory ability right now for the department to do a child specific license and to do the regulations. So they have the-- the legal ability to do it.

**CRAWFORD:** [01:35:40] Thank you.

**KIM HAWEKOTTE:** [01:35:44] Thank you.

**RIEPE:** [01:35:44] Any other questions? If not, you've done a nice job, given us a lot of information.

**KIM HAWEKOTTE:** [01:35:49] Thank you.

**RIEPE:** [01:35:49] If we had the capability, we probably give you a degree out of this, but we don't. So-- so thank you.

**KIM HAWEKOTTE:** [01:35:51] I need more initials.

**RIEPE:** [01:35:51] Yes. OK. Ms. Rogers, please.

**JULIE ROGERS:** [01:36:08] Good afternoon, Chairperson Riepe, members of the Health and Human Services Committee. My name is Julie Rogers, J-u-l-i-e R-o-g-e-r-s. I'm the Inspector



General of Nebraska Child Welfare. Thank you for inviting my testimony about our office and our annual report. The Office of the Inspector General of Nebraska Child Welfare, or OIG, is charged with providing legislative oversight, 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, the OIG investigates death or serious injury of system-involved youth and complaints of wrongdoing to children and families being served by or through our child welfare or juvenile justice systems. The OIG provides accountability and legislative oversight of these Nebraska child-serving systems by identifying issues and themes. We make recommendations to improve those systems, both informally and formally. The OIG is charged with investigating problems. The OIG not only uncovers wrongdoing but also in every instance looks for systemwide problems and issues. The OIG strives to provide a perspective to guide lawmakers, advocates, administrators, and other stakeholders in efforts to improve Nebraska's child-serving systems. The OIG is expected to be honest and straightforward about issues facing Nebraska's child-serving systems in its work. Our job is to ask tough questions and highlight issues and concerns that might rather be ignored. The OIG frequently observes and meets with child welfare and juvenile justice stakeholders from across the state to solicit expertise and concerns. Our annual report is released annually on September 15, and it highlights sometimes very difficult issues and at times may raise more questions than it gives answers. So this last annual report for fiscal year 2017-2018 summarizes the work from our office from July 1, 2017 through June 30, 2018, and I will provide you with just some highlights. First, one of the most exciting efforts from a collaborative effort within the divisions of the Department of Health and Human Services this year is the implementation of the Nebraska Abusive Head Trauma/Shaken Baby Syndrome Prevention campaign. Not only is abusive head trauma the leading cause of child abuse death in the United States, Nebraska is not immune to child deaths as a result. In 2016 the OIG recommended that data on the prevalence of pediatric abusive head trauma in Nebraska be gathered and analyzed, and that

prevention materials be updated accordingly. As part of DHHS's campaign, launched just a few months ago, these materials were produced, including "1-2-3 Don't Shake Me" and "Babies Cry. Make Your CRYing Plan." Caseloads, and we've heard a lot about caseloads today already: In the past the OIG has recommen-- reported and continue-- on continued caseload and workload issues that have troubled the child welfare system, and we've highlighted that statutory requirements have not been met but progress has been made over the last year, as you've heard. DHHS repurposed 24 full-time positions from within the Division of Children Family Services to caseworker positions. They're exploring a teaming approach to cases. Turnover is decreasing. They reported a 93 percent caseload compliance as of August 2018, and I think Director Wallen said it's at 91 percent right now. Though DHHS continues to be out of compliance with statutorily required caseload standards, caseload numbers are better than ever. Also, new monthly caseload reports can be found on their Web site, so transparency has improved. DHHS has called a working group of internal and external stakeholders to look at current caseload standards to come up with an improved way to measure caseloads. Our office will continue to watch the status of statutory caseload compliance, as well as the substantive workload of caseworkers. As caseloads continue to stabilize, the changes in the child welfare system that are coming could have an impact on workloads. DHHS will need to balance caseload and workload so the important work of caseworkers can be done most effectively.

The Youth Rehabilitation and Treatment Center in Kearney: The YRTC-Kearney critical incident reports started to increase. The critical incident reports that were reported to our office started to increase in the past fiscal year, after a significant decrease of reports the prior year. Of the total 47 critical incidents reports related to the YRTC-Kearney, 19 involved escapes and 14 involved assaults. This compared to 12 critical incident reported escapes and 1 critical incident report related to serious assault the year prior. Outside of critical incident reporting, though, overall escape numbers and assault numbers have decreased each year at the YRTC-Kearney for the past three years. Increase in attempted suicides: In fiscal year 2016-17, we received 45 reports of suicide attempts. Of these. 23 children were state wards, 6 or supervised by juvenile probation, four were

served by both juvenile probation and DHHS, 2 were placed at a YRTC, and 3 had no system involvement at the time of their suicide attempt. This year attempted suicide numbers reported to the OIG rose again. Of the 52 suicide attempts reported, 24 were state wards, 21 were supervised by juvenile probation, 6 were served by both juvenile probation and DHHS, and 1 was placed at a YRTC. Over the past year we completed a systemwide investigation regard-- regarding sexual abuse of state wards and 11 individual child death investigations. The committee has heard during session about the findings, which you'll find on page 25 of our report, "Sexual Abuse of State Wards, Youth in Adoptive or Guardian Homes, and Youth in Residential Placement." This report was made public in December of 2017. The report contained 18 DHHS recommendations and 7 action items for the child welfare system as a whole. DHHS accepted 11 recommendations, rejected 4, and requested modification of 3 of the recommendations. The progress of-- the specific progress of those recommendations can be found starting on page 27 of the report, and a-- a chart of those is on page 61. DHHS has made progress on 12 of the recommendations and has completed 2. As with any of the OIG recommendations that are not complete, timeliness of completion, it remains a concern. And finally, in the past fiscal year the OIG went from receiving 29 reports related to child sexual abuse the year prior to 45 reports in the past fiscal year. After our investigation on sexual abuse of child welfare involved children and youth, the Legislature passed a provision requiring that all allegations of sexual abuse of a state ward, juvenile on probation, juvenile in a detention facility, and juvenile in a residential child-caring agency rep-- be reported to the OIG. So we expect some of the increase is due to that requirement. And that's an overview and highlights of our annual report, and if you have any questions I'm happy to answer them.

**RIEPE:** [01:44:38] Are there any questions? I had a question about it seems like-- I've been here for four years and it seems like caseloads have been a conversation for four years. Are we making any progress in retention and [INAUDIBLE] down the turnover?

**JULIE ROGERS:** [01:44:52] I-- I believe there has been progress in the past year,--

**RIEPE:** [01:44:57] OK. Well, that's--

**JULIE ROGERS:** [01:44:58] And I hope it continues. We're watching it carefully.

**RIEPE:** [01:45:00] I agree there's no substitute for continuity on these things. Are there other questions? Thank you very much.

**JULIE ROGERS:** [01:45:08] Thank you.

**RIEPE:** [01:45:24] Thank you. Mr. Newell, thank you for being with us. If you'll give your name and spell it for the record and away we go.

**DAVID NEWELL:** [01:45:29] Sure, Senator Riepe, and I'll keep my comments to under an hour. Just-- just-- just checking to see if you're awake. [LAUGHTER]

