

Transcript Prepared by Clerk of the Legislature Transcribers Office
Health and Human Services Committee January 28, 2022
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ARCH: Good afternoon. Welcome to the Health and Human Services Committee. My name is John Arch. I represent the 14th Legislative District in Sarpy County and I serve as Chair of the HHS Committee. I'd like to invite the members of the committee to introduce themselves starting on my right with Senator Murman.

MURMAN: Hello, I'm Senator Dave Murman from District 38, and I represent seven whole counties and part of an eighth in the southern part of Nebraska, right in the middle part of the state.

M. CAVANAUGH: Senator Machaela Cavanaugh, District 6, Douglas County, west central Omaha.

ARCH: Senator Day is introducing our first bill, so I'm sure she'll introduce herself at that time. Also assisting the committee is one of our legal counsels, Paul Henderson; and our committee clerk, Geri Williams; and committee pages Savana and Morgan. A few notes about our policies and procedures. Please turn off or silence your cell phones. This afternoon, we will, we will be hearing three bills. We'll be taking them in the order listed on the agenda outside the room. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. For those of you who are planning to testify, you will find green testifier sheets on the table near the entrance of the hearing room. Please fill one out, hand it to one of the pages when you come up to testify. This will help us keep an accurate record of the hearing. When you come up to testify, please begin by stating your name clearly into the microphone and then please spell both your first and last name. We use a light system for testifying similar to your stoplights. Each testifier will have five minutes to testify. When you begin, the light will be green. When the light turns yellow, that means you have one minute left. When the light turns red, it is time to end your testimony. We'll ask you to wrap up your final thoughts. If you wish to appear on the committee statement as having a position on one of the bills before us today, you must testify. If you simply want to be part of the official record of the hearing, you may submit written comments for the record online via the Chamber Viewer page for each bill. Those comments must be submitted prior to noon on the workday before the hearing in order to be included in the official record. Additionally, there is a white sign-in sheet at the entrance where you

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may leave your name and position on all the bills before us today. With that, we will begin today's hearing with LB854 and welcome Senator Day.

DAY: Thank you, Chairman Arch, and good afternoon to you and members of the Health and Human Services Committee. My name is Jen Day. That's J-e-n D-a-y, and I represent Legislative District 49, which is north central Sarpy County, including the areas of Chalco and portions of Gretna and western Papillion and La Vista. I'm here today to introduce to you, LB854, a bill that would require the Division of Public Health within the Department of Health and Human Services to be notified in the event of an allegation of child abuse at a childcare facility. LB854 is the beginning of our efforts in consultation with several Nebraska families, some of whom are brave enough to be here today to share their stories of abuse at the hands of a childcare provider and the subsequent difficulties and how their cases were handled. As the families here today will testify, several incidences of child abuse happened at Rosewood Academy, a local childcare provider with three locations in Omaha over the past two years. A number of failures, both from the provider and DHHS, kept parents in the dark about abuse happening to their own children. Last April, court documents revealed a series of disturbing abuse incidents that happened over many months in 2020 and 2021. Among the incidents listed include an employee admitting to throwing a three-year-old against a concrete wall and in a separate incident, a different employee grabbing a child by their legs in a manner that caused the child's head to hit the floor. This summer, the owner of the daycare center plead no contest to a disorderly conduct charge related to the second incident. I don't bring these details up to sensationalize, but to highlight that our state received incident reports, hotline calls, and concerned calls from parents months apart and abuse continued to happen before any action was taken against the daycare or in other cases, before parents were informed that their children were subjects of the investigation. In the case of the child who was thrown against the floor and hit his head, the parents were not informed until 21 days after the incident. It's clear that there is a disconnect between law enforcement, the hotline reporting, and licensure. Many separate families had a similar experience and resulting frustration, a lack of communication between CFS and the Department of Health and Human Services. As a result, LB854 looks to put into statute an existing internal requirement that when allegations of abuse and neglect happen at a childcare facility, the Division of Children and Family Services is required to notify the Division of Public Health. The goal of this change, excuse me, is to

reinforce the necessity of the communication between these two areas of HHS, as well as make it easier for licensure to spot trends and repeated incidents happening at one facility. It would be easy to conclude from the testimony following me today that there were lapses beyond the limited scope of this bill. Because of this, on the first day of session, I filed a complimentary resolution, LR213 [SIC--LR266], which will fully examine Nebraska's investigatory processes of abuse in childcare centers. For those who may conclude that LB854 does not do enough, I agree with you and LR213 [SIC--LR266] will continue the formal process that we are starting here today. This is a much slower process than the parents here deserve, but I strongly believe that this small step can fix an obvious flaw in our system. And because it would play a role in quicker identification of abuse in the future, I believe it is an initial step worth taking. Lastly, excuse me, as a mother who understands the trust that is required to put your children in someone else's care, I hope to provide these families a small reprieve, if even brief from the living nightmare they have been through, and to show them that there are those of us who do hear them and who do care. With LB854 and our future work on this issue, we can help prevent any other families from having to experience that same living nightmare. Today, you'll be hearing from a number of parents, as well as testimonies from those representing the child advocacy centers and First Five Nebraska. And with that, I'm open to any questions.

ARCH: Thank you, Senator Day. Are there any questions? Seeing none, thank you for your introduction. At this point, we will-- we, we have one invited testifier that we would like to ask up first, Ivy Svoboda from the Nebraska Alliance of Child Advocacy Centers. And then we'll open it up for other proponents. Good afternoon.

IVY SVOBODA: Good afternoon, Senator Arch and members of the Health and Human Services Committee. My name is Ivy Svoboda, I-v-y S-v-o-b-o-d-a. I'm the executive director of the Nebraska Alliance of Child Advocacy Centers here testifying in support of LB854, which solidifies notification across agencies and multidisciplinary coordination and child abuse investigations involving childcare providers. The Nebraska Alliance of Child Advocacy Centers is the nationally accredited membership organization for the seven child advocacy centers, or CACs, which serve children, families, and the child protection system in all 93 counties in our state. We're dedicated to enhancing the response to child abuse. Our CAC members provide trauma-informed services to children and families during and after investigations of certain types of child abuse serving over

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7,000 children in 2020. We also support over 115 local child abuse and neglect investigation and treatment teams. These multidisciplinary teams established in Nebraska law, Sections 28-728 and through 720-- or 28-730, they review cases and establish local protocols between agencies for coordination. For 30 years, the policy of the state of Nebraska has been to encourage multidisciplinary coordination. In 1992, the Nebraska Legislature first acknowledged the importance of coordination across professions and disciplines when responding to child abuse. That section now reads "The Legislature finds that child abuse and neglect are community problems requiring a coordinated response by law enforcement, child advocacy centers, prosecutors, the Department of Health and Human Services, and other agencies or entities designed to protect children." A coordinated, collaborative approach to child protection and child abuse investigations is at the core of what CACs do and what we believe. Children and their families are best served with many different agencies and professionals who investigate, respond, and provide support following child abuse and allegations when we work together. As you will hear in upcoming testimonies, working in silos causes children and families to fall through the cracks. When agencies don't partner effectively, key information may not be shared with families or responding agencies. Children and families can be confused, overwhelmed, stressed and strained by the many different agencies and people reaching out to them with conflicting requests and information. A siloed approach isn't trauma-informed, and it doesn't connect children and families with resources needed to heal, and can cause complications in effective prosecution. LB854 solidifies the current administrative policy that requires collaboration between childcare licensing, child protection, and law enforcement. The Nebraska Alliance wholeheartedly supports this effort to ensure that coordination across these key agencies occurs so that children and families can be safe and well, and agencies can maximize those resources. Coordination between agencies on child abuse is a constant work in progress. Despite the strong policy foundation for a coordinated response in Nebraska, not every investigation goes as it should. There are many different challenges that affect coordination in child abuse cases in Nebraska. Staff and leadership turnover, resources strain for individuals and agencies, administrative policy changes, a lack of access to training of best practices, and more. The Nebraska Alliance believes that our state should continue to revisit, strengthen, and improve both our policies and financial investment in a coordinated response to child abuse. LB854 represents key clarification and the CAC stand ready as partners to help the Legislature improve these investigations. Thank

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you to Senator Day for introducing this important bill. We respectfully request that, that the committee advance it and open to any questions you may have.

ARCH: Are there questions? I have, I have a question. So licensure sits over with public health, and CFS would do the investigation. Correct? So what's being asked here is that CFS notifies that there is an investigation going on.

IVY SVOBODA: Um-hum.

ARCH: Correct?

IVY SVOBODA: So that they can [INAUDIBLE].

ARCH: Would licensure be able to see the results or the investigation itself over in CFS? Is it more than just notification to the Division of Public Health or will they be sharing their investigation with the Division of Public Health?

IVY SVOBODA: Well, our hope would be that they'd be able to coordinate the information together. So specifically in the bill to-- that it would be outlined that way that they would be able to.

ARCH: OK.

IVY SVOBODA: Yeah.

ARCH: That's perhaps a technical question, but I think one that could be, one that could be followed up, whether or not--

IVY SVOBODA: Department, too.

ARCH: --the, the Division of Public Health that would launch their own investigation or whether they would use the investigation of CFS. Because of course, the investigation of licensure would be different than the investigation of, of child abuse.

IVY SVOBODA: Um-hum.

ARCH: And so we'll-- yeah, we can, we can follow up, we can follow up on that question. As it is now, does that communication happen? Do you know?

IVY SVOBODA: So some--

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ARCH: But not, but not regularly? You know, what's, what's the situation?

IVY SVOBODA: So each team-- each multidisciplinary team, investigative and treatment team, have protocols outlined per statute. So some of the teams have protocols that outline what to do in response to out-of-home assessments. So in this case, would there be a connection with that? And that's what-- so each team has the opportunity to outline that in protocol.

ARCH: OK. I guess another follow-up question then, would this apply to-- and, and you don't-- I'm just asking this to anybody out there that might be interested. Does this, does this apply only to childcare licenses or will this apply to all licenses under public health and, and any investigation that Child and Family Services would under-- undertake?

IVY SVOBODA: That's a good question. I don't have an answer.

ARCH: So that's something maybe somebody else could answer that for me.

IVY SVOBODA: Um-hum.

ARCH: All right. Any other questions? Seeing none, thank you very much. Thanks for your testimony.

IVY SVOBODA: Thank you.

ARCH: So at this point, we would ask for anyone else feel free to come up as a proponent for this bill.