**WILLIAMS:** [01:45:37] It doesn't matter. We're [INAUDIBLE].

**RIEPE:** [01:45:38] Senator Williams is right. We're late.

**DAVID NEWELL:** [01:45:38] OK.

**RIEPE:** [01:45:38] Go ahead. Take your chance.

**DAVID NEWELL:** [01:45:38] All right. Good afternoon, Senator Riepe and members of the

Health and Human Services Committee. My name is David Newell, D-a-v-i-d N-e-w-e-l-l, and I am testifying today in my role as chairperson of the Nebraska Children's Commission, which I will refer to as the commission. The commission was created in 2012. The Legislature knew then and consistently reaffirms that child welfare is not the work of the Division of Child and Families Services alone. There are numerous benefits when all who have a stake in Nebraska's children and families work together for-- towards shared values and build a system of well-being for every child. During the interim, Senator Bolz introduced LR451 to examine the work of the Nebraska Children's Commission and to evaluate the need for the commission's continuation and any revisions to its structure and purpose. This legislative resolution sparked important and necessary discussion for the commission to consider the appropriate structure and role, as well as what changes could be made to enhance efficiencies and drive results. It is the recommendation of the commission to continue with some modification to the structure and executive committee. The commission was born out of the Health and Human Services Committee and it is our recommendation that it partner with the commission going forward. This could be accomplished through the creation of a senator-led steering committee to replace our executive committee, to annually identify the three to five issues of concern needing additional research and policy development. However, in order for the commission to continue, a bill with an A bill attached will be necessary. The commit-- the commission has served as an expert resource to the HHS Committee and the Legislature for child welfare and juvenile justice public policy and believes there is still a role for it to continue to do so. Over the years the commission has taken on more responsibility through legislation and is now the parent body to five statutory committees referenced in the materials provided. The commission is scheduled to sunset June 30 of 2019 and there will be no administrative support or funding for these groups to fulfill their statutory obligations. If the commission were to sunset, a cleanup bill would need to be introduced to resolve the remaining statutory committees. There have been and continue to be several oversight entities put into place by the Legislature regarding child welfare and juvenile justice, as well as other commissions in the executive and judicial branches. However, none created

to sti-- none were distinctly-- were-- none were created distinctly for the Legislature. The commission is available as a resource to review the numerous reports and recommendations of the various entities, analyze and think critically about what is missing to support the work of the Legislature. With terms-- with term limits and executive branch turnover, the continuity of institutional history is paramount when developing policy for the protection of vulnerable populations. The commission was created out of a need for the Legislature to be informed of the needs and issues facing children and juveniles served in Nebraska. To that end, there will always be a need for policymakers to have a forum for education, collaboration, and input from the community and the agencies administering those services. Having been extended twice before, in 2014 and 2016, the commission continues to be a solution-focused body, ready to address the cross-cutting challenges facing Nebraska's children and families. The collaboration of commission members and its various subgroups have given roots to long-term, systemic, beneficial changes for system-involved children and families. Since the commission's sunset date was last extended in 2016, it has brought forth groundbreaking legislation through the Strengthening Families Act, the development of a service definition for treatment family care, and leveraged public-private partnerships to obtain funds for an independent external evaluation of the Bridges to Independence Program. The commission has been a longstanding partner to the department in these initiatives and can continue as Nebraska implements the federal Family First Prevention and Services Act. This important act makes substantial changes to child welfare services delivery and funding, which requires all system partners to coordinate efforts. The entire state benefits from the collaborative endeavors that each branch of government takes to streamline operations and coordinate services and supports. The collaborative process allows policy to be made with input from a wide range of stakeholders and community representatives. The commission carefully considers the work of other committees, commissions, and initiatives which exist, and coordinate efforts so as to prevent duplication of efforts. Included in your handouts is the "Nebraska Child Welfare Blueprint Report," or "Blueprint," released in March 2017. This collaborative publication tells the story of Nebraska's

recent progress on child welfare reform and outlines key opportunities to continue improving outcomes. The information for the report was gathered from a diverse group of Nebraska's child welfare stakeholders, including advocates, providers, and state administrators. The "Blueprint" notes the significant progress made in the state's ability to bring multiple partners together to create a child welfare system that is responsive to the needs of children and families. This is an opportune moment in the evolution of the state's child welfare reforms to continue strengthening the child welfare agencies' response to the needs of child-- children and families, while also strengthening the community capacity to meet families' needs. Now is the time to-- to stay the course and continue making progress for Nebraska's children and families. There's three handouts that I've provided to you. The first is the Nebraska Children's Commission's fact sheet, which is dated October 2018, and you'll see in that a time line of the history of the commission since we were founded. The second handout is the "Nebraska Child Welfare Blueprint" that I referenced earlier, dated March 2017. And the last handout is a report on the commission's financials, dated February 2018. And what that handout is specifically talking to is cost-saving measures that the commission has undertaken because we understand the financial challenges facing the state, and cost-saving measures that we've taken as a commission. So it details those details for you. I'd like to thank you, Chairperson Riepe, and Senator Bolz for her LR, and the entire HHS Services Committee for your work on behalf of kids and families in Nebraska. And before I answer any questions, I also just want to, on a personal note, thank you, Senator Riepe, for your leadership of the HHS Committee. This is probably going to be my last hearing with you and just want to thank you for your leadership, so--

**RIEPE:** [01:52:39] Thank you for your kindness.

**DAVID NEWELL:** [01:52:40] -- thanks. Any questions?

**RIEPE:** [01:52:45] You ready for questions?

**DAVID NEWELL:** [01:52:46] Uh-huh.

**RIEPE:** [01:52:46] I have a question.

**DAVID NEWELL:** [01:52:46] Sure.

**RIEPE:** [01:52:46] I have a concern with the legislative resolution that Senator Bolz has promoted because, quite frankly, my concern gets to be with the jurisdictional responsibility and duties of the HHS Committee.

**DAVID NEWELL:** [01:52:57] Uh-huh.

**RIEPE:** [01:52:58] And there seem to be numerous attempts at times to end run on this. If they don't necessarily-- senators don't necessarily like the actions of the HHS Committee that they will then elect to go through Executive Committee and try to set up special this and special that.

**DAVID NEWELL:** [01:53:13] Uh-huh.

**RIEPE:** [01:53:15] And if we push back on that then we're viewed as being against any of these investigations when, in fact, it is our duty. We will do it. And you have to make sure you don't fragment this thing. That's not a scold to you.

**DAVID NEWELL:** [01:53:29] Sure. No, I understand, Senator.

**RIEPE:** [01:53:29] It's a statement--



**DAVID NEWELL:** [01:53:29] Yes.

**RIEPE:** [01:53:29] -- about--

**DAVID NEWELL:** [01:53:29] Yeah.

**RIEPE:** [01:53:29] -- everybody that wants to run around and do their own, and do you have to have some discipline? I'm an old Navy guy so we got to have some there.

**DAVID NEWELL:** [01:53:40] Right. I understand, Senator.

**RIEPE:** [01:53:41] OK. Well, now I feel better.

**DAVID NEWELL:** [01:53:43] OK. [LAUGHTER]

**RIEPE:** [01:53:43] Sort of a last stand, if you will. Are there other questions? Seeing none,--

**DAVID NEWELL:** [01:53:52] OK.

**RIEPE:** [01:53:53] -- and thank you for not taking an hour.

**DAVID NEWELL:** [01:53:54] OK. Thank you.

**RIEPE:** [01:54:01] OK. We have, Jeanne, please come forward, introduce yourself. You are the deputy administrator for the Office of the Probation Administration.

**JEANNE BRANDNER:** [01:54:11] Yes.

**RIEPE:** [01:54:12] Nice. Nice job.

**JEANNE BRANDNER:** [01:54:12] Good afternoon, Chairman Riepe and members of the Health and Human Services Committee. My name is Jeanne Brandner, J-e-a-n-n-e B-r-a-n-d-n-e-r. As Senator Riepe mentioned, I am employed by the Nebraska Supreme Court Administrative Office of the Courts and Probation as the deputy administrator overseeing juvenile probation. I have been invited today to provide information related to crossover youth. For those of you who may not be familiar with this term, it is-- it is simply a way of referring to youth that are at risk of or are fluctuating between the child welfare and juvenile justice systems. Back in 2012, Probation partnered with the Center for Juvenile Justice Reform at Georgetown University to implement the crossover youth practice model. This model infuses values, standards, evidence-based practices, policies, procedures, and quality assurance processes. Douglas County was our first site to take on work as it relates to their crossover population. Their youth impact model, as they refer to it there, is still active today and has yielded some very successful results. In 2015 we added Gage, Lancaster, and Doug-- and Dodge Counties to take on this important work. And in 2016, Sarpy County joined the effort. In addition to these county-based initiative efforts, in 2015 Probation and the Department of Health and Human Services, Child and Family Services began creating an in-common statewide policy to align our day-to-day work with crossover model tenets. In June of this year a webinar was held with Probation and DHHS management teams. The purpose of this was to outline the expectations of our collaborative policies and provide direction for the management teams to implement local processes. Following, July through September, Amy Latshaw, who is a juvenile justice specialist with me today, and Monica DeMent from Department of Children and Family Services administrator, have led 24 trainings across the state, training approximately 900 staff from