MATT TURNER: My name is Matt Turner, M-a-t-t T-u-r-n-e-r. Thank you to this committee, Senator Jen Day, Senator Brett Lindstrom, and the First Five Nebraska for attending this hearing today. I'm appreciative for this committee allowing for an open dialog into how we can improve a system that has repeatedly failed to communicate with parents and keep children, children safe in daycare facilities around Nebraska. Most of all, a special thanks to the teachers of Rosewood Academy for being willing to bring truth to light. On March 20, 2021, we were made aware of an incident at Rosewood Academy involving the owner, Carl Hansen, roughly handling a child. This event, this event led to him being cited for child abuse and pleading down no contest to disorderly conduct. We immediately began investigating and found that childcare licensing department of DHHS post results of their investigation on

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their website. We found a handful of investigations into our daycare facilities, and it was obvious very early on that one of these investigations happened in my child's classroom. Not once-- not one of the parents were aware that the state concluded that there were substantiated claims of abuse with our children's teacher. The daycare did not tell us, the state did not tell us. I began talking to every teacher and parent that was willing to speak with me, trying to bring any incident of abuse that occurred at Rosewood Academy to light. I was able to identify the 11 children that were named in the concluded investigations from DHHS, and every single parent I reached out to was unaware that their child was part of an investigation of substantiated mistreatment by the state. The daycare never told the parents. DHHS never told the parents. Since March of 2021, 12 additional Rosewood Academy cases of abuse have been reported to DHHS. Of those 12 cases, 9 have received absolutely no follow-up from DHHS, almost a full year after they were reported. No word on if the incident is being investigated. No communications about what department or which individual is handling that investigation. Again, almost a year later, nine cases of abuse were reported, nothing ever communicated back to the parents and teachers that reported those incidents. Child Family Services stated that COVID contributed to this lack of communication. But COVID did not affect the state's ability to make a simple phone call or write a simple email. It was their own dysfunction and own lack of process that caused these issues. Forced to sleep on the bathroom floor, kicked down the stairs, telling a child to go kill themselves, throwing a baby into a crib, pushing kids into walls, and closing kids into a small space, dislocated shoulders, and more. All reported 10 months ago. These cases could be with law enforcement, Child Family Services, licensing or dropped altogether. And there's no way for a parent to find answers. The two lead investigators with Child Family Services that handled these cases back in April of 2021, as well as the state attorney who prosecuted those incidents that led to the criminal charges are all no longer with DHHS. CFS investigators are paid around the starting salary of a Taco Bell employee. They're overloaded at a stressful job that's not given the resources they need to succeed, which leads to insanely high turnover, resulting in more communication difficulties with the victims and families. There's about 3,000 daycare centers in Nebraska and only 24 investigators with the licensing department, which makes each investigator responsible for keeping track of about 125 daycare facilities, making sure they're abiding by laws and regulations, and investigating any claims of mistreatment that come to them. With only 261 working days in the year, that leaves about 2 days per year to focus on each daycare

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facility. Clearly not enough. Everyone I've spoken with at CFS, licensing and law enforcement is an advocate for fixing this broken system, all desperately trying to do their best. But they don't have the resources to proactively prevent abuse in childcare facilities. They don't have the process to adequately inform and investigate cases retroactively, either. It's complete dysfunction. I believe supporting LB854 is an obvious first step to begin overhauling the broken processes that exist between CFS and childcare licensing. Most of all, I believe the interim study will provide an eye-opening look at how shockingly ineffective DHHS has been at protecting children at childcare facilities, criminally punishing those that commit these acts, and revoking licenses at daycare facilities that hide cases of abuse and mistreatment. Until we fix this, kids will continue to be abused. Parents will continue wondering why their kids can't sleep at night, why they're acting out with violence, why they're using hateful words, completely unaware that their children suffered trauma at the state-- completely unaware that their children suffered trauma, the state investigated that trauma, but didn't bother to tell anybody. Thank you.

ARCH: Thank you. Thank you for your testimony. Are there any questions? Seeing none, thank you very much.

MATT TURNER: Thanks.

ARCH: Next proponent for LB854.

ASHLYNN TURNER: Hi.

ARCH: Good afternoon.

ASHLYNN TURNER: My, my name is Ashlynn Turner, A-s-h-l-y-n-n T-u-r-n-e-r. I want to start by thanking all of you for your time and being here. I know it's been a long week for you, and I appreciate you taking the time to be here and listen. I'd like to start by giving a special thanks to Senator Day and her staff, as well as Katie Bass and Sara Howard at First Five Nebraska for listening with such open hearts and minds and working tirelessly to make this happen. On Saturday, March 20, 2021, my world was rocked when I was casually scrolling Facebook. I sat in complete shock as I read another mother's post in our neighborhood group from the night before. Quote, FYI: If anyone has or had their children enrolled at Rosewood Academy, one of their owners, Carl Hansen, is currently under investigation for abuse, neglect, or sexual abuse of a child or vulnerable adult as of February

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23, 2021, end quote. She included a link in the report to the DHHS licensing site. I immediately clicked that link and read the report about Carl's interaction with a child at the northwest location. I was horrified and disgusted, but there was a small part of me that thought, I'm so glad he's not at our location. My children are OK. As I finished reading that report, I clicked back to the main screen and my stomach dropped even further when I saw that there were reports for our location. I frantically started clicking them all and reading them. Shock, confusion, rage, sadness washed over me as I entered complete panic reading the report that involved one of my son's teachers. This can't be my child. They would have told me, someone would have told me, right? Over the next few days, we would come to find that there were numerous, numerous reports at our location with our son's teacher that were substantiated by the state. We were never notified by the state, Rosewood, or anyone else. That week we learned our experience-- our son experienced rough handling, which according to the state's-- according to the state's definition, which for our child include-- included being held down with blankets over his head during nap time, being drug across the room by his arms and screamed at. As the information came pouring out of other parents, teachers, and various state employees, we quickly realized the scope of this was so much bigger than we could have ever imagined. As hundreds of parents and teachers work together to piece this puzzle together, so many things became clear. All the problems our son had been having surrounding sleep and behavior made so much sense. I don't think there's ever a good way to find out about something like this happening to your child, but I can assure you it is not on a Saturday night through Facebook when you can't talk to any law enforcement or state officials who investigated and substantiated reports. This isn't just one child as you'll here today. This is dozens of children who are all failed by the system, and it was a breakdown of communication within it. Sometimes bad things happen, and my son was the unfortunate-- unfortunate enough to be cared for by an adult who made bad choices. But all of the safety nets that are in place to protect him and every other child failed as well. I'm so lucky to be the mother to three amazing boys who are seven, five, and one. I'm a veterinarian and my husband owns a small business and no one wants to leave their kids. But that's the reality for working parents. Every child in the state of Nebraska deserves to be cared for in a safe environment. They deserve a system that monitors and make sure that they're keeping their employees and owners accountable for their actions and handling appropriately when they make mistakes. As I'm sure many of you with children know, kids are afraid of the dark. They

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have bad dreams, they see monsters, and my kids are no exception. I have a saying that I've repeated to them for years that I rock or cuddle them when they're afraid at night and I say, what is mommy's job? And they say, to keep us safe. And I say, yes, that's right. That's my job. And they say-- and I say, am I good at my job? And they say, yes. I say, yes, I am, and I promise that I will keep you safe. This past year, I felt like a complete failure as a mother, and I didn't keep my promise. My son spent months in therapy last summer working through his trauma and reestablishing safe and healthy sleep patterns at all the innocent age of four. According to his therapist, he likely spent over a year and a half with chronic sleep deprivation because of his trauma. The DHHS departments failed to communicate with each other and with parents, resulting in us not finding out about this abuse until more than a year after it occurred, ultimately delaying his diagnosis and therapy. My son didn't deserve this. None of these other parents' children deserve this, and no other Nebraska child deserves this. I couldn't keep my promise to my son to keep him safe this time, but I'll spend however long it takes fighting to change the system that failed my son so that no other parent or child has to go through what these families have been through. This bill will start by requiring the two arms of DHHS to communicate with each other when a report of abuse is made. As you'll learn from the parents and children advocacy groups here today, this is the first place the system failed. Please support LB854 and the interim study. Thank you for your service. Genuinely, I sincerely appreciate every one of you for being here today and the work that you're doing. Thank you.

ARCH: Thank you. Any questions? Senator Murman.

MURMAN: Thank you for testifying. And so sorry for what happened to your child. Do you know of any, any attempts at all were made to contact you before you found out on Facebook?

ASHLYNN TURNER: No, not that we're aware of, nor-- I'll speak for myself, I guess, but we found out about this on a weekend. Of course, the first thing you do on that Monday morning when offices start opening up, is calling our daycare, calling the licensure unit that had these substantiated claims, and I spoke to the licensing supervisor about all of these things. She informed me at that time that they do not inform the parents, that DHHS licensing does not inform a parent when their child is involved in any report, even if it's a substantiated finding. I've since come to find out that, that that's not the case, but that's what we've been repeatedly told from DHHS licensure. So to our knowledge, no. No one ever reached out. The

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daycare is, obviously, a private business, so they ultimately were protecting themselves by not telling parents of what was going on. But not a single parent in my child's room, you'll hear from some of them today, none of us knew. The report that involved that specific report that I saw that night, my child was not named in that report. Some of the children that were are here today. When that report was made, we were told by DHHS that they, that they don't keep record, like a legend of the child, because in the reports, it's just child one, two, three, four, five, that they don't keep a report that they can give us that says what, you know, the name of our child, are they on that report and that we would have to contact our daycare to find out whether or not our child was one of these five children in this specific report. And so we called the daycare and they said, oh, no, DHHS keeps that. So then we called back to DHHS and they said, no, we don't, they are required by law to keep it. And so then we called them back and eventually got the answer that in that particular report, our child was not named. We found out later from other teachers that the behaviors that were listed in that report, multiple children in that classroom that weren't in that particular report were subjected to the same treatment. And, and even then, you know, all these other kids are watching their friends being held down and dragged across floors and screamed at. So even for the children in that room that weren't, you know, directly victimized, I mean, you're setting a precedent for that's how someone's allowed to treat your friends and to treat you. And I would hope that everyone here would agree that that's not an example you want to set for your children.

MURMAN: Yeah, of course. Thank you.

ASHLYNN TURNER: Yeah.

ARCH: Other questions? Seeing none, thank you very much--

ASHLYNN TURNER: Thank you.

ARCH: --for your testimony. Next proponent.

AMANDA SWAY: Hello, my name is Amanda Sway, A-m-a-n-d-a S-w-a-y. I would like to thank Senator Day for bringing this legislation forward. Our lives were completely turned upside down one day late in March 2021, when I received a phone call at 10:30 at night from another parent. That parent had informed me that my daughter may have been involved in an incident at daycare back in December of 2020 that we had no knowledge of. The next three days were hard and confusing,

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trying to figure out who to call, terminology, regulations on how incidences at daycares are investigated. I was in touch with an investigator from DHHS's childcare licensing public health department, investigators from CFS, and the police department. Rosewood had just closed its doors two days before. I learned that my daughter, who was one at the time, had her legs taken out from underneath her by a teacher who got frustrated with her, causing her to hit her head on the floor in the process. I found out through the news that my daughter had cried for an hour afterwards and was scared to go by the teacher. Looking back at our app that was provided through the daycare, on December 16 there was a note in there that my daughter has been really sad lately and that they were asking me to bring a stuffed animal to make her feel better. That was the same day that the child abuse and neglect hotline was called regarding the incident of my child. We were never notified by either DHHS's public health department or CFS department of any investigation that involved our daughter. The children in the report were identified as child one, child two, and child three. When I asked the childcare licensing if there's any children on the report were mine, I was told that the childcare facility where the abuse occurred maintain the ledger of who was on the report. The daycare had closed its doors and the only email I received back was your daughter was child three when asking if my daughter was on the report. Even more confusing, I knew that CFS conducted an investigation on the same day as the licensing investigation, and I now knew that my daughter was one of the children on the licensing report. But when I asked the CFS for their report, they wouldn't give it to me because only one of the six children named in the licensing report was associated with the CFS report. I was told that the police department got involved and they had to stop their investigation. But when I asked them who was the detective with the police department, they didn't know their name. Because of the contradicting information, I decided to call the police on my own and make sure that there was a report somewhere. I asked the detective with the police department if she had heard my daughter's name or the teacher's name associated with any investigation with Rosewood. And she was-- this was the first time that she had heard my daughter's name or the teacher was when I called in. The teacher was later charged with a misdemeanor just five days later. Two days later, I received two phone calls from DHHS stating that there was an emergency at Rosewood, our children were not safe, and that they would not be opening back up on Monday. This was three months after my daughter had already been hurt there. I feel terrible knowing that my daughter had gone through this, but couldn't communicate with us how scared she

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was. I feel foolish seeing warning signs of my daughter changing and not putting two and two together, and I feel blindsided that I walked into a daycare for three months and not one of the directors nor DHHS had contacted me regarding the investigation of what had happened with my daughter. Thank you for taking the time to hear from all of our parents' experiences, and I pray that you would like to join us to make a difference so that no other parent has to go through this.

ARCH: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you so much. I'm so sorry to you and all of the families. You said that DHHS called you and said there was an emergency at Rosewood. Did they tell you what the emergency was?

AMANDA SWAY: What had happened was on a Sunday, we got an email from Rosewood saying that they were fighting the keyboard warriors and closing for two weeks. Later on, we had found that they had agreed with DHHS to close so that there could be an investigation on everything. And then in that time, I had found out this had happened to my daughter, and I think there was more publicity with it. It was in the news at this point. So at that point, I, I feel like DHHS had, had to go ahead and close the daycare, but that was ten business days from the day that they had closed and then they were supposed to open on that Monday. But they had started calling all the parents and letting us know at that point.

M. CAVANAUGH: Had you already talked to the police at that point and--

AMANDA SWAY: I had called the police department the week before. I received a phone call back from them two days later.

M. CAVANAUGH: And then the person was charged?

AMANDA SWAY: And then on that Tuesday, they were charged.

M. CAVANAUGH: And then, then they closed after that?

AMANDA SWAY: Then that Friday, they called-- DHHS called me.

M. CAVANAUGH: OK.

AMANDA SWAY: And I have two children that were in that daycare. So I received a phone call for each of my daughters.

M. CAVANAUGH: OK. I'm very sorry. Thank you for being here.

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AMANDA SWAY: Um-hum.

ARCH: Other questions? Seeing none, thank you very much. Next proponent for LB854.

AMANDA PODWINSKI: Good afternoon, my name is Amanda Podwinski, A-m-a-n-d-a P-o-d-w-i-n-s-k-i. And I am here to support LB854. I first want to thank Senator Day for her tireless advocacy for children and her support for introducing this bill. The implementation of this bill is very personal and meaningful to my family and also to all children across the state of Nebraska. Our daughter, age two at the time, was identified as a child in a DHHS licensing investigation, which resulted in substantial claims of prohibited forms of discipline. However, we as parents were never notified of these allegations, either by the daycare or by DHHS prior, during, or upon completion of the investigation. I only became aware of this licensing report by pure coincidence as the news was reporting negative information about our daycare facility, which prompted me to research the DHHS website where I found a report involving our facility, my children's teacher, she's a twin, at the very specific time that this incident occurred and was investigated. The dates of the claims are February 2020. The report is dated March of 2020, and I became aware of this incident in March of 2021, a full year after the child abuse occurred. Immediately after reading the report, I called DHHS to obtain more information and inquired about the five children identified. Upon speaking with a childcare inspection specialist in licensing, I was told that DHHS does not maintain legends of the identified children, and I would have to contact my daycare to determine if my child was involved. The daycare was hesitant, but ultimately confirmed my suspicions that my daughter was one of the children involved in the report. In discussion with the childcare inspection specialist, she also informed me that DHHS procedure is that parents are not notified of specific allegations during licensing investigations and that parents are only contacted when CPS is involved. When I asked how CPS gets involved, she told me that there has to be evidence of abuse to investigate, which involves bruising, witnesses, camera footage, etcetera. In our specific case, evidence was impossible because we discovered this an entire year later. The abuse of our children named in this report, and I do not believe it was a one-time incident, is horrifying to read, especially when you picture your own two-year-old daughter at the receiving end. Substantiated actions include this teacher pushing, pulling, yelling, and dragging children, laying on children with them yelling and trying to push the teacher off, pushing on their backs to hold them down, holding blankets over children's faces while they kick

and scream, and more. The director of the childcare's response in this report is that those children are the ones who push her buttons the most. There's no question that the abuser is solely responsible for these actions and should be held accountable. But DHHS also failed our children by not providing any sort of communication within its own departments or to the parents of the children named or currently who had current children under this teacher's care. Because I was unaware of concerns regarding teacher behavior, I subjected my children to this abusive treatment for over a year, while they also observed the mistreatment of their peers. As a parent, I was not given the opportunity to report this to the hotline for further investigation because I was unaware of this abuse that occurred. There were other allegations reported on this same teacher dated after our report, and if our situation would have come to light sooner, it would have prevented other children from facing harm by this teacher, assuming corrective appropriate action would have been taken. LB854 is an important first step in ensuring these abuse allegations and licensed childcare are investigated properly between the different divisions at DHHS that are responsible for ensuring our children are safe when we entrust their care to others. Childcare licensing should know all about the abuse and neglect reports at a childcare facility so that if the situation does not rise to the level of abuse, they can determine if a licensing investigation should occur, especially with a center that has repeat allegations like ours did. I also want to thank Senator Day for introducing LR266 to investigate why I was not told that my child was a part of an investigation. I want to conclude by thanking each of you for your time today and your consideration in supporting an important initiative for the children of Nebraska.

ARCH: Thank you. Thank you. Are there questions? I, I have one question, and maybe if you don't know, maybe somebody else will know. Do you know ultimately how-- maybe I missed it-- how many employees were charged with, with this or other incidents at this academy?

AMANDA PODWINSKI: A total of three have been charged. Is that correct?

_____ : A teacher's been cited, but not formally charged.

ARCH: OK. OK.

M. CAVANAUGH: She has to repeat it.

ARCH: Could you repeat just for the microphone what she said?

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AMANDA PODWINSKI: One?

_____ : Oh, yeah, Lindsey was cited. [INAUDIBLE]

AMANDA PODWINSKI: Yep, yeah, cited, but charges have not been filed.

ARCH: OK, charges have not been filed. All right. OK. Thank, thank you very much for your testimony.

AMANDA PODWINSKI: Thank you.

ARCH: Next proponent. Welcome.

MELISSA KRAJESKI: Hello. My name is Melissa Krajleski, M-e-l-i-s-s-a K-r-a-j-e-s-k-i. I want to thank Senator Jen Day for introducing this legislative measure as a beginning point to serve and protect vulnerable children in similar situations. My son was part of two separate DHHS investigations. I believe the second was a direct result of the first, retaliation. The first investigation was found substantiated, showing sent January 26, '21 via email at the bottom of the last page of complaint 34299. My son came home with welts on his abdomen that same day. Prior to the investigations, there were red flags we never fully recognized. We would receive pictures from daycare and joked our son looked like he belonged on ASPCA commercials. He looked sad sitting against a wall. He clearly been crying prior to the photo. Typical of a 15-month-old in a new classroom. We thought it was developmentally normal. There was the time he came home with rug burn type marks on his abdomen in November. I called. They stated they would get back to me on Monday. Everyone went home for the weekend. I never received a follow-up. I let it go thinking bumps and bruises happen. Accidents occur. Nothing out of the ordinary. His mood and temperament shifted significantly in early December 2020. I cried during one of his meltdowns, telling my husband, I think he's being abused at daycare. To comfort me, he assured me this could not be possible. Other workers would see and report this. It could not be possible. We chalked it up to terrible twos that came early as we had no prior experience to this. We received a call from CFS on December 31, 2020, letting us know there was an investigation. She stated several times if your son's name-- stating our son's name several times, this is about your son. We spoke to the owners on January 4, 2021. He said it never happened. He claimed high school drama and added the worker was not even in the same room as our son when they're claiming the incident occurred. My husband spoke to the director, the owner's daughter, later that same

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day. She stated, yes, it did happen to our son. They used it as a teachable moment and reviewed the video with the worker. There was no injury, so they did not inform us. My husband asked, why did the owner say it did not happen? Her response. I don't know why he said that. When the December DHHS investigation was substantiated, we found out the worker not only abused our son, five other children were named in the report. She reportedly was not fired but quit on her own. She was not present the day our son came home with welts on his abdomen. The owner himself was initially charged with child abuse, no serious injury for a different incident that occurred three days after our son came home with welts. The second licensing investigation, the director states she became aware of the claims once the DHHS worker arrived to review the footage. This simply was not true. We called her on the morning of January 27, asking her what happened. We offered to send pictures. She directed us to send them to her email address, separate from the general email inbox. She stated she would review the video footage and let us know if she saw anything. She also later stated she reviewed the video footage prior to CFS worker's arrival. I informed the licensing worker who stated to-- see would if there was grounds to reopen the licensing investigation again. Later, she stated, it would not be reopened. There were three workers that day. Only two were interviewed. The third was not present. The licensing worker only provided cryptic statements. I wondered how can an investigation be unsubstantiated and closed when one person was not interviewed? She asked me if I read what the worker stated. My response, yes. Two workers claimed, not typically working with my child, not even knowing who my child was. The third was not present for questioning. She went to great lengths to tell me she could be fired if she told me the details of the case. She mentioned at one point it's really difficult when individuals say, say one thing and then say another later on. What was she able to tell me? There was a CFS side to the investigation that was still taking place. Later when the emergency order was issued closing all three facilities, it states: All evidence and filings in relation to this matter are sealed. And here we sit absolutely no answers a year later. I want to thank the committee for allowing us to share our testimony and consider this legislative measure.

ARCH: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here. I'm so sorry. Do you know if the teacher who abused your son who quit, was she charged with anything? Was she one of the people that was charged?

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MELISSA KRAJESKI: Correct. She was one of the three individuals.

M. CAVANAUGH: OK. Thank you.

ARCH: Other questions? Seeing none, thank you very much for your testimony.

MELISSA KRAJESKI: Thank you.

ARCH: Next proponent for LB854.

KRISTEN JONES: Hello. My name is Kristen Jones, K-r-i-s-t-e-n J-o-n-e-s. I'd first like to thank Senator Day for introducing this bill and the team of parents who have worked together to unravel all of these details and have pushed for this critical legislative action. I'm going to try and get through this without crying. I'm here on behalf of my wife, Laura, and our son, Jayden. On February-- on Friday, January 29, 2021, my two-year-old son went to daycare on a normal Friday. That morning, he and his friends were in the indoor gym playing with the hula hoop together, laughing and having fun. Unexpectedly, the owner, Carl, appeared and aggressively yelled at my son and his four friends. The kids scattered, but Carl snatched Jayden, violently grabbing his wrist and then yanking him by his ankles across the floor. Carl proceeded to yell profanities at him, telling him he was going to get F-ing kicked out, amongst other things. Jayden was crying and was taken to the front office, and as we were told by teachers who witnessed the event, our two-year-old was left to process this on his own sitting on the floor of the office by himself with no books, no puzzles, just sitting there wide-eyed. After this day, we noticed some pretty sudden changes in Jayden's behavior, including sudden sensitivity to us touching his arms or ankles, crying no, no, no getting as far away as he could from us, disrupted sleep, waking multiple times throughout the night, upset and crying, sleep talking, saying things like, don't get me or don't grab me in a terrified response to his pediatrician, who we now know has similar physical features as Carl. On the evening of Friday, February 19, 2021, 21 days later, we received a call from an employee of CFS that our son was named as a victim in a child abuse investigation at Rosewood. For three weeks, which we now know and you've heard is quick in comparison to what some of these other families have recently found out even, we continued to send Jayden to a school where he was abused in the care of people who have shown a pattern of not protecting children. When we asked why we are now just finding out about this, we were told Rosewood Academy should have called you. We were told they

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were finishing up the investigation and that we would be made aware of what the outcome would be. Three weeks later, on March 10, 2021, we were told that they would like to agency to substantiate Carl and asked us to elaborate more details around the impact to Jayden. It was never requested or recommended that our son be taken to Project Harmony like we had heard other parents involved in separate cases were being requested to do with their children. OPD eventually became involved as well, though we did not hear from them until April, several months after the abuse occurred. During this time, we asked for updates and information, but we never received any further communication from CFS, DHHS or OPD. We were never given a final report from the agency, any of the agencies. It wasn't until June 16 that we received a call from the prosecutor's office and found out that Carl would be facing criminal charges and there would be a court hearing for this. It was the local television stations and supportive parents that provided us with information as they were unraveling their own cases that they hadn't been made aware of and hearing things from other DHHS and OPD officials. It is our understanding that CFS or DHHS should have alerted us as soon as they were made aware that our child was named in a report. That didn't happen. It's also our understanding that anyone who witnessed this event is required by law to report as all Nebraskans are mandatory reporters. That did not happen. The staff members and teachers who did not report are working at other daycares today, which leads to a question around how mandatory reporting is enforced, especially in daycares. There are two state agencies that are responsible for keeping kids safe, and that didn't happen. There is, or was a displayed pattern of child abuse happening in these facilities, and in our case, the agencies didn't do anything about it until it was too late. Too many kids were impacted by this, and we have to do better. Nobody tells you as a parent how to navigate the system when your child is abused in daycare. It seems the agencies aren't talking to one another, they aren't talking to the parents. And it's really unclear who knows what, who's responsible for what. And if you even get a call who you're talking to and what part of the system they work for. At the end of the day, our job as parents is to protect our children. And if the systems that are there to protect them lack the communication necessary, then it makes our job as parents impossible, leaving us to feel as if we failed our kids. And that has to change. Thank you all for hearing our stories today. We'd appreciate your support.