Probation, DHHS, and PromiseShip. They were cross-trained together in their local areas. So Amy and Monica traveled the state during those months. This one-day training included a collaborative culture through understanding and respecting each of our roles, learning about our journey from the crossover youth practice model in Nebraska, clarifying the collaborative policy expectations and local processes, as well as putting policy into practice through scenarios. Additionally, the administrative data team from Probation, HHS, the Nebraska Court Improvement Project, and the Nebraska Crime Commission have established a plan to quantify our crossover outcome data. This data is being worked on as we speak. The statewide rollout of policy and day-to-day practice is a true example of a collaborative effort aimed at improving outcomes for a vulnerable population of youth in Nebraska. And while this population is small, those youth that we do have in common that are in both system hovers around about 150 youth across the state. It is really important work for those 150 youth and families. I would be remiss if I did not acknowledge Shay Bilchik and Michael Umpierre from the Center for Juvenile Justice Reform. Shay and Michael have been instrumental in guiding Nebraska's crossover efforts. As I mentioned, that partnership started back in 2012. They continue their consultation with our work as it represents the first time anywhere in the nation that crossover tenets had been implemented on a statewide scale. We are anxious to see the positive impact cross-system collaboration has for the youth and families we serve. Already some of the national trends that we also expect to see here in Nebraska is a reduction in the need for dual adjudications, a safe reduction in the need for out-of-home placements, and a reduction in disproportionate minority representation specific to that population. I appreciate your time today, and I'm happy to answer any questions that you might have.

**RIEPE:** [01:58:21] Thank you very much. Senator Crawford, please.

**CRAWFORD:** [01:58:24] Thank you. Thank you, Mr. Chairman. And thank you for your work and thank you for your report. Can you talk about the connection between the work that you've

done and the reduction in the need for out-of-home placements?

**JEANNE BRANDNER:** [01:58:35] Sure, absolutely. And-- and there's-- there's a number-- there's a variety of impacts. As Kim alluded to a little bit earlier, and maybe just I'll try to tie into an earlier question, too, about placements generally, is there's a number of initiatives that-- that result in the reduction of out-of-home placement. One of the items is through the transition when Probation received youth from HHS and was-- was able to obtain service dollars. One of our focuses from the beginning has been in-home services. And so we can't safely reduce the out-of-home placement until we have best evidence-based services available in the communities for youth and families. So that is something that we started several years ago partnering again with-- with some public-private partnership to get some dollars from the Sherwood Foundation and Scott families out of Omaha to help us. It is very expensive to get those evidence-based programs in Nebraska. So that is one of the examples of the reduction of out-of-home placement, one of the initiatives that has helped with that. But specific to crossover youth, I think what is unique about this practice is that each-- and I'm going to use Douglas County for an example because I do have lots of their results in front of me. But if a child is already in the child welfare system and there is a law offense that-- that happens, that case is staffed with all of the parties in the room, including the youth and the family, to say what can we-- what does the child need in response to this, this behavior? And so a lot of times I think historically we made a lot of assumptions or we said, well, the family can't handle this. And so having that conversation in the open to say what are-- what is it that you need, and that process and that dialogue has helped families say, well, I do want to be able to have my child at home; these are the things that I'm struggling with and these are the services that-- that might be helpful. And so there is that-- that conversation and, again, trying to keep youth and family at home. I think historically, and this is not specific to Nebraska. I mean this was a national trend. There was this movement to say if we take the child out of the home and put them in out-of-home placement, we'll take them back home and everything will be fine. Well, what we know is that a lot of that disruption

comes from the family dynamics, and so really keeping the youth at home and addressing those dynamics that may be dysfunctional that we might be able to repair and have that longevity at home has also helped with that process as well, Senator.

**CRAWFORD:** [02:01:14] All right. Thank you.

**JEANNE BRANDNER:** [02:01:16] Uh-huh.

**RIEPE:** [02:01:16] Do you have any pilot programs going at this time?

**JEANNE BRANDNER:** [02:01:19] Well, all of our county-based sites that started are still continuing. And then we have our statewide efforts. So everybody has a focus on the crossover population. And as I mentioned, it is a small population. It is about, on average, about 150 youth across the state. So we do have this collaborative approach to that. And-- and ultimately, and as I said, I think Douglas County recently completed an evaluation on their youth impact model. And one of the things that was really impressive about, as I mentioned, it-- it really is a dialogue in-- in making some filing decision. And so of the-- and I don't recall the time period but I can definitely get it from you for-- for-- from their evaluation-- but there was 536 youth that were referred to their crossover process during this evaluation time period, and only 16 percent of them ultimately had to be filed on and be in both systems. I mean it's-- one system is complicated enough for families. And so that's what this whole process is really trying to streamline: Do you need to be in both systems? Some do, absolutely. So when they are then-- then it's-- it's our best interest to collaborate and work together so that the family and youth are able to maneuver and do what they need to do and not have, well, HHS told me this, or Probation told me this but the judge said this. You know, there's all of these-- these different things that they're hearing. And so only 16 percent of those cases had to be filed and be dually adjudicated. So then that simplifies it for the family to remain in the system that

they're in. Maybe the youth was able to do a diversion program. Maybe they were able to beef up some services, as I had mentioned before. And then others where just a no filing decision was made. So-- so that's absolutely still ongoing, Senator. And-- and on a statewide level, the county-based initiatives are a little bit more specific in that the key players come together, depending on the county, and have some of those one-on-one conversations with the youth and families. But then there's also the statewide policy and efforts that are ongoing as well.

**RIEPE:** [02:03:27] OK. Thank you. Other questions, concerns? Seeing none, thank you very much.

**JEANNE BRANDNER:** [02:03:31] Thank you.

**RIEPE:** [02:03:32] Thank you for being with us, being-- thank you for being patient as we move along here. Juliet Summers from Voices for Children.

**JULIET SUMMERS:** [02:03:43] Good afternoon, Chairman Riepe and members of the committee. Thank you so much for the invitation to speak today. I'm Juliet Summers, J-u-l-i-e-t S-u-m-m-e-r-s, the policy coordinator for child welfare and juvenile justice at Voices for Children in Nebraska, and I'm going to be talking a little bit more in detail about IV-E, which may be old story to-- to some in the room and perhaps others listening. There's-- this is good information to have, so I apologize in advance if-- if I'm giving you the 101 that you're well beyond. I've handed out to you my testimony and also the "Child Welfare Financing Primer" that the Children's Commission released. It is a few years old at this point. And I apologize, the copies that you're receiving have been sitting in my car for the past three years. I just discovered them. So [LAUGHTER] but it is still a great resource that I want you to have as we're thinking about federal financing. All of the-- the numbers may be a little bit old, but all of the really detailed information in here about how these funding streams have historically worked, it's really good information.

**RIEPE:** [02:04:51] You weren't just determined to get them out of your car?

**JULIET SUMMERS:** [02:04:52] Yeah, just palming them off. So our, you know, our child welfare system needs to ensure that every child grows up in a loving permanent family. And in order to do that, in order to keep kids safe and strengthen families and minimize trauma, our system has to have adequate and stable resources to do that. And so Title IV-E from the Social Security Act, the federal funding stream, is one such resource that arguably Nebraska has not yet taken full advantage of that we could be in order to strengthen and stabilize families around their children. So as you've heard, IV-E is a reimbursement from the federal government to the states for qualifying cases to help cover the cost of foster care maintenance payments, adoption subsidies, supports for older youth aging out of care, going into extended foster care to age 21. You've already heard there are changes or additions coming to that with Family First. I'm going to talk about how it has historically worked and how one piece of it, the foster care maintenance payment, is going to continue to work. So historically IV-E reimbursement has not been capped for most of the history of it. So the only limitation on the state's ability to draw down this funding is whether or not the particular case meets the eligibility requirements. And a typical IV-E reimbursement is about half the cost of a child's foster care placement or adoption subsidy. So those eligibility requirements for a state to receive IV-E reimbursement, I'm specifically going to focus on the foster care maintenance part of things. Those requirements are specific and they're detailed, but they are mostly within the state's control. The major requirements and some of Nebraska's barriers to meeting them are as follows. So first, the child is under age 18, was removed from a specified relative and is in the care and custody of the state IV-E agency in a licensed or approved foster placement. In Nebraska the IV-E agency is the Department of Health and Human Services, and DHHS has an approved agreement with PromiseShip for cases in the Eastern Services region. We don't draw down any IV-E funding for, currently, for kids who are in out-of-home care through