ARCH: Thank you for your testimony. Are there any questions? Seeing none, thank you very much.

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KRISTEN JONES: Thank you.

ARCH: Next proponent for LB854.

KATIE BASS: Good afternoon, Chairperson Arch and members of the Health and Human Services Committee. My name is Dr. Katie Bass, K-a-t-i-e B-a-s-s, and I am the data and policy research advisor representing First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on supporting policies that promote quality early care and education experiences for young children in Nebraska. I am here today to testify in support of LB854. I want to thank Senator Day for introducing this legislation and for reaching out to First Five Nebraska when the parents who testified today approached her with their concerns. LB854 would require the Nebraska DHHS Division of Children and Family Services, or CFS, to notify the DHHS Division of Public Health when they receive a report of alleged out-of-home child abuse or neglect when the subject of the report is a childcare provider or childcare staff member. The notice would also include whether an investigation is being undertaken by law enforcement or DHHS CFS. Both children and family services and public health are responsible for investigating concerns around child safety. DHHS CFS receives reports of child abuse and neglect through the hotline, screens those reports to assess if an investigation is necessary. And if it is, either conducts the investigation or refers the case to law enforcement. DHHS Public Health is responsible for childcare licensing, which includes investigating violations of safety regulations in licensed childcare. Because of these distinct, yet intertwined responsibilities, it is essential that the different divisions are communicating with each other when any report of alleged child abuse or neglect in licensed childcare is received. Providing immediate notice would allow for better coordination if both the CFS and licensing investigation should need to occur, awareness if an allegation does not rise to the level of a child abuse investigation, but does include safety regulation concerns, and identification of patterns should there be multiple reports like we've heard about today. The good news is that LB854-- what LB854 proposes, already exists in DHHS work procedures. The bad news is that these policies may not have been followed to fidelity in every instance. For something as serious as reported cases of child abuse and neglect, there should be no ambiguity. By placing this in statute, we are clearly defining this not as an expectation of an individual employee who screens the calls at the hotline, but as an agency responsibility. The proposed language in LB854 mirrors the process already in statute for schools, wherein reports of child abuse and neglect involving

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school employees require immediate notice to the Commissioner of Education. In your green copy, copy the school's reference is on-- is Section 4(a) on page 3, the licensed childcare language is Section 4(b). Nebraska is fortunate to have early childhood educators who make safety their top priority. But when safety concerns do arise, it's important that all parties, parents, providers and system partners have a clear understanding of the procedures that are in place. LB854 is a first step in outlining those responsibilities clearly to all parties. The real work of digging into the challenge of ensuring adequate parental notification when an allegation of abuse comes in will occur with Senator Day's companion interim study, LR266, which will provide the forum to examine additional issues raised today. Thank you for your time today and for your consideration of this bill, and I am happy to try to answer any questions that you may have.

ARCH: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here, Dr. Bass. So I, as a parent with children in a childcare setting, I, I think I've made a lot of assumptions about some things. And so-- and if you can't clarify these, I totally understand that. So when my child actually got bit on the face when she was one, they called me immediately and there was an incident report filled out and in her file, and the same thing happened when she bit somebody else. And so in my mind, the logical conclusion is that when there's an incident, this is-- these are the steps to go through. Is that, is that just that's not the law? It's just I just happened to have somebody who did that?

KATIE BASS: I think there are, there are certainly regulations around notifying.

M. CAVANAUGH: Right.

KATIE BASS: And, and I say this as I would say I'm a parent to two biters as well. So I, I sympathize with getting those notices on, on multiple occasions.

M. CAVANAUGH: Yes.

KATIE BASS: So I can, I can outline where there are some distinctions of what is kind of procedure, right, what's in the regulations, what's in law and then what, of course, is the internal policies within your childcare center. So I can, I can clarify those for you.

M. CAVANAUGH: OK.

KATIE BASS: I'll get some more information to you.

M. CAVANAUGH: Well, I ask because actually my children have gone to two different childcares and both childcares any time there was an injury, there was a notification.

KATIE BASS: Right.

M. CAVANAUGH: And so to have a childcare where there isn't a notification, no matter who is the one doing the injury, I just assumed you were notified if your child was injured. And I think of these children that had their heads hit, they could have had a concussion--

KATIE BASS: Absolutely.

M. CAVANAUGH: --and needed medical. So--

KATIE BASS: Yes.

M. CAVANAUGH: Well, I guess I have some learning to do. Thank you.

ARCH: Are there other questions? Seeing none, thank you very much for your testimony.

KATIE BASS: Thank you.

ARCH: Next proponent for LB854. Is there anyone that would like to speak in opposition to LB854 or in the neutral capacity? Seeing none, Senator Day, you're welcome to come up and close. I would just note for the record that we have received 65 letters as proponent for LB854, zero opponents, and one in the neutral capacity.

DAY: Thank you and thank you all for listening to the testimony today. A couple of things that I wanted to note in closing is these parents have had to tell their stories dozens and dozens and dozens of times because of the problems with how their situations were handled. They had to tell stories about their children being abused multiple times and for them to show up today and tell their stories again, I think deserves a huge thanks. I think finding out that your children have been abused by someone else is an absolutely terrifying, awful situation to be in. But even more so in terms of finding out that the people who are there, the state agencies who are there that are supposed to be there to protect your children, failed them and didn't do their jobs makes it all the more terrifying. And so I just-- I

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try-- I, I hope that the committee will advance this bill because I think that, that, you know, again, it's, it's limited in scope, as I mentioned in my intro, and I think that the interim study is going to dig a little deeper and find some other issues that we can start to work on. But I think more than anything, these parents deserve to see that there are people who can do something and who have the power to do something who are here to help them and who do care because they've been failed by so many people thus far. It's also important to note, too, that the owner that was mentioned multiple times, Carl Hansen, he did plead no contest and that was through the process of a plea deal to reduce the charges from child abuse to disorderly conduct. So in terms of the employees that were charged, I think it's also important to mention that many of these cases were difficult to result in charges in terms of how the situations were handled and how the process played out. And so that may be why you don't see more employees being charged. Again, there, there is so many issues that we're not dealing with in this bill. Parents being notified, employees who have abused children leaving or quitting and going to other-- and being hired by other childcare facilities is another issue that we need to address. But I think this is-- LB854 is a small start to a much larger problem that we have to work on as senators and, and as the Legislature. So thank you for all-- for listening, and, and I'm happy to answer any final questions you have.

ARCH: Are there any questions? Senator Hansen.

B. HANSEN: Thank you. Maybe more for closure on my end. The two employees that were charged, were they eventually convicted or found guilty?

_____ : No contest. Same thing as Carl.

DAY: No contest. Yeah, so same thing as the owner. I'm assuming it's a plea deal to, to reduce the charges.

B. HANSEN: OK. Thanks.

ARCH: Senator Cavanaugh.

M. CAVANAUGH: So I just more for the record, in that plea deal, that means they went from a Class II felony to a Class III misdemeanor.

DAY: Correct.

M. CAVANAUGH: Which is a fine and three months in jail.

DAY: Correct.

M. CAVANAUGH: Which is the same as if you have an expired license plate, which--

DAY: Correct.

M. CAVANAUGH: --I just found out this week.

DAY: Correct. Right. And I think it's also, you know, something else that we discussed is he has the ability to-- he could move to Colorado and open up another childcare facility and do the same thing again. There's nothing preventing him--

M. CAVANAUGH: Because there's no felony record.

DAY: There's no felony record. Right. So that's problematic in itself. Right.

M. CAVANAUGH: He could also just let his license plates expire, and apparently it's the same.

DAY: Same thing.

ARCH: Any other questions? Senator Murman.

MURMAN: Thank you, Senator Day, for bringing this bill. So I'm clear on my understanding, this bill only mandates that the, the agencies at DHHS communicate with each other?

DAY: Correct.

MURMAN: And, and the testimony by the parents, I think DHHS answered several of them that they thought that, that DHHS thought the childcare facility report the incident.

DAY: Correct.

MURMAN: Is-- I, I don't have any experience with daycares, but I would just assume that when-- even when an allegation of abuse occurs, that there should be some reporting to the parents immediately.

DAY: Absolutely. And that's one of the things that we hope to address with the, with the interim study. Because again, as you mentioned, DHHS said that the, the, the childcare facility is supposed to notify and then the center said that DHHS is supposed to notify. And again as

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one of the testifiers mentioned as a private business, they're going to want to protect themselves. And as Senator Cavanaugh mentioned, you know, if you, if you have-- I mean, there's lots of childcare facilities where they do follow the appropriate steps. They are there to make sure kids are safe. But in the incidents that, that the childcare facility is not doing their job, there should be a, a backup process in terms of the state agencies following through on reporting to parents, especially if their children are part of an investigation. So again, hopefully we can, we can address that at a later date after the interim study.

MURMAN: Yeah, I hope so. Because as someone mentioned, you know, the parents have the ultimate responsibility to keep their children safe.

DAY: Absolutely.

MURMAN: And, and if-- that has to be supported in some way should be reported immediately. Thank you.

DAY: I agree. Thanks, Senator.

ARCH: Other questions? Seeing none, thank you very much.

DAY: Thank you.

ARCH: This will close the hearing for LB854. And we will open the hearing for LB932. All right. Senator Hunt, you are welcome to open.

HUNT: Thank you so much, Chairman Arch. Hello, colleagues and members of the committee. I was just telling Senator Day, like, it's hard to follow that. I mean, you guys in this committee have to listen to so many heartbreaking stories. And so thank you for your stamina for that and for caring for the children in Nebraska. I'm Megan Hunt, M-e-g-a-n H-u-n-t, and I represent District 8 in midtown Omaha, and I'm excited to be here to introduce this bill because it has the days here. It has come to fruition. Last year, last fall we did LR198 and LR930-- LB932 is the product of the interim study about the state's practice of intercepting Social Security funds that belong to foster children. This subject, this topic was my office's primary concern over the last year and a lot of research and analysis and collaboration, stakeholder conversations, etcetera, have gone into this bill. So this is a very meaningful day to me and to everyone who has been a part of this process. Last November, most of you were here for my LR hearing where we heard from Maximus, which is the contractor who is applying for the youths' benefits on behalf of the state. Appleseed-- Nebraska

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Appleseed's legal team was here and former foster youth were here. As an overview for members of the public who might not have heard about this yet, earlier this year, I heard an NPR story about a national investigation into the practice that 36 states, including Nebraska, have been engaging in that has kind of flown under the radar for a long time, but which is now getting a lot of attention and scrutiny. These states have been identifying foster youth in their care who might be eligible for Social Security funds, and then the state applies for the money on behalf of those children. And then the state keeps the money without the kids or their legal representatives knowing it. And then the state uses that money that belongs to the kids to pay for their foster care. So these kids who can be eligible for Social Security funds averaging between \$700 and \$800 a month, they're eligible for two reasons, you can get Social Security as a, as a foster youth for two reasons. One, if you have a parent who has died or has a disability or, two, because they have a disability. So these are the kids we're talking about who are really some of the most vulnerable ones in our system because they're the ones who are dealing with either disability or the loss of a parent. And that's what has happened to make them eligible for these Social Security funds. The state child welfare agencies, so DHHS, have mostly contracted with private companies. In our case with this company called Maximus to screen kids for Social Security benefit eligibility and then the state applies to become the child's representative payee. Per federal law and Social Security regulations, minor children can't legally serve as their own payee or receive the benefit money directly because they're legally not recognized as being capable of handling the funds on their own. So these kids are eligible to have a representative payee manage the money in an account for them, and that could be a parent, another relative, or a guardian or it could be the state. So in most cases, the state becomes the representative payee and all the kids money from Social Security goes to the state, and then the state uses that money to reimburse itself for the cost of the child's care. To me, there's a lot wrong with this. The overarching problem that I see with this is that foster kids should not be seen as a funding source to pay for their own care. This isn't something that we see any other foster kid have to go through. You know, if we have a foster child who is not eligible for Social Security, the state is paying for their care. If you have one of these kids who's vulnerable in that they've lost a parent or have a disability and they're getting foster-- or Social Security payments. Then the state is taking those payments to reimburse themselves for the care so we're really not treating these kids equally or fairly. At a more pragmatic level, whether or not we