juvenile probation because they are not the licensed IV-E agency and they don't have an agreement with DHHS in that regard. I also did a little research between lunch and this hearing specifically, Senator, on the question of what it means to be licensed in order to qualify for that IV-E drawdown. And I want to clarify that I got on Administration for Children and Families-- they have an FAQ about this-- and it's about meeting the same standards. Every child who's in a foster home deserves a certain level of safety and standard of care. However, you can get specific waivers of particular pieces of licensure, and that's especially important like if the child is going to go into a relative or kinship home. So the example given on the ACF Web site is maybe the state's licensing standard requires a certain square footage and the-- the relative home might not have that. As long as it's documented that that's the reason for waiving the license in that particular case and that the child is still going to meet the same safe standard of care there, IV-E should be-- we should still be able to withdraw down IV-E. A problem that we've had as a state in recent years that was identified in our child and family services review is that we were doing blanket waivers for all kinship homes, and the blanket waiver is not OK. It has to be sort of specific and documented. So that's some-- that's a little research that I did this afternoon on that. Another major eligibility requirement for foster care maintenance IV-E is that, as you've heard, at the time of removal, so when the child was pulled from their home, the child was eligible for Aid to Families with Dependent Children under the Nebraska state plan in effect July 16 of 1996. And as you heard at lunch, this is called the look-back provision. It's-- it is obviously an outdated number. But the federal government has not yet had the-- the will to-- to delink this look-back for this pot of money, in part because it has looked prohibitively expensive to do so. So, even though AFDC no longer exists, this look-back provision remains for IV-E and it has never been adjusted for inflation. So in 1996, Nebraska's income eligibility for ADFC [SIC] was particularly low, and a monthly family income of \$673 for a family of three is one-- one example of that. So that means that even today, in order for a child to be IV-E eligible, the family, their parent or caregiver that they're removed from, would have to be making an income of less than 700-- \$673 at the time that child is removed if it's a family of three. That's



monthly income. And obviously, that's a really, really low amount of money. If a parent is working even part-time they'd be making too much. And so then the child will not be IV-E eligible ever during the pendency of their case. Another major eligibility requirement regards certain court orders that the judge needs to find in a case. So the first initial court order at removal has to determine that reasonable efforts were made to prevent the removal and that remaining in the home would have been, quote, contrary to the welfare of the child. Parents and children have reciprocal rights to each other and the state can only intervene when there is a danger to that child and remove those parental rights by taking the child from the home and stand in loco parentis. So if the language of the court order for removal doesn't contain these particular findings, then the states may not be able to get IV-E reimbursement from the federal government. And then the final one that I'm going to focus on, major one, is that the judge ongoing, as the case goes on, the judge has determined that ongoing reasonable efforts are being made to achieve a documented permanency plan. So foster care is meant to be temporary and short, because kids need stability in their life. They need to get to permanency in a timely way. The state has to work toward that timely permanency, whether that's reunification with the parents or the caregiver, whether that's adoption. But if the judge finds at a particular point in the case that the agency has not made reasonable efforts toward achieving that permanency plan for an identified period of time, then IV-E reimbursement is lost for that period. And that's where the conversation about caseloads does become really important. So as a former lawyer, who represented parents in child welfare proceedings occasionally, I would file a motion for lack of reasonable efforts because the parent was saying, I've been ordered to do XYZ in order to get my child back and my case manager is not helping me; they're not responding to my phone calls; they're not assisting me in setting up services. And that case manager, I never saw a case manager doing that out of willfulness or spite. It was always they have too much to manage. So all of these conversations are linked together. And when a judge does make that finding, then the specified period where reasonable efforts weren't made that's kept the family from permanency, and it keeps the state from drawing down IV-E reimbursement. So in light of some of these barriers,

Nebraska's IV-E penetration rate has been quite low. So in the primer, which again is based on some old numbers, in 2012 our penetration rate was only 20.4 percent compared with the national average of 51.6 percent. And then we don't have good data on which of these particular eligibility requirements are the main drivers of the low penetration rate. We do have one example in our extended foster care program, Bridge to Independence, where DHHS identified IV-E drawdown as a major focus, that they were going to, you know, put concerted attention to in the past year and they worked proactively to make staffing and regulatory changes to successfully increase our IV-E drawdown. So we went from a really low IV-E penetration rate for the young people in our extended foster care program, much lower than anticipated, all the way up to now it's-- it's hovering this year around 50 percent or more of cases. I should double-check that, but it is much higher than it has been. And that type of concerted attention is necessary case by case in order to maximize IV-E funding. Now obviously, the major barrier to why we are only drawing so down-- so much of this federal funding stream down is that it's only possible in cases where a child has actually been removed and placed into foster care or adopted. And though foster placement is a necessary part of a functioning child welfare system, it is only one piece of a much broader and wider spectrum of services that are necessary for children's well-being and safety and permanency. And that's just been a long-term challenge with IV-E. So now forget everything I've said to you so far. In 2013 Nebraska was approved for what's called a IV-E waive-- waiver demonstration project and-- and that waiver, the waiver period we've been in since 2013, has allowed us to receive a capped amount, a certain amount, of IV-E funding to use more flexibly. And so with the waiver we've been able to use those funds to roll out alternative response across the state to better serve families on a voluntary basis, to implement a form of results-based accountability, and to support our extended foster care through age 21 with Bridge. The waiver period that we've been in that has allowed us to use this funding stream a little bit more flexibly is set to end on September 30 of 2019, but luckily for us the Family First Act goes into effect on October 1 of 2019. So as long as Nebraska stays on track with planning for early implementation, we should be able to transition smoothly from-- or more smoothly from

our waiver period into all the opportunities that you've heard about for increased drawdown of federal funding through IV-E for prevention, etcetera. And so, and as you've heard, for those prevention services there's no AFDC look-back provision, there's no AFDC look-back provision for children who are placed with a parent in those family-based residential in-patient treatment programs for substance abuse. And so those pieces will eliminate one of Nebraska's main barriers to receiving reimbursement on the prevention side and on the strengthening families side. These, all the requirements I've described, will continue for cases where the child is removed into-- and placed into foster care. So all in all, the Families First Act is a really exciting opportunity for us to take better advantage of a funding resource to protect kids and strengthen families. And I thank you again, Chairman Riepe and members of the committee, for your time. And I'd be happy to answer any questions I can.

**RIEPE:** [02:16:34] Any questions? Senator Williams.

**WILLIAMS:** [02:16:34] Thank you, Chairman Riepe. And thank you, Juliet, for being here. Just a quick question: On the two hindrances that-- that are based on the judge's orders,--

**JULIET SUMMERS:** [02:16:44] Uh-huh.

**WILLIAMS:** [02:16:47] -- is it a correct assumption that the judges know that they try to find those things in the case and then document them in their orders?

**JULIET SUMMERS:** [02:16:58] Yes. I can't speak for the judiciary, but, yes, I do-- I do believe that there is significant assistance given from the Supreme Court and from the Court Improvement Project to judges to understand the implications of making sure that these particular findings are in the court order. And these requirements have been in effect for quite some time. So, you know,

judges should be familiar with the language of, you know, reasonable efforts, contrary to the welfare. Much of it also appears in our statute for, you know, for findings the judge needs to make at removal. So I think that-- that when a case qualifies that the judge should know to make these. However, I will say, Senator, that we did recently discover in Bridge to Independence we had this increasing penetration rate, and at our latest meeting this past week that penetration rate has fallen backwards a little bit, in part because some of the judges didn't-- weren't making the-- the-- putting the right language of "ongoing reasonable efforts" into their orders for this extended foster care program. And so that's where again Court Improvement Project I think is working with the judiciary. Our statute doesn't currently have that, I think, in there for Bridge to Independence so that may be a statutory cleanup that could also help judges. But, yeah.

**WILLIAMS:** [02:18:21] Thank you.

**RIEPE:** [02:18:21] OK. Thank you. I noticed in your document you said in here in the last paragraph that says Nebraska to take better advantage of IV-E funding. Is-- is that moving from the waiver to the Family First program and that's that 50/50 that we've heard about some?

**JULIET SUMMERS:** [02:18:41] Yeah, absolutely. So,--

**RIEPE:** [02:18:43] OK. OK.

**JULIET SUMMERS:** [02:18:43] -- yeah, Family First will really open the doors to Nebraska being able to draw down funding for a lot of services we've been offering that we haven't been able to get federal funding for.

**RIEPE:** [02:18:55] We just have to come up with our 50. Is that right?

**JULIET SUMMERS:** [02:18:55] Well, we're already paying for it 100 percent. So anytime when Ms. Hawekotte was talking about all those voluntary cases where families are being offered services and supports in their homes, currently all of that is, or there's other federal funding streams that may be contributing to some of it, but much of it is state General Funds now because the child hasn't been removed. IV-E historically has either been uncapped waiver and we use some of, you know, some of our waiver funding for that, or it's got-- there's got to be a removal with all of these eligibility requirements met. I think it's a really exciting opportunity to look at our spectrum of services that we can wrap around families and make sure that they're evidence-based and make sure that we've dotted our I's and crossed our T's to get the federal government to kick in half or more.

**RIEPE:** [02:19:54] Sounds good. OK. Senator Crawford.

**CRAWFORD:** [02:19:54] Thank you. Thank you for this presentation. Does Voices for Children, are you also analyzing the alternative response program? Or-- or do you look at the voluntary--

**JULIET SUMMERS:** [02:20:08] Yeah.

**CRAWFORD:** [02:20:09] -- cases?

**JULIET SUMMERS:** [02:20:09] So-- so alternative response is one smallish piece of our voluntary services with DHHS. We-- that's certainly-- I sit on a couple advisory committees with alternative response and we've been we've, you know, we've worked with your office in looking at how it has rolled out across the state. Another great thing about the waiver period ending, and an alternative response was part of our demonstration project with that, right before Family First kicks in is there's kind of a natural progression where we were required to do an evaluation of alternative

response to-- to and an evaluation as a piece of what makes something evidence-based. If we get that evaluation back and it shows promising results or that families are being served better, having improved outcomes for their kids with AR, then that could potentially provide evidence to be, you know, to be part of this array of services that we can get IV-E funding for.

**CRAWFORD:** [02:21:14] Thank you.

**RIEPE:** [02:21:16] OK. Any other questions? Thank you very much.

**JULIET SUMMERS:** [02:21:20] Thank you, sir.

**RIEPE:** [02:21:25] On the invited testimony, we're nearing the end and about ready to go into open hearings. But, Sarah, would you please give us your name and-- and go forward with, please.

**SARAH HELVEY:** [02:21:35] Sure. Thank you, Senator Riepe. My name is Sarah Helvey, that's S-a-r-a-h, last name H-e-l-v-e-y, and I'm a staff attorney and director of the child welfare program at Nebraska Appleseed. And I want to thank you for the invitation to testify today. I've been asked to share with the committee some information on the intersection between child welfare and Medicaid. So as a little bit of background, in most states nearly all children in foster care are on Medicaid. So children, first of all, children who meet Title IV-E requirements, which you've just heard about, are categorically eligible for Medicaid. But you also just heard that not all children are IV-E eligible. So in most states, most states have taken up an optional category of medical-- Medicaid called reasonable classifications, which covers most of the other children in foster care who do not meet those Title IV-E requirements. In Nebraska, we have not taken up that reasonable classifications category for children in foster care. Instead, it's our understanding that Nebraska covers most children in foster care who are not Title IV-E eligible under a policy in which the

department considers children who are expected to be in out-of-home care for 90 days or longer to be a household of one for income purposes, which makes them eligible for CHIP, or the Children's Health Insurance Program. However, some children in-- who are not IV-E eligible or CHIP eligible are not on Medicaid, children in foster care, and in those cases their health needs may go unmet or they must be paid for with state-only dollars or other means. Covering children in foster care under Medicaid makes sense because the state is the legal parent of children in foster care, and, essentially, the insurance company for the state is Medicaid. Covering children in foster care under Medicaid is also important because it's a population that's well-documented to have significant health needs, including physical, dental, and particularly behavioral health, as we've talked about. These needs are often exacerbated by the trauma that they've ex-- that children have experienced prior to and as a result of being removed from their homes and placed in foster care. I also want to just mention the impact of the passage of Initiative 427, or Medicaid expansion, on families in the child welfare system. Under traditional Medicaid rules, parents are only eligible for Medicaid up to 58 percent of the federal poverty level, or about \$1,000 per month for a household of three. That's sort of the parent, caretaker, relative category of Medicaid. So this new adult category as part of Medicaid expansion will fill a gap of parents who have no other insurance option. A number of studies have shown the impact of parental health on child health, in particular maternal mental health, is a prevalent issue in low-income families and could be better addressed with Medicaid expansion. When parents have better access to healthcare, the connection could be made that some of the abuse and neglect issues we see that may be poverty related could be alleviated. In addition, young adults who age out of foster care who aren't eligible either for the Bridge to Independence Program, our sort of foster care program to 21, or the former foster care category of Medicaid, which is the Medicaid to 26 for former foster youth under the Affordable Care Act, could be covered by the new adult category as part of Medicaid expansion, as well as those former foster youth beyond the age of 26. So next I would like to speak to what we know about Nebraska's use of state and federal child welfare funding. And this information comes from the "Nebraska Child

Welfare Financing Primer," from Juliet's trunk of her car, and also the "Nebraska Child Welfare Blueprint Report" which was released by the Children's Commission in 2017. The "Financing Primer" noted, among other things, that, as we've heard other testifiers mention, Nebraska underutilizes federal funding sources to support child welfare services, and that's both IV-E and Medicaid. In particular, just some data here, our state-- our ratio of state spending to federal funding is the second highest in the nation. At the time of the report, 77 percent of our child welfare spending came from state General Fund and only 23 percent from federal sources, compared with an average across all states of 54 percent of federal money and 46 percent state investment. More effective use of those federal funds, as you know, would free up state child welfare funding. There's also a cost shift that the primer noted from Medicaid to child welfare. And there was some data in that primer that you now have showing Nebraska's Medicaid spending declining dramatic-- spending for child welfare declining dramatically in recent years, illustrating a shift toward more narrowly defined, allowable services and increasing denials for services. Meanwhile, other states use Medicaid dollars for a range of rehabilitative and case management services for children and families. And what happens is when Medicaid denies a covered ser-- covered service, the cost-- cost is often shifted to the child welfare side where the department, or PromiseShip in the Omaha area, must pay for services out of state-only funds when those are ordered by a juvenile court. And so better coordination between Medicaid and child welfare will make more efficient use of these resources and improve outcomes for children and families. After the-- and as part of the "Blueprint Report," I just want to mention one key recommendation was that-- that's tied to the-- to Medicaid and the funding that we've been talking about today is that Nebraska must address gaps in our behavioral health services. I-- I think that another testifier also mentioned the most common reason children are removed from their home is neglect, and the second is parental substance abuse. And I think some of that neglect may involve substance abuse as well. I don't know that we always are able to tease that out. So that's an important aspect that we need to address. Many states rely on Medicaid to support that full continuum of behavioral health services. But as noted, we're not



making the full use of that funding stream. And one example that a lot of stakeholders are discussing, and I know the department as well, is treatment foster care, which provides youth with serious emotional and behavioral issues with the opportunity to live with foster parents who receive specialized training, intensive support, and 24-hour crisis intervention. It's a Medicaid service that can reduce reliance on congregate care, but Nebraska doesn't currently provide this service. So as you've all heard, we have an opportunity with the Family First Act to improve our outcomes for children and at the same time maximize federal funding opportunities to draw down federal funding for prevention services, including mental health and substance abuse. This is an important shift as others have said. I've been in the child welfare field for a number of years and it's something that people have been talking about and advocating for, for many years, that we could get some funding on the prevention side. And we know that an ounce of prevention is worth a pound of cure and that finally providing these services can improve outcomes, reduce trauma, and save money in the long run. But in order to maximize this, we have to position ourselves to meet those federal requirements that others have mentioned. Just don't want to duplicate. As Juliet mentioned, we haven't done a great job of drawing down federal funding, so we'll need to improve that. I also, just with regard to Medicaid, want to mention that there's a question about the intersection between Medicaid and child welfare as part of the Family First Act, where some services may be coverable now under both Medicaid and Title IV-E. And so coordination between Medicaid and child welfare, which has been an area of struggle for Nebraska and other states as well, will be really, really important to help identify and see how we can continue to blend and braid those funding streams. So with this new opportunity, we hope that we can do better for taxpayers as well as for children and families in Nebraska. I want to thank Senator Riepe for your leadership on this issue, and I'm happy to take any questions that the committee may have.