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think any of the kids money should be kept by the state, the most egregious aspect of what's going on is that this has all been happening without any notification or involvement of the youth or the adults in their life or their legal guardians or legal representatives or anything. So I think at a very basic level, I hope we can agree that if the state is going to do this, intercept money on behalf of the youth to pay for their care, at a minimum the state needs to do this with the full knowledge and consent and communication with the child and their legal representatives. This is a government transparency issue to me, above all. It's a good governance issue and I think if this was happening to any other group by any other state agency, people would be making a big deal out of it. But due to the nature of the practice, and that is that the affected kids usually have no idea this is happening. The adults who care for them have no idea this is happening, and if they do find out, they have no idea what they can do about it. So there have been a lot of people who have been impacted by this practice who haven't spoken out, not because they're fine with it, but because they literally don't know that it's happening to them. And the reason these are kind of finally starting to come out these cases is because of all this recent national reporting about it, which has caused me to bring this bill and caused many other states to introduce bills around this too, including Texas, Alaska, Maryland, New York, California. There's like a dozen states that are looking at a similar law. So in addition to doing something to help these kids, it's a really good opportunity for Nebraska to kind of get ahead of a problem that we're starting to notice on the national level. Over the interim, my office conducted extensive research in close partnership with Nebraska Appleseed's child welfare legal team with Dr. Daniel Hatcher, who's a law professor at the University of Baltimore, who has published and researched extensively on this topic, and his research has informed a lot of reporting around this. We've spoken to stakeholders in other states who have worked on this issue, and we've spoken with child welfare advocates. We also filed a few public records requests with DHHS and, you know, just to kind of get the lay of the land and see what's going on in their department. And they have been totally helpful. They've complied with all of our information requests and they've given really helpful responses to all of our questions. So LB932 is the product of all of that research, many meetings and revisions and consultations with experts. And this bill is based on the law that Maryland passed, and Maryland was the first state to pass legislation to address this after the first successful court challenge to this process. So in Maryland, there was a court challenge saying, you know, is the state even

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allowed to do this? Can we be taking the kids money to pay for their own care? And that Court of Appeals found that while the state couldn't be barred from keeping the children's assets, it did violate the children's due process and equal protection rights by not using these funds in a manner consistent with the child's best interests and by required-- by requiring those children to pay for their own care when we're not doing this for other kids. So the court found that there was something wrong with that indeed. So we based this bill on the Maryland bill with some additions and some tightening of the language that we added upon recommendation of other lawmakers in Maryland who advised our office about some things that could cause some kinks in implementation. So this is just a version for Nebraska based on what's already worked in another state. I'll also add that Alaska's court just held the same ruling as Maryland's court last year, so it's several states that are investigating this and doing this. This bill says that the department-- that we will require the Department of Health and Human Services to screen all youth in its care for Social Security eligibility with consent from the youth or their guardian ad litem, to conserve the Social Security benefits in the child's best interest and hold them in a trust account separate from the department's own funds, to conserve a portion of the funds for the youth that cannot be used to reimburse the state for the cost of the youth's care, to maintain itemized records for each account and to provide the child or the child's attorney with access to the information or the funds in the account if it's in the child's best interest and to keep the youth and their attorney informed about when these benefits are received, when they're used, and how they're conserved. So for youth in foster care, obviously this money matters a lot. Many people get out of the foster system and they go on to lead very successful lives. But we also know that this is a system that can tend to trap people in some cycles of, you know, bad outcomes. There's all kinds of data about how youth aging out of the foster care system without permanent families are more likely to experience homelessness, joblessness, incarceration. And one statistic that jumped out at me is that foster children suffer from PTSD at twice the level of U.S. war veterans, and that more than a third of foster youth aging out of care experience homelessness. So if these kids could be getting \$700, \$800, \$900 a month from their Social Security, it's really nice of the state to get that money for them, but we need to make sure that they're getting that money that they're entitled to at the end of the day. So legislative movement around this has been growing all over the country. As I mentioned, Alaska, Texas, many other states starting to study the problem. And now that we're aware of this, I think that we

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really owe it to these kids to pass this bill to bring more transparency and accountability into the management of their money and to set them up with savings that they're entitled to. In terms of the fiscal note, the costs are basically staff and the loss of benefit revenue that they would be taking from the kids. So that's what they factored into the fiscal note is basically all the kids' money that they would no longer be getting and able to use. And one other thing is I initially thought that it would be better to give all of the funds back to the youth and not, you know, set some aside in an account for them and allow the state to use some of it to reimburse for the expense of their care. But after consulting with DHHS and a couple of legal experts and stakeholders, I think that what my bill does is probably the best approach for Nebraska because the process of screening youth for eligibility for Social Security, applying for benefits on their behalf, maintaining the records, all the administrative components, it's actually pretty expensive and time-consuming. And for the state to have to do this, I expect that the administrative cost and the burden would be substantially higher. It would require the training of specialized staff and things like that. And so realistically requiring the department to screen and get benefits for the youth without retaining any of the money would be really expensive. And I think that that would give them almost no incentive to do it. So this is kind of a middle path. It's saying you can retain the cost of administering this-- administering this. But this money belongs to the foster kids, and at the end of the day, we have to make sure they get it back. With that, I'm happy to answer any questions.

ARCH: Thank you. Are there any questions? Senator Hansen.

B. HANSEN: Thank you, Chairman. A couple of questions about the page 4 on the top, line 2. I was hoping you could expound on that a little bit more about the Social Security benefits. They'll be separate and apart from the department's funds and more the interest bearing trust account. Like, how-- like, are they putting it into, like, a bank account that just collects interest or are they, like, in a 401(k) type thing?

HUNT: There's already kind of models for this for other types of trust accounts in the state of Nebraska. And so the department told us that it would be no problem to set these up. And I think that that would just be a rules and regs like for them to kind of figure out the best way for them to do that.

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B. HANSEN: OK, so then nothing new, they, they use-- they've done this before?

HUNT: Yes.

B. HANSEN: OK. I was just curious about it. OK. All right. Thank you.

HUNT: Yeah.

ARCH: Other questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator Hunt. I have a couple of questions. How, how much have we paid so far to Maximus?

HUNT: So Maximus, which is the contract company that Nebraska is currently paying to take all the money from foster youth. The most recent contract for 2022-2023 was over \$300,000, and that's for two years, and we know that this has been going on for over 20 years. So, you know, when you compare the fiscal note to what we're already paying this contract company to manage, you know, taking the funds, I, I think that's something that Nebraska can certainly manage.

M. CAVANAUGH: And then I have a follow-up question. OK. So I'm not entirely sure how I want to ask this question because I'm still trying to sort it out myself. But this-- your bill would require the state to screen for benefits for every child in the system, correct?

HUNT: Yes.

M. CAVANAUGH: OK. And that's-- but they don't-- even if they screen for it, they don't get to keep the money?

HUNT: Well, if, if they aren't eligible because they aren't eligible for Social Security payments, there is no money.

M. CAVANAUGH: OK.

HUNT: So the state already does this through Maximus, is they screen the kids, they find out who's eligible for Social Security payments and how can we get those into our coffers to pay for their care? So it's basically already happening through Maximus, and it would just be the state doing it now.

M. CAVANAUGH: So this would require the state to do it and not use Maximus to do it?

HUNT: Right.

M. CAVANAUGH: OK. Thank you.

ARCH: Other questions? Senator Williams.

WILLIAMS: Thank you, Chairman Arch. Thank you, Senator Hunt. I want to track through again the dollars because I'm not sure I clearly understood that. If, if the state then brings these dollars in, under your bill, they're allowed to retain enough money to pay for the collection process. Is that a fair way to state it?

HUNT: To me, that's a fair way to state it. Let me find the part in the bill where-- so what it does, is it says-- so it has to conserve a minimum percentage of Social Security benefits for each child beneficiary starting at the age of 14 of at least 40 percent. And so starting at age 14, they would have to save at least 40 percent of that Social Security money for the child, but they could take 60 percent of it to pay for the administration.

WILLIAMS: Can they pay for anything other than administration? For instance, any other services that the child might need?

HUNT: It would have to be-- well, it would also require them to maintain an itemized record of what they're using those benefits for, and it has to be in the best interest of the child. So that's a, a term with a lot of latitude, honestly. And I, I don't think there's any reason to expect that DHHS wouldn't use the funds the way they're already using them to just reimburse the state for the cost of foster care.

WILLIAMS: OK. My, my question then, I guess, is I want to be sure that we don't achieve the same result we're getting now.

HUNT: Um-hum.

WILLIAMS: That they bring this money in. They save some, but they also then continue paying for the same services that they were just keeping the money to offset their cost of before. And I'm not sure I'm asking that correctly.

HUNT: The difference would be that at least with this, the compromise is-- so if I said, you have to give all the kids their money back, like, this would be a no-go because it would be so expensive because the state would lose so much money that they're getting from these

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kids. The difference is that we're saying you have to, to keep, you know, starting at age 14, some of that money for them to get when they're out of foster care so they can start their life.

WILLIAMS: And that's that set percentage?

HUNT: Um-hum.

WILLIAMS: OK, now I got you. Thank you.

HUNT: Um-hum.

ARCH: Other questions? Senator Hansen.

B. HANSEN: I think Senator Williams kind of-- I was thinking about that same kind of thing. So the money that they get, that they get from this that they will be losing typically goes back into the child welfare to help pay for some of the stuff. And so to make up for that lost revenue, I guess, would that just come, we'd just have to reappropriate money then or did the department mention anything, like, how they make up for the loss costs at all? So I'm trying to look for it in the fiscal note and I couldn't find it. Sometimes they don't say it and--

HUNT: I think that would come from General Funds. General Funds would be needed to replace the funding. Yeah.

B. HANSEN: Yeah, I didn't know if they might have some other kind of funding mechanism or some fund somewhere.

HUNT: And, and what the costs that they're replacing is just that loss of benefit revenue that they're taking from kids' Social Security. So like, it's a little bit like that debate we were having about Social Security for, you know, taxpaying Nebraskans, you know how we tax it, but that's really their money. I would make the same argument for these children. I mean, they aren't-- they don't even have the, the agency and the self, you know, assured, you know, they don't have the ability to stand up and say, no, that's my money. And they don't have any lobbyists down here saying, oh, we got to stop taxing the Social Security of kids. Like, it's the same difference to me. It's like, this is their money, they're entitled to it. We're still taking some of it to help pay for their care. But I think we should no longer take all of it.

B. HANSEN: OK. Yeah, thanks.

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ARCH: I have a question. I was, I was just reflecting on a different bill that, that has come before us and has been in process, and that is the establishment of different tiers of payment for foster care based on the need of the child. And I-- and one, one thing that would be interesting, I can't imagine you have it off the top of your head, but one thing would be interesting is you, you mentioned that to qualify for these payments from Social Security, it's either the child of a disabled parent or the child itself, himself, herself is disabled. And, and it would be interesting to know what that breakout would be, whether this is mostly for disabled children, and that's how they qualify for receiving Social Security. So if, if that's the case, then of course, they would probably fall into a higher tiered payment to a foster family to care for that special need. And there would be additional costs then to, to care for that child, which is exactly why they're qualifying for Social Security payments, because there's a recognition that there are special needs there that, that, that will have-- that will incur higher expenses. So I guess and, and maybe other people that come after can testify, and I don't know if we have that breakout between-- you were, you were referencing a page. I didn't know if you had that breakout between those who qualify as a result of their parents or those who qualify because they are personally disabled.