**RIEPE:** [02:29:59] Thank you. Senator Crawford.

**CRAWFORD:** [02:30:01] Thank you, Chairman Riepe. And thank you, Ms. Helvey, for-- for being here and providing this report. I have one question. You talk about the treatment foster care, and the fact that we do not cover that-- cover that. Is that a statutory-- is there a statutory explanation for that? Like does it-- do we need to pass a bill to-- to allow that to be covered? Or is that not that, not?

**SARAH HELVEY:** [02:30:25] We do not. It would be Appleseed's position that is already required under a federal Medicaid Act when it's necessary to correct or ameliorate a condition for a child and identified by a child's treating provider it is medically necessary and that we wouldn't need to do anything in stat-- in our state statute to make that happen. That said, we certainly could do that. I-- the department would have to submit a state plan amendment, but they don't necessarily need the state statute to do that either.

**CRAWFORD:** [02:31:00] So it needs to be added to the state plan amendment.

**SARAH HELVEY:** [02:31:03] Correct.

**CRAWFORD:** [02:31:03] OK.

**SARAH HELVEY:** [02:31:04] Well,--

**CRAWFORD:** [02:31:05] No?

**SARAH HELVEY:** [02:31:05] -- I mean that, yes, I think that ultimately if we want to be more robust about the provision of it, that would be a helpful clarification.

**CRAWFORD:** [02:31:14] Thank you.

**RIEPE:** [02:31:17] Senator Linehan.

**LINEHAN:** [02:31:17] Thank you, Chairman Riepe. On page 2 down here where it says there's a cost shift for Medicaid to child welfare, but then previous you said any child, the way HHS looks at it, is if a child is on Medicaid-- or in foster care they're a household of one, so they qualify for Medicaid or CHIP. So who would not be covered?

**SARAH HELVEY:** [02:31:40] So they may be covered by Medicaid, but Medicaid may deny a certain service. So Medicaid might say it's fine for you to go meet your pediatrician for your well-child annual check, but when they go to try to see their therapist or they're recommended to be in a residential treatment facility, for example, Medicaid say it-- might say we won't pay for that.

**LINEHAN:** [02:32:04] Do you have examples of that?

**SARAH HELVEY:** [02:32:06] Yes. I mean we get, yes, we get--

**LINEHAN:** [02:32:08] So could you get me some of those, please?

**SARAH HELVEY:** [02:32:10] Absolutely. Yeah. We got-- we've heard this for many years from providers. We get intakes to our office--

**LINEHAN:** [02:32:16] But they say that about private insurance, too. Right?

**SARAH HELVEY:** [02:32:18] Sure. Yes.

**LINEHAN:** [02:32:20] OK. Thanks.

**RIEPE:** [02:32:20] Thank you. Thanks for your testimony. OK. Thank you.

**SARAH HELVEY:** [02:32:29] Thank you.

**RIEPE:** [02:32:29] Thank you very much for being here. Mr. Stanton, please.

**BILL STANTON:** [02:32:43] Good afternoon. Since I'm the only thing keeping you all from dinner, I'm going to [INAUDIBLE].

**RIEPE:** [02:32:49] Oh, you're not. We're going to an open hearing afterwards, so if you [INAUDIBLE] name, please and--

**BILL STANTON:** [02:32:56] Good afternoon. My name is Bill Stanton, B-i-l-l S-t-a-n-t-o-n.

**RIEPE:** [02:32:57] Thank you.

**BILL STANTON:** [02:33:02] I'm the senior director of Strategic Consulting with the Casey Family Programs. I want to thank you for extending an invitation to Casey Family Programs to participate in this hearing and to share our national expertise and experience regarding foster care and strengthening the child welfare system. At Casey Family Programs, we base our work on over 50 years of experience as a direct provider of services, technical assistance, and evidence-based practices, data and research about what we know works for children and families. And we have a unique position of working with all 50 states, territories, as well as tribes. I've been with Casey for

seven years and have had the privilege to work in the state of Nebraska. I have experienced with you your ups and downs of your child welfare system and I've had the privilege to work side by side with many people in this room. My role in Nebraska has been as of a trusted adviser as well as a provider of technical assistance. Since 2006, Casey Family Programs has invested in-- has invested over \$1.1million in the state in Nebraska. In addition, no cost to Nebraska-- there has been no cost in Nebraska for the work that Casey Family Programs does. Over the years we've provided technical assistance and access to best practices from across the nation as Nebraska has developed your CQI system, develop and implement the dual alternative response system, develop and implement your instruction decision-making tool. Early in the hearing you heard from my colleague, Lauren, as she presented information about the Family First Prevention Services Act. FFPSA builds on the good work that's already going on in Nebraska and will be important-- will be an important tool to further leverage opportunities to serve children and families differently. I'd ask you to consider the following. According to the Nebraska DHHS child welfare weekly summary, there are 3,163 kids in out-of-home care. According to Nebraska's DHHS, in fiscal year 2018, 45.7 percent of children, Nebraska children in care, and this includes children that are not only in out-of-home care but also in-home care, ages 0 to 5 have had at least one parent who has been in the child welfare system. According to the 2017 child trends, child maltreatment facts of Nebraska, 85 percent of child-- of child maltreatment in Nebraska is a result of neglect, which includes inadequate housing and also parental substance abuse. And finally, according to the 2017 U.S. Health and Human Services Administration for Children and Families' "Understanding Child Maltreatment," publication, the estimate cost for child maltreatment in the state of Nebraska was \$435,692,489. FFPSA is a piece of the puzzle that can be used, along with the other initiatives currently in place, to help improve the outcomes for children and families. Earlier this year, in April, Jerry Milner, the acting commissioner for the Administration of Children and Families, visited Nebraska to observe and learn about the prevention efforts that are underway. Two initiatives he had the opportunity to learn about were the Nebraska Community Response and Bring

Up Nebraska initiatives. These initiatives were focused on working with families to prevent abuse and neglect. The initiatives are focused on working with families and the communities to identify family challenges and address the needs of the family and keep them from entering the child welfare system. The Community Response collaborative meets to identify community needs and priorities, and to help community partners share information about individual families respectfully, with focus on creative solutions. Bring Up Nebraska is an initiative that focuses on community-based prevention efforts in Nebraska. It works in partnership with communities, state, and national partners to bring additional parts-- partners, resources, and solutions together to address and further support prevention efforts and overcome barriers in current community collaboratives. This initiative-- initiative was developed not only because there's a clear need for prevention but also because government is a poor substitute for family, and often large top-down approaches like child welfare systems are expensive, hard on families, and by design only become involved after a crisis has occurred. Bring Up Nebraska is about doing business a different way. It's designed to help community owned-- it's designed to be a community-owned effort that works to prevent families from reaching crisis. It was really clear that Commissioner Milner was impressed with these two initiatives. In fact, he travels around the United States meeting with child welfare-- child welfare systems. He highlights the experience that he had and the examples, and he gives these as examples of what the intent of FFPSA. Just last week I was actually in Virginia and I heard Commissioner Milner talk, and he again talked about the work that you guys are doing in those two particular programs. Over the last several years, Nebraska has implemented other initiatives with the focus on keeping families together and preventing them from entering the system. An example of this is the Nebraska's Alternative Response. Alternative Response is a DHHS response to accept child welfare, child abuse and neglect intakes with the focus of partnering with families to safely care for children in their home and their community. Casey Family Programs is a neutral resource to all branches of government in Nebraska to improve outcomes for children and families, and I want to stress that, that it's for all branches of government. I know, as the work I've done in the several

years that I've been here, I've heard people say, well, you just work for the department. That's not accurate. We actually provide resources to any branch that asks, actually asks, us for assistance. Casey Family Programs is a resource to all jurisdictions that request technical assistance as they prepare for the implementation of FFPSA. As your strategic consultant with Casey, I am fortunate to have access to information on strategies other states are utilizing as they plan to implement FFPSA. In addition, at Casey we have gathered numerous documents and resources from other states and jurisdictions that are available to you as you embark on this journey. I look forward to the opportunity to working with you and to provide assistance in any way that I can. Thank you again for the opportunity to speak with you, and I'd be happy to been answering questions.