HUNT: I think I, I think I do have that breakout in this binder, but--

ARCH: OK.

HUNT: --probably can't--

ARCH: Well, that's--

HUNT: --call it forth on this second.

ARCH: Yeah, that's fine.

HUNT: But what I know is that it impacts about 400 youth a month, so it would be the breakout of whatever that is. It's 400 kids a month in Nebraska, and they're generating about \$2.7 million a year for the state--

ARCH: OK.

HUNT: --in Social Security benefits, but I don't know what the breakout is between--

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ARCH: Well, I mean, you, you understand--

HUNT: --disability and whatever.

ARCH: --you understand my question and that is that, that if they are receiving those dollars because they have special needs, and that's why they're recognized for that and those dollars are used to pay for those special needs, then maybe it is appropriate. Now you have certain percentages and, and maybe not all of it. I don't know. But, but, but some of that may be reflective of some special needs of the child that then would be paid for, which is-- which wouldn't be typical perhaps of a tier one foster care child, somebody that, somebody that isn't in that, in that special need category. So anyway.

HUNT: Still if the child, if, if the child wasn't a foster child but still was eligible for Social Security payments, I mean, those funds would be used in the best interest of the child. And that's what this bill allows. It says, you know, the state can use their portion of the funds in the best interest of the child. But you know, you can't put it in one big pot to pay for all the kids, and you can't just consider it part of your general fund of foster care reimbursement money.

ARCH: So you're advocating that it ties to that particular child?

HUNT: It needs to tie to the child, precisely.

ARCH: OK.

HUNT: It's their money. And I get that some of these kids are expensive. Some of us are expensive, and by the grace of God, we're not as expensive as we're going to be yet. So, yeah, I think we do need to tie it to the child. Just as for adults, we would tie that benefit to the person.

ARCH: OK. All right. Other questions? Seeing none, thank you very much. Are you going to stay for your close?

HUNT: I will. I have a meeting at 5:00 so, like, it depends on how long it goes.

ARCH: Oh.

WILLIAMS: Oh.

ARCH: Oh.

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HUNT: I think it's fine. I think it's OK. OK, thanks, guys.

ARCH: OK.

WILLIAMS: That was a warning.

ARCH: OK. All right. So we will ask the first proponent, anybody would like to speak as a proponent for LB932.

ALLISON DERR: Good afternoon.

ARCH: Good afternoon.

ALLISON DERR: My name is Allison Derr, A-l-l-i-s-o-n D-e-r-r, and I'm a staff attorney with Nebraska Appleseed. I'm here to speak in favor of LB932 and to provide a bit more of a legal perspective. So as Senator Hunt described, many youth in care are eligible for Social Security benefits, either based on their parents eligibility or their eligibility themselves. And the point of Social Security benefits are to supplement income individuals would otherwise be receiving but for their circumstances so that disability, death of a parent, or to provide extra income they need because of those same circumstances. But for youth, they can't receive those payments directly due to their age. They need someone to step in and receive them for them or to be their, quote, representative payee. A payee has legal obligations. They have to manage, use, and save those funds for that individual youth's best interest. So they're responsible for caring for those funds. And for youth in Nebraska's foster care system, as Senator Hunt mentioned, the department chooses to apply and act as payee for foster youth, so they are then responsible to care for those funds and use them for that individual youth, not youth in general, and the department chooses then to pay for their foster care services. This is generally legally OK because you can use Social Security benefits to pay for a youth's daily needs, but that's certainly not the full picture. There are legal obligations and duties that come with acting as a payee. So when the department does this, they are the youth's fiduciary and protector of their money and their property. But they also owe them duties as their guardian as the government to respect and uphold the foster youth's best interest and constitutional rights. So what LB932 does is ensure that Nebraska's current practices uphold and respect those rights and duties, bringing them more in line with the department's already existing federal duties under federal Social Security law and as their guardians. Today, I want to talk about two specific components of the bill: notification and savings. So on the

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notification piece, Nebraska's current practice is if they're receiving funds on behalf of a youth, they don't tell the youth, not at application, not at receipt, not at spending. And in fact, we have spoken with a number of young people and attorneys practicing in juvenile courts over the past year about this practice. Not one attorney has ever heard of this, and many attorneys having practiced for decades in juvenile courts, which is interesting because we know that in fiscal year 2020, the state received over \$2.6 million on behalf of foster youth for an average of 350 foster youth a month. So that's really legally concerning that not one attorney has heard about that who practices in juvenile courts. And it's legal-- it's legally concerning because this is objectively and without any argument the youth's property and individuals have the right to their property and to defend against the taking of their property. But here youth don't even know they have property to defend in the first place. And also, a lot of the legal challenges in other states on this issue have been for this lack of notification as violating youths' due process rights as Senator Hunt discussed. So what LB932 does is resolve some of this. It doesn't say the department can't stop or has to stop receiving and using these benefits in this way. It says if they do, they have to tell the youth and their attorney so they know this money exist, where it is, how it's being used, so they can ensure it is being spent in the youth's best interest as federal law requires. And then on the savings piece, this is also important, current Nebraska law in practice only allows youth to save \$1,000 of these benefits before the department starts to spend them. And that's concerning because that's only a little bit less than two months of payments for youth and federal law requires payees to both use and save benefits for youth. So the savings of this money for youth could be really impactful, especially for foster youth that are subjected to really harmful outcomes based on that lack of financial foundation and financial stability. So LB932 provides opportunities for saving by upping that savings limit, requiring the use of savings accounts, and then mandatory saving for youth after they turn 14. The very last point I want to make about this bill is that it does not cut off the department's ability to continue receiving and using these benefits in the way they have been. And and it really codifies a lot of what the department reports as its current practice. It just adds more transparency, accountability, and opportunities for saving of these benefits for youth bringing Nebraska's practices more in line with their already existing obligations under federal law. So for these reasons, we support LB932 and really thank Senator Hunt for her hard work on this issue. And I know my time is up, but I just wanted to

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describe one of my handouts quickly. We have a fact sheet on the bill, but also included a letter from an attorney who's practiced in juvenile courts for a while, who speaks to her experience with this, but also her and her family's personal-lived experience with this process. So I just wanted to point out that really important and unique dual perspective that she provides.

ARCH: Thank you. Are there questions? Senator Murman.

MURMAN: Thanks for testifying. So if the state does not keep track individually of these Social Security payments, you, you think the state could be liable for not properly using this because of these court rulings, the state could be liable for possibly not using these funds correctly?

ALLISON DERR: Absolutely, and not just because of the court rulings. A federal Social Security law says very clearly you can only use these benefits for the specific beneficiary, so they have to be used or saved for the specific youth. And then also on the accounting piece, the Social Security Administration requires accounting for that specific youth's funds. So the department reports that it currently does this accounting. But if it were to not keep reporting for each individual youth, they would not be in compliance with federal law.

MURMAN: Thank you.

ALLISON DERR: Um-hum.

ARCH: Other questions? I, I have a couple follow-up to Senator Murman's question. So-- well, put the two questions together. Did you say that the legal standard is that the, the payee, I guess the one who receives the payments on behalf of the child is obligated to use that in the best interest, best interest of the child?

ALLISON DERR: Correct.

ARCH: Is, is the payee-- is-- do they have the legal authority to determine what that best interest is?

ALLISON DERR: In theory, yeah. They are the one making those decisions of what is the best interest of the youth.

ARCH: OK. What are-- on average, how much are these payments per month?

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ALLISON DERR: For a foster youth, it's typically over \$700, but it depends if they're receiving payments on behalf of their parents' eligibility or their own disability. So there's a little bit of a range there.

ARCH: Which, which probably wouldn't be difficult to spend if the child's in foster care.

ALLISON DERR: Um-hum.

ARCH: Right? And, and so I'm, I'm assuming that the argument could be made that that is in the best interest of the child what we are, what we are using those dollars for now is in the best interest of the child. Is that the counter, is the counter to that issue?

ALLISON DERR: Sure. But I think the appropriate response to that would be, is this-- this is the youth's money in the first place. It's not the department's. And while it is permissible to use these funds for the youth's daily needs, federal law also requires that it be saved for their reasonably foreseeable future needs. And for foster youth, they leave care without anything--

ARCH: Right.

ALLISON DERR: --except for potentially, at most, that \$1,000. And a lot of these youth experience really harmful things when they leave care because they don't have any financial support. So I think a lot of people would argue it's actually not in their best interest--

ARCH: Right.

ALLISON DERR: --to be saving money.

ARCH: OK.

ALLISON DERR: Yeah.

ARCH: I mean, that would be the argument. Right. Biological parents could also receive these same dollars, right, as, as the payee and they would have that authority to use those dollars in the best interest of the child, not obligated to put them into an account or anything else.

ALLISON DERR: Um-hum.

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ARCH: OK.

ALLISON DERR: Sure. But again, it's meant to go to families that don't otherwise have that income. And here we have a situation where youth were being put in the custody of the department that does otherwise have that money.

ARCH: OK. All right. Thank you. Senator Murman.

MURMAN: Yeah, now I've got another follow-up question, too. So you said the maximum amount that could be saved is \$1,000. So in other words, when the youth leaves foster care or ages out, the most the state could save for them would be \$1,000.

ALLISON DERR: Correct. And we actually have heard from a lot of young people, they don't even see that even though they know they've been entitled to it and LB932 ups that statutory savings limit to \$2,000.

MURMAN: And what was the last part you said?

ALLISON DERR: The bill ups that statutory savings limit to \$2,000. So it doubles it. But then it also provides for the use of special savings account that those savings account can save money beyond that \$2,000 for the youth. And the bill would mandate that for youth over 14 years old.

MURMAN: Yes, there is a special savings account that can be used so they could go over \$1,000.

ALLISON DERR: Yes, and the bill list a couple options of savings accounts and programs that could be used to allow youth to save more than \$2,000.

MURMAN: OK, thank you.

ALLISON DERR: Um-hum.

ARCH: All right. Thank you very much for your testimony. Next proponent for LB932. Welcome.

AUBREY MANCUSO: Thank you. Good afternoon, Senator Arch, members of the committee, my name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska in support of LB932. All our children deserve every opportunity to thrive regardless of the circumstances that they're born into. The state has

a particular responsibility for the well-being of children who formally enter the state's care. LB932 would preserve a valuable resource for children in foster care and has the potential to help facilitate positive outcomes and mitigate some of the potential negative impacts that children in this situation face. We know that being separated from your family of origin, regardless of what the challenges within that family are, are often experienced as a trauma. Children who spend time in the foster care system are at risk for a variety of challenges as they transition to adulthood. These include an increased risk of homelessness or unstable housing, as well as educational challenges that can lead to inadequate employment or job preparation. This often leads to young people entering adulthood in a tenuous financial situation. Additional financial situation-- resources for young people in this situation can mitigate some of these challenges. When we look at issues related to poverty and especially intergenerational poverty, we often focus on income. However, assets such as a savings account are often more critical for financial stability as they allow individuals to weather unexpected challenges and emergencies. Young adults in our foster care system are less likely to have a financial safety net in the form of familial support. As such, using the Social Security benefits to help increase their financial stability as they transition into adulthood will help them get on a path to a more secure future. Thank you, and we would urge the committee to advance LB932.

ARCH: Thank you. Any questions? Seeing none, thank you very much. Next proponent for LB932. Is there anyone that would like to speak in opposition to LB932? Good afternoon.