**RIEPE:** [02:40:17] OK. Thank you. Senator Linehan.

**LINEHAN:** [02:40:17] Thank you, Chairman Riepe. Thank you very much for being here today. And thank you for compliments to Nebraska. So obviously there's been a push in Nebraska and there's a push nationally with Families First to keep kids in their home--

**BILL STANTON:** [02:40:32] Yes.

**LINEHAN:** [02:40:34] -- with their family, which I support. But I have to-- I-- I'm getting calls from people who are concerned that we're overdoing it. So have you had studies that you can provide us that show when we do this it's-- it's-- ? How do we answer the people that can't quite understand why you would take a child and put him back, which most would look at and say this is a high-risk situation?

**BILL STANTON:** [02:41:00] Sure. There are studies out there that show that, just the fact of taking a child away from a home, I'm sorry, taking a child away from a parent causes tremendous

trauma to that kid, to that child. And I think when you look at trends nationally, and I especially hear a lot from the federal government as well as again, of course, nationally, that children do better when they are actually in their homes. So what you're seeing in Nebraska is that there seems to be a shift from several years ago, where a lot of kids were being removed from their homes and your numbers were increasing. What I'm seeing as I work with the state of Nebraska is that, yes, your numbers are decreasing. Now the question is, are those kids safe? Are those kids that are not being removed and are remaining in their home, are they safe? Now the department has some processes where they do assessments and so on as far as to ensure that there's some safety and there's a safety net and so on. One of the projects, for an example, that we're working with them on that they'll start rolling out in January, and Mr. Wallen spoke about it, was the Safety Organized Practice. And it's a different way of working with families and actually building a safety net around them, which not only includes family members but also members in the community, teachers, etcetera, etcetera. So I think you're starting to see that go in that direction. The concern that I hear and the concern from many people that-- that I've talked to within the state is that concern. OK, our numbers, we have a lot more kids that are non-court in home; how do we know there's a check and balance? And I think that what needs to happen, in my opinion, is that there needs to be some discussion with the department specifically around what are you doing to make sure that those kids are safe. And I think, honestly, I think maybe they just need to do a better job explaining what they're actually doing. And there may be some changes that need to be made. But the fact that the numbers are going down is actually not a bad thing. Now one of the strategies that I understand that has been utilized and has had an impact on why your numbers are going down is that, when Mr. Wallen came in as the child welfare director, one of the things that he started to do is with the five service areas, is that each morning he would have a call with their administrators. And they had [INAUDIBLE]-- and they would have a discussion about which kids were removed the day before. And the question that's being asked of those administrators is, why did they remove them? What-- what did you do to try to keep the family together and what's the plan to put them back together? And I think what



ended up happening is that when the administrators and the-- and the caseworkers in those particular areas started really looking and taking a step back and go, well, is there a way to keep this family together? I think that's one of the strategies that's been used that you've actually seen. So I think you historically have had some kids, and even your Foster Care Review, in discussions that I've had with Kim, she's even talked about in some cases maybe some of those kids didn't need to be removed, you know? So--

**LINEHAN:** [02:44:11] OK. Thank you very much--

**BILL STANTON:** [02:44:12] You're welcome.

**LINEHAN:** [02:44:12] -- for your perspective. Thank you.

**RIEPE:** [02:44:13] Senator Crawford.

**CRAWFORD:** [02:44:15] Thank you. And thank you for-- thank you, Chairman. And thank you, Mr. Stanton, for being here and for your help with our-- help to improve our system. Did any of those, the changes that you're talking, about the phone calls, did they happen around in-- in the fall of '17? I mean that's where we see a real shift in the numbers.

**BILL STANTON:** [02:44:37] I believe that, you know, I believe there was a shift. And I don't know the exact dates, so bear with me here. But I know there was some-- some internal shifting. So, for an example, Mr. Wallen came in and then also Lori came in; Vicki Maca left. I mean so there just seemed to be internally some shift of personnel. I don't know the exact date of when they started to do that, but I get your-- I get your numbers every Monday. It's like one the first e-mails I open to see like what is your trend, what's going on, what's happening within Nebraska. And I think

it was probably around that time that you started to see the numbers go down. But interestingly, as I, you know, I may have mentioned at the launch time, we get ax-- we get a copy of your APCARS database, which is the-- the data that you send to the federal government. We get a copy of that every six months. And when we run and when I have run the data, what I'm seeing is that your child maltreatment numbers have not really gone up. So that tells me you might be doing something-- your kids in out-of-home care are decreasing, your maltreatment is not going up. You might be doing something OK, so.

**CRAWFORD:** [02:45:49] Thank. You.

**BILL STANTON:** [02:45:52] OK?

**RIEPE:** [02:45:52] I have a question. Director Wallen earlier talked about the-- I think he said that the only thing that would stand between us, the only legislative need would be legislation that required fingerprints taken. Do you agree with that?

**BILL STANTON:** [02:46:09] I don't know all your legislation so I can't really tell you that. But what I can say to you, and I think you've heard testimony from two of our colleagues here, that other states are really looking at that process. And I think-- I was just in Virginia last week and they-- the meeting I was attending was their three-branch meetings. So what-- the approach they have taken is they have basically pulled their three branches of government together and they basically have decided that together they are determining how they're going to implement Family First. And part of that, they have legislators on there and there's a committee on there that really is looking at the legislation. So they're reviewing their statutes, looking at the legislation, and trying to figure out what's-- you know, what needs to happen. My recommendation would be for-- for Nebraska to do the same thing.

**RIEPE:** [02:46:58] OK. Senator Crawford.

**CRAWFORD:** [02:46:59] Has that-- has that been your recommendation to the department as you're working with them?

**BILL STANTON:** [02:47:05] My under-- when I-- when I talked to Mr. Wallen about it, what he has said to me is that he's-- he's-- he already has on the-- his committees representation from the Legislature and he thought that was the piece that-- that would be able to basically cover any legislation and so on. So, again, I don't know, I don't all these statutes, so I couldn't I tell you--

**CRAWFORD:** [02:47:26] Right.

**BILL STANTON:** [02:47:26] -- I can't sit here and say, well, you need to change this one or that one, so.

**CRAWFORD:** [02:47:28] Right.

**RIEPE:** [02:47:30] Go ahead.

**CRAWFORD:** [02:47:30] Is the coordination with Medicaid part of your conversation with the department?

**BILL STANTON:** [02:47:35] Currently it hasn't been, but now that you have-- now you have passed the bill around Medicaid it will be. And we also, at Casey Family Programs, we've got some folks that have expertise in that area that we're able to bring in.

**CRAWFORD:** [02:47:49] Great. Thank you.

**RIEPE:** [02:47:51] OK. Are there any other questions? Thank you very much for being here and thank you for your patience and thank you for your contribution. That concludes our invited testimony. We're now going to go to an open hearing. How many people are here to testify in the open hearing? OK. Just the one? OK. We will need an orange sheet. Do you have one of those prepared? Should be one--

**BRIAN ESSEN:** [02:48:26] I have time until 11:59. Is that correct?

**RIEPE:** [02:48:31] No. OK. Why don't you come forward. We're going-- we are going to go to a three-minute clock, in the interest of time here. As we open this hearing section of this thing, we're going to take them in the order, and you're the order so that's it.

**BRIAN ESSEN:** [02:48:52] Very good.

**RIEPE:** [02:48:53] Again, I think I reminded people earlier if they have cell phones, please make sure they're off.

**BRIAN ESSEN:** [02:48:59] May I fill this out at the complete-- at the completion?

**RIEPE:** [02:48:59] I'm sorry, sir?

**BRIAN ESSEN:** [02:48:59] May I fill this out at the conclusion?

**RIEPE:** [02:49:02] You can fill that out while I'm rattling off here.

**BRIAN ESSEN:** [02:49:04] Oh, OK.

**RIEPE:** [02:49:08] OK? We're going to ask the testifiers to sign in, which, quite frankly, you're doing and doing it well. We'll ask you to spell your name. We'll ask you to give us your name because we have to be accountable in collecting all of this for the records, if you will. If you have any handouts, we would ask that those be distributed to our fine intern over here, and we'll go from there. Thank you. You just purchased a new car, so thank you very much.