STEPHANIE BEASLEY: Off? Yours is off. OK. All right. Good afternoon, Chairperson Arch and members of the Health and Human Services Committee. My name is Stephanie Beasley, S-t-e-p-h-a-n-i-e B-e-a-s-l-e-y, and I'm the director of the Division of Children and Family Services within the Department of Health and Human Services. And I'll give her a second to finishing handing out. I sort of sat down and just started right in. I'm here to testify in opposition to LB932, which amends Section 43-907 of the Nebraska Revised Statutes to require the Department of Health and Human Services, or DHHS, to, to screen children for Social Security-- sorry, to screen children for Social Security benefit eligibility, obtain consent prior to reviewing a child's medical records for screening, reduce utilization of the Supplemental Security Income, or SSI, for the care of a youth or child in care, and repeal the original section of the law. DHHS opposes LB932 due to the impact the provisions of the bill will have on CFS by

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eliminating support DHHS utilizes for the children in its care. The state of Nebraska is the legal guardian of these children. Similar to any other legal guardian, the state is entitled to utilize the child's Social Security benefits to help, help offset the cost of providing for their care. LB932 requires that DHHS receive written and informed consent from the child or guardian ad litem of the child dependent on the age prior to reviewing a child's medical records for the purpose of determining eligibility for a, a child's-- for Social Security benefits. We are concerned that this requirement will create unnecessary delays to ensure completion of benefits applications. Additionally, by law, as the child's legal guardian, DHHS does not need a consent to review records when the child is in DHHS's legal authority-- or legal custody. The financial impact LB932 will have on DHHS is significant. Based upon a tier level set out within this bill, the ability for DHHS to utilize SSI benefits of a state ward for their care would be reduced or eliminated. The reduction in available Social Security benefits to cover the child's specific expenses is estimated at just over \$956,000 annually. Information technology costs to implement the required programming updates that will allow DHHS to track and maintain the tier level changes is an additional \$22,500. Another provision in the bill requires notification to the child and guardian ad litem of any communications from the Social Security Administration regarding an application for benefits on behalf of a child, such as applying to be the payee. As a result, DHHS will need one additional staff member to ensure notifications occur as specified in the bill, as well as set up the required federally excluded trust accounts. Another position would be needed for the financial responsibility unit to provide the required financial reports for the court at every review hearing. This bill will also increase the amount of required notices for making children, parents, and guardian ad litem aware of Social Security benefit interactions. Important information regarding the child is already shared between the parties. Legislation requiring the exchange of this information is not necessary. However, providing notices related to every communication with Social Security Administration with additional notices to the court are overly burdensome. The Department of Health and Human Services respectfully request that the committee not advance LB932. Thank you for the opportunity to testify today. I would be happy to answer any questions you might have.

ARCH: Thank you. Are there questions? Senator Williams.

WILLIAMS: Thank you, Chairman Arch. Thank you, Director Beasley. My question just simply relates to the fact that what, what I am hearing

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today is this process is happening and the young people, if they have parents, nobody is aware that the state has been capturing these dollars. I'll use that term. Do you have some comments about that?

STEPHANIE BEASLEY: I do. Typically, when children are coming into care on Social Security, the parent is going to be the payee, typically. And so when that payee shift is made, Social Security would notify the parent that the payee shift is, is being made. For an application for, for young people who are over the age of 14, and our team is working to get signatures for those young people, those-- that's an application process. Youth are not typically notified of payee changes, communications with Social Security, they are just simply not notified at this point. Now they are notified at application if they are of a certain age.

WILLIAMS: OK. Thank you.

ARCH: Thank you. Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here. It's nice to see you. It's the first time seeing you this year, I think. And maybe I'm misremembering this from the interim study, but was it my understanding, am I incorrect that a youth has to sign once an application has been made and the determination has been that they're eligible. Does not a youth have to sign a form giving--

STEPHANIE BEASLEY: Prior-- at, at 14 prior to us-- so part of the application process would be medical records.

M. CAVANAUGH: After-- oh, OK.

STEPHANIE BEASLEY: Yep.

M. CAVANAUGH: So the medical records part is when a youth at 14 has to sign something.

STEPHANIE BEASLEY: That's right. So it's part of the application. So they are signing for us to access for the applications, Social Security to access their medical records, ultimately. So that's when the sort of notification of the process starts, but that's at age 14 and older.

M. CAVANAUGH: But beyond that notification for the medical records part of it, there's no communication with them at any age about the money that is coming to the state in their name?

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STEPHANIE BEASLEY: At this point, I cannot speak to the conversations that CFS are having.

M. CAVANAUGH: There's no standard.

STEPHANIE BEASLEY: There's no standard.

M. CAVANAUGH: OK. I have additional questions. But if others have questions, I can-- OK.

ARCH: Go ahead.

M. CAVANAUGH: OK. So I wanted to go to some of the things that are in your reason for opposition.

STEPHANIE BEASLEY: OK.

M. CAVANAUGH: So CF-- will have CFS by eliminating support DHHS utilizes for the children in its care. And my understanding from what Senator Hunt said in her opening is that she does not intend for this to completely remove that support. It's more of a compromise of how do we take care of the kids financially in the future with financial literacy and, and some stability once they age out of the system and also still utilize these things-- these resources that are, are available to the state? So-- and I know we've, we've-- I've had this conversation a lot in this committee that I don't view it as your burden to worry about the finance side of things. That's our burden. But is there not an opportunity here for us to allocate dollars to the department so that you can do this?

STEPHANIE BEASLEY: So I want to-- you-- there, I think you were starting-- I just want to make sure I'm--

M. CAVANAUGH: Sure, yeah.

STEPHANIE BEASLEY: --articulating well. With the comment about the elimination--

M. CAVANAUGH: Yes.

STEPHANIE BEASLEY: --of the, the Social Security that we use to offset the cost of care.

M. CAVANAUGH: Right.

STEPHANIE BEASLEY: And that is what the utilization of this funding is for. It is offsetting the cost of care.

M. CAVANAUGH: Right.

STEPHANIE BEASLEY: So that based on the tiers, I believe, starts at age 18, 100 percent of those dollars would go into some type of a trust account. Prior to that, it is a reduction starting at age 14.

M. CAVANAUGH: Right. So but that reduction starting at age 14, is that the issue?

STEPHANIE BEASLEY: It's the-- there is a fiscal impact to us and we use those dollars to offset the cost of a child's care very specifically and I [INAUDIBLE].

M. CAVANAUGH: Right, no, I'm not, I'm not contending that what they're used for. But isn't there an opportunity the state could pay for those out of General Funds?

STEPHANIE BEASLEY: For children not receiving--

M. CAVANAUGH: For children 14 and above that we are tiering down how much we utilize for their care. We could use state General Funds for their care.

STEPHANIE BEASLEY: If they-- if a child does not have-- right, we could--

M. CAVANAUGH: Just like [INAUDIBLE].

STEPHANIE BEASLEY: --for other children who are not receiving SSI--

M. CAVANAUGH: Yes. Right.

STEPHANIE BEASLEY: --or RSDI, those dollars typically or IV-E dollars.

M. CAVANAUGH: So I guess what I'm trying to get at is if child A doesn't get SSI, the state pays General Funds. And if child B gets SSI, but they're 14, under this bill, a percentage of that would go into a savings account for them. So the state would use General Funds for that percentage.

STEPHANIE BEASLEY: In very oversimplified, yes.

M. CAVANAUGH: OK.

STEPHANIE BEASLEY: In very oversimplified, there's IV-E, there are different funding streams that--

M. CAVANAUGH: Sure.

STEPHANIE BEASLEY: --blend and braid into our young persons in care. Now not for the children that would be receiving Social Security, but for IV-E and other things. But in a-- there-- those are different funding mechanisms that pay for those young persons in care.

M. CAVANAUGH: Sorry, I have-- I'm going down a financial rabbit hole. Do you mind if I ask another question?

ARCH: Let's, let's ask-- hang on to that--

M. CAVANAUGH: Yeah.

ARCH: --let's-- Senator Williams, I know you have a question.

WILLIAMS: Thank you, Chairman Arch and mine isn't going down the same rabbit hole, might be a different rabbit hole. When, when the state gets these monies in, are they segregated and kept separate for that specific child, not put in a big bucket and spread around?

STEPHANIE BEASLEY: Absolutely, Senator. So when those benefits are coming in, those-- they are put into what we would call a trust account. And so any expenses for the care of that child are specific to that child.

WILLIAMS: They're tracked for that specific child?

STEPHANIE BEASLEY: It is tracked. It is reconciled.

WILLIAMS: OK.

STEPHANIE BEASLEY: And, and Social Security actually audits us for that reconciliation as their payee.

WILLIAMS: OK, thank you. That was my question.

ARCH: OK. Senator Cavanaugh.

M. CAVANAUGH: That helped set up my further questions, Senator Williams. OK. So it's tracked with the child, and I'm sorry, I'm just trying-- this is very complicated.

STEPHANIE BEASLEY: It's very complicated. Yes.

M. CAVANAUGH: So thank you for being patient, patient with me. But you, you talked about like it wasn't as straightforward as, yes, General Funds. So if a child, I know this is hypothetical, but if a child qualifies for Social Security, SSI, and if we were one of the states that doesn't do this to check their eligibility, but that child qualifies, would that eliminate the ability for them to qualify for other funding streams, such as IV-E or any of the other things that you would normally braid together?

STEPHANIE BEASLEY: Well, if we, if we hadn't applied, we wouldn't know.

M. CAVANAUGH: Right. Right. Sure.

STEPHANIE BEASLEY: There wouldn't be an eligibility determination and therefore you wouldn't be receiving the funds. So if the child was IV-E eligible and placed in a IV-E, we all know these-- has to be eligible, has to be in an eligible placement, then we would be receiving IV-E.

M. CAVANAUGH: And once you seek the eligibility for the SSI, are they-- and they are eligible, does that remove their ability to receive some other braided funds?

STEPHANIE BEASLEY: Yeah, those tend to not mix--

M. CAVANAUGH: OK.

STEPHANIE BEASLEY: --because it would-- so if they were receiving IV-E, then ultimately that is that-- their income would be too high to receive SSI. And so ultimately, we don't mix. It's those two, they wouldn't be applicable. It's eligibility for both sides.

M. CAVANAUGH: So before you seek the Social Security, do you seek IV-E? If, if they would qualify, would you seek the IV-E before you would try to find out if they were SSI eligible? Because taking that SSI money is, is taking their money versus drawing down federal--

STEPHANIE BEASLEY: It's offsetting the cost of the care of a child.

M. CAVANAUGH: Right. Right. It's offsetting the cost, but it's money that they would eventually get versus taking IV-E money that is intended for their care.

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STEPHANIE BEASLEY: It's money that they would, the parent or guardian or payee would have been receiving for the cost of their care.

M. CAVANAUGH: OK.

STEPHANIE BEASLEY: And so our young people who are coming into care are really typically screened for both. So there's, there's an initial screening. And then even after they are in care, they can be screened again. So should a, should a young person lose a parent while in care, then that would also be a trigger so for them to look at the RSDI to see if that's a benefit. And so those determinations, we get way deep in the weeds with that. And so I get, I can give some workflows and some better information out to you.

M. CAVANAUGH: I feel like I just need to follow up with you because I probably have, like, 50 more questions and I don't want to put any of us through that. So thank you so much for answering my questions, and I'll probably just follow up at your office.

STEPHANIE BEASLEY: Thanks, Senator. Totally fine.

ARCH: Senator Murman.

MURMAN: Thank you. So from the, the line of questioning so far, I've gathered that from 14 to 18, the money is for the Social Security funds are specific to the child, and after 18, there's still specific to the child, but then some of it can go into a savings account?