**BRIAN ESSEN:** [02:50:12] Not the first time.

**RIEPE:** [02:50:13] OK. Please, sir, if you would, give us your name,--

**BRIAN ESSEN:** [02:50:17] Very good.

**RIEPE:** [02:50:17] -- spell it, and then if you represent someone, we'd appreciate knowing that as well. And then we invite you to go. Your three minutes didn't start with filling out the form. So go ahead, please.

**BRIAN ESSEN:** [02:50:31] My name is Brian Essen, spelled B-r-i-a-n, last name is E-s-s-e-n. I am here representing the Nebraska Alliance of Family and Children Service Providers, and Pathfinder is a-- is a company that's based out of Fremont. We have offices in Fremont, Lincoln, Grand Island, and Hastings. And the members of our association individually would contract with DHHS to provide front-line, on the ground services that assist and support parents in their roles as caregivers, as well as serve children in foster care when it is necessary for them to be removed from their home.

Our association serves approximately 50 counties outside of Douglas and Sarpy County throughout the rest of Nebraska. This is a group of independent contractors who in the past have really competed with one another for services. And today we collaborate and I think we collaborate for the benefit of children for truly a greater good for what we're all trying to accomplish. Each year we expect changes in policies and practices as the state is always looking for better ways to help those in need. And as a new contract year approached and renewed emphasis was placed on keeping more children in their home, case closures increased, and in many situations cases were closed with an alarming immediacy. April, May, and June, for us, saw the majority of those closures. As providers of support services, we knew many families, whose cases were closed, had ongoing and unresolved issues and it was only going to be a matter of time until they would reenter the system. According to DHHS's own numbers published as part of their RFI process, May 7-- on May 7 of 2018 there were approximately or there were 3,421 youth being served out of home, 2,016 being served in home, according to them. Numbers on September 10 of this year, those numbers respectively, 3,108 and 1,666, respectively, a decrease of 663 children being served in a four-month period of time. A rather short amount of time to see this kind of a decrease raises concerns. And today, as expected, many of those children and families have reentered the system with issues very similar to those presenting themselves at the time of their premature case closures. My concern is the potentially needless exposure of children to abuse and neglect in the name, quite frankly, of improved statistics. The department has given various reasons for the declining cases. And while we agree with the philosophy of keeping more children in their home, this change has taken place very quickly and it's unclear, if this plan is not successful, what's plan B. We also saw changes in our 2018-19 contracts. You may be aware that providers in the 91 counties, sans Dodge and Sarpy, sign annual contracts with the department. Again this year the hourly rate for services remains unchanged, as it has since at least 2010. Our business costs during the previous eight-plus years have increased dramatically, as every business owner can attest. The stagnation not only threatens the survival of agencies outside the metro areas serving those families in need, it compromises our ability to retain, which is

key, seasoned professionals and hire new protection and safety workers. The new contract eliminated or decreased essential services. And they weren't done for malicious reasons. I would never believe that. But we believe, rather, that they are the result of a disconnect between the policymakers and those who-- who implement, those in the field. And just if I may briefly give you a specific example, our office in Hastings has on-- they experience the need on Friday Saturday and Sunday, the particular need of families at those times because the service called drop-in service that we used to provide was a service that was taken out of this contract. Drop-in services allow us to go out to the family and check to make sure that an unauthorized person isn't in the home, because many times parents either lack the ability or they simply refuse to keep those predators, potentially, out of their home. It's Uncle Jim. He's a great guy. He's always loved the kids. Well, Uncle Jim might be a predator, and Mom and Dad aren't going to keep him out of the home because he just loves those kids. Well, what we used to do is go out to those homes and-- and make sure that Uncle Jim wasn't there, for example.

**RIEPE:** [02:55:12] OK.

**BRIAN ESSEN:** [02:55:12] Our issue on-- with-- with Hastings is they reach their 40-hour moratorium at the end of Thursday. They're done. There's a there's an overtime moratorium at that point and they can't-- they got to-- they can't continue to work. My question is, our question is, from Friday morning or Thursday night until Monday morning at 8:00 a.m., who's checking on those kids? Now Director Wallen has told us our-- our case managers will check on those kids. Director Wallen is a bit disconnected. And I respect him for a lot of wonderful reasons. He's done great things. But there's truly a disconnect because they can't serve those kids from Thursday night until Sunday or Monday morning because they can't go out in the field. We used to go out and check on those children and we no longer can do that. And the case managers can't go out because they've reached their 40 hours.

**RIEPE:** [02:56:02] OK.

**BRIAN ESSEN:** [02:56:02] That's a real concern. I've reached my time. I'm not done but that's-- I will--

**RIEPE:** [02:56:06] OK.

**BRIAN ESSEN:** [02:56:07] -- I will relinquish. Any questions?

**RIEPE:** [02:56:08] Well, in the interest of time, we appreciate it. And I think we have a sense of some of your alarming concerns with the process.

**BRIAN ESSEN:** [02:56:14] We, and-- and truly we-- I appreciate, Senator, and I appreciate Director Wallen because he had the courage when he took this over to-- to look under the hood. He didn't just say we're just going to pass this off. It took courage to go: I want to understand this process-- its process. And I truly give him credit because it's-- it's-- it's a big process. It's a big thing and he's taken it head on and he's been wonderful to work with, so I appreciate him.

**RIEPE:** [02:56:41] Are there questions from the committee?

**BRIAN ESSEN:** [02:56:42] Questions?

**RIEPE:** [02:56:42] Senator Crawford.

**CRAWFORD:** [02:56:43] Thank you. Can you tell me a little bit about why-- how you hit the hour



limit,--

**BRIAN ESSEN:** [02:56:51] It--

**CRAWFORD:** [02:56:52] -- what you mean?

**BRIAN ESSEN:** [02:56:53] Yeah, thank-- thank you. I was trying to rush through. My-- my apologies. The-- the case managers have a-- they work 40 hours, and that's DHHS case managers, not my employees, to be clear. They-- they're allowed 40 hours. They don't want overtime. And because of the caseload that the-- the case managers have, they're working more than eight hours a day Monday through Thursday, and by the time they reach Thursday in Hastings, Nebraska, the end of the workday, many of that office employees have reached their 40.

**CRAWFORD:** [02:57:25] So that's the case managers.

**BRIAN ESSEN:** [02:57:28] That's the case managers.

**CRAWFORD:** [02:57:29] I thought you were talking about your own [INAUDIBLE].

**BRIAN ESSEN:** [02:57:29] No, I'm not talking about-- my-- my workers can do whatever the department asks them to do. But we work with the case managers in those situations. And Director Wallen has indicated, well, the case managers will go out and do those safety checks, those drop-ins. But if the workers can't go out because they've reached their 40 hours and that is done on Thursday, the Hastings office has a skeleton crew on Friday. And-- and my concern truly is always, you know, what about those kids? And every child isn't in that circumstance and I'm not trying to-- I'm not trying to be dramatic, but those children who are in those circumstances, it's very

concerning to us that nobody really is checking on them. We used to check on them and we would do safety checks and we would make people leave and we would check on them several times a day. And we would because parents just simply wouldn't keep those folks out of their homes because it's Uncle Jim or it's a good friend of the family, and they didn't recognize a concern for the kids.

**CRAWFORD:** [02:58:29] So it's the coordination, the instructions you have now not to do that because the caseworkers couldn't.

**BRIAN ESSEN:** [02:58:35] We, yeah, it was taken out of our contract.

**CRAWFORD:** [02:58:39] OK.

**BRIAN ESSEN:** [02:58:39] I-- I sat with Director Wallen and I said, truly, of all-- if you're going to make changes in the contract this year, of all of the services, for the safety the kids, please don't take that one out. And he says our case manager will do that. And in Hastings that doesn't occur on the weekends. It can't.

**CRAWFORD:** [02:58:53] Thank you.

**RIEPE:** [02:58:55] Are there other questions from the committee? OK. Thank you very much for being here.

**BRIAN ESSEN:** [02:59:00] Thank you for your time.

**RIEPE:** [02:59:00] Are there other individuals that want to testify at this open hearing? Any?

Health and Human Services Committee  
November 8, 2018

Seeing none, that will conclude this interim hearing on child welfare of the Health and Human Services Committee. Thank all of you for your time. Thank all of you for being here. And thank you for your attention. Good night.