STEPHANIE BEASLEY: So all of the SSI, regardless of age at this point, all of Social Security that is coming in would go into-- so it would go into Stephanie's specific account if I were in care, so it would go into my specific account used to offset the cost of mine. Each, each person has their own individual. At this point, the initial \$1,000 is put into a savings or conserved. I think is probably the-- the attorneys in the room can tell me if that's the right word, but it's conserved. And then over that \$1,000 are the dollars that are reconciled and withdrawn from their trust account to offset the cost of-- it's typically foster care. That's the bulk of the cost, typically. And so at this point, it's all ages. The bill proposed tiers at the age of 14. A certain percentage at 14 gets saved in addition to the \$1,000, 40 percent of their Social Security would be saved into a, a trust account that is reserved and held back at-- I'm going to be dangerous-- at 15, it's 60 percent. It sort of advances the older they get, and so don't quote me on the ages, until the age

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of 18, where the full Social Security benefit would go into the trust account and not be utilized to offset the cost of care.

MURMAN: And a, a follow-up question then would, would be isn't the total amount of the Social Security funding, no matter what their age is, used for specific care for that child--

STEPHANIE BEASLEY: Absolutely.

MURMAN: --except the \$1,000 saved, I guess.

STEPHANIE BEASLEY: And the \$1,000 can be as well. But yes, Senator, to your broader question, yes, that every cost is reconciled. And again, Social Security comes in and audits us. They pull a sample, they audit, they ensure. Because as payees, we would have to use it specific for the care of that child. And so the \$1,000 is conserved and can be accessed. So if there's an incident or some-- a purchase that a, a young person would like made that's in their best interest that's specifically for the child, like it might be a laptop, it might be a, a cell phone, it might, you know, there are things that, that the young person would ask and say this is something that I would want, and we can use that initial \$1,000 to expend for things that are specific for that child and in their best interest, and that typically happens at the young person's request.

MURMAN: OK, thank you.

ARCH: Thank you. I have, I have one question. One of the, one of the features of the bill talks about screening all, all children. Do you do that now? And if not, why not?

STEPHANIE BEASLEY: So we, we have every young person who comes into care every month, that list goes to Maximus for a screening. There are those that we aren't screening for. So if they are receiving IV-E, because again, those are two buckets that you tend not to, to mix, we aren't screening. We can screen for every child who comes in. It's, you know, what they're looking for are items like, you know, is there the death of a parent? A parent is no longer-- you know, the disabilities, medical bills, things like that that are in the child's records.

ARCH: And it's a, it's a screen, not a, not a full application.

STEPHANIE BEASLEY: Right, it's a screen. And then should it-- I'm going to call it flag,--

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ARCH: Yeah.

STEPHANIE BEASLEY: --that, OK, we need to take a deeper dive on this. Then that's when Maximus will work directly with our field staff to access medical records to start. There's a functional assessment done on the child that Maximus does for us and really moves through the application process on our behalf.

ARCH: OK. All right. Thank you. Senator Cavanaugh.

M. CAVANAUGH: Sorry, I apologize. Just something you just said. If there's a death of a parent and so some of this SSI money could be a death benefit?

STEPHANIE BEASLEY: So there's two separate buckets. The first is SSI, and this is really when the child is disabled. And then there's the second, the RSDI stands for, and I always have to look at this, Retirement, Survivors, and Disability Insurance for retirement, survivors, disability paid to workers, their dependents, and survivors. So they have to have-- there's a work-- they have to have paid in, basically. So if, if a young person were to lose a parent in care or to have lost a parent even before they-- there's a potential that they're eligible for RSDI.

M. CAVANAUGH: OK, so I didn't-- I'm sorry, I didn't realize. Thank you.

STEPHANIE BEASLEY: And just to muddy the water further, that has very different, has very different rules around Social Security-- Supplemental Security Income has a \$2,000 max threshold as assets that you can have sitting there before they start to suspend your payment. RSDI does not.

M. CAVANAUGH: OK. Thank you.

ARCH: Senator Murman.

MURMAN: Sorry,--

ARCH: You keep asking questions.

MURMAN: --you probably answered this question, but the money that's kept specific to the child from Social Security, I assume, is used up-- that much money and more is used up for that child every month.

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STEPHANIE BEASLEY: Yes. And if there is an overage-- so we're going back to Stephanie is receiving SSI and let's say there is \$100, for just basic math, I'm-- it's my last year, there's \$100 each month leftover for the end of the year, \$1,200 and I age out of care. At that point, that money is turned back over to Social Security so that reconciliation happens, that \$1,200 is turned back over to Social Security. Social Security would then hold on to that until the next payee was named, and then they would give that to that payee. We can't transfer it to the payee so if the parent is going to or the child, the young person is going to be their own payee, we can't write that \$1,200 check or give that account over to that young person. We give it back to Social Security, Social Security turns around and gives it to the young person, but it is a full reconciliation. If there's anything left over, it gets turned back to Social Security.

MURMAN: Thank you.

ARCH: All right. I think those are the last questions. Thank you very much.

STEPHANIE BEASLEY: Thank you, Senator.

ARCH: Thank you very much. Anyone else wish to testify in opposition? Is there anyone that would like to testify in a neutral capacity?

LAURA OPFER: Good afternoon.

ARCH: Good afternoon.

LAURA OPFER: Chairman Arch and HHS committee members, my name is Laura Opfer, L-a-u-r-a O-p-f-e-r, and I'm the policy analyst for the Nebraska Children's Commission. On behalf of the commission, I'm testifying in a neutral capacity on LB932. So in case you're not familiar, the commission is a-- was created by the State Legislature to provide a permanent leadership forum for the collaboration of child welfare and juvenile justice and to create a strategic plan for child welfare and juvenile justice reform. To be clear, I'm testifying in a neutral capacity because recommendations related to this bill have not been formally advanced through the commission. It can sometimes be a timely process. LB932's preceding LR198 was discussed at our last B2I meeting with general support from many members. Due to the nature of our committee's work, the rights and financial resources of youth and young adults are our top priority. So you've heard this talked about already today, but the fact that young adults age out of our foster

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care system with limited assets and that is a big concern of ours and something that we would like to see rectified with LB932. It could potentially give some youth a financial safety net as they age out of care, and that makes a big difference for them. The other point that I'd like to make is that we have a fundamental concern with the current practices surrounding Social Security eligibility process. Currently, children are asked to sign a form and I was told age 12. But whether it's 12 or 14, that is not an age that we foresee that they can consent and understand the language in the current form that's utilized. So we have a concern that they're not able to understand what they're consenting to when they are signing. And on the same hand, we're unsure of how and if the implications of this form and process are explained. LB932 would provide additional provisions to protect youth and ensure their rights are, their rights are protected in the process. I want to say thank you to Senator Hunt and the HHS Committee for your leadership and work on behalf of children in Nebraska. On behalf of the commission, I urge you to consider this information and the advancement of LB932. With that, I'd be happy to answer any questions.

ARCH: Thank you. Are there any questions? Seeing none, thank you very much.

LAURA OPFER: Thank you.

ARCH: Anyone else wish to testify in a neutral capacity? Seeing none, Senator Hunt, you're welcome to come up close. I would just indicate that we have received 15 letters in support, no opponents, and no neutral.

HUNT: Thank you, Chairman Arch. Obviously, we're done before 5:00. Like, I'm really bad at time management. I'm the person that gets to the airport, like, three hours early because just want to make sure, like, that kind of person. So thank you sincerely, especially to the testifiers who came here today to help us with the work on moving this forward. And I appreciate Stephanie Beasley from DHHS coming in and sharing their views. To me, I didn't hear any problem with the policy proposal. Just the fact that there would be an appropriation. And you know, I understand that and nothing I've done here or, or said with this bill is also to say that I think that the Social Security funds that are used by DHHS to pay for the care of these kids is "malappropriated" or something. I don't think that they're putting in a slush fund or anything like that. What this is really about at the end of the day is that as two courts have already decided, DHHS, the

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state is not entitled to use these funds without the consent or knowledge of these kids. And I am afraid that we're going to have a similar court problem here in Nebraska if we don't clarify in statute and make sure that when the state is using these SSI funds, these Social Security funds from kids, that they're not doing that without the knowledge or consent of those kids. What this really does, and I also think Ms. Beasley alluded to this, is this type of bill will allow the department to care for kids that will care for kids now, and it will help set them up for their future as well in a way that we're not currently doing. Another thing I'll, I'll clarify is that nothing in this bill would prevent DHHS from contracting with Maximus, which they've already been doing, they've been doing for at least 20 years. I think that that's a relationship. There's no reason to stop it. All I'm trying to do with this bill is bring clarity and transparency to the process for the kids and their guardians and their families, and make sure that these kids are getting some of the money that is theirs. And again, this is a problem that we just didn't really know it was going on until there was some journalistic investigations into it recently. And you know about the \$1,000 or potentially \$2,000 that can be set aside for kids now, we hear consistently from foster youth that they don't even know about that. You know, how can somebody ask for a laptop or a phone or something they need for school out of this \$1,000 trust fund if they don't even know that it's there to say nothing of the fact that they may not even know that they're eligible for Social Security payments. Imagine you today, imagine yourself at your most vulnerable time in your life. For me, it was when I just got divorced. I was making \$300 a month. No idea what I was going to do, a little baby, like now, now look where I am. So I mean, it worked out OK for me. But if you had told me back then that there was a trust fund with \$800, \$700 a month going into it in my name and the state used it all to pay for my care when it was really the state's responsibility to pay for that. I mean, how disappointing. I just feel deflated like a balloon, even thinking about that. So at the very least, colleagues, let's make sure these kids and their loved ones and families and caretakers know this is going on. And again, this is not to accuse malfeasance on any part of any government agency, but the state is not entitled to use these funds of kids without their consent. So that's the thing we have to fix. Thank you.

ARCH: Thank you. Are there any questions? Seeing none,--

HUNT: Thank you.

ARCH: --thank you very much. Happy Friday.

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HUNT: Thanks.

ARCH: That will close the hearing for LB932, and we will now open the hearing for LB1019. Welcome, Senator McKinney.

McKINNEY: Good afternoon, Chairman Arch and members of the Health and Human Services Committee. Today we're here, here to discuss LB1019, which will require the Department of Health and Human Services to establish a family resource and juvenile assessment center pilot program. The juvenile justice system has many equity deficits that need to be addressed. A large one is the lack of services available to families and juveniles prior to adverse run-ins with law. Currently, our system is set up to be more reactive than proactive. Throughout the interim and really for my term thus far, I've received numerous questions from parents and guardians who have exhausted their resources and need help with their children who are highly impressionable and are being impressed upon, upon their own things. It was sad and disheartening as a senator to find that to get help for many of these families, the juveniles in these situations had to commit a crime or a first offense to get the help. In my role as a wrestling coach, I deal with many youth from different backgrounds. Some are in the foster care system or have been, or have been in system-involved for a good portion of their lives. Many have expressed to me that they just want to be heard, loved, understood, and provided with a place to go to get away. Also, my work in the community, I realized that if we are not helping the whole family, we will continue to spin our wheels. A family resource juvenile assessment center program will provide much needed services to not only the youth but their families. The bill, the bill, in pertinent part, outlines that the family resource and juvenile assessment center shall (a) house multiple community providers under one roof and provide assessments and services to youth and families to address their immediate and ongoing needs; (b) provide assessments to youth at no charge to the families; (c) maintain membership in the National Assessment Center Association. It's not lost upon me that this kind of comprehensive assistance will require the expertise of community leaders and specialists who are already dedicated to this work. My goal, however, is to help these services become more centralized and accessible to those who need them the most, and to help provide the resources to make it feasible to do so. We don't have the luxury to pick and choose when to help and who to help anymore. All Nebraska residents are deserving. It is imperative that we encourage collaboration of service providers and other community resources to improve outcomes for families and juveniles in our communities. I believe that having a

center of this kind would do wonders for the life trajectory of our young people. Again, this is not an attempt to cause confusion or duplicate services. It's an opportunity to maximize the services of all working to improve the quality of families. To illustrate, I will share some examples from other states. In Alabama, an, an analysis of short- and long-term impacts shows that for every dollar invested in the Alabama network of family resource centers, the state of Alabama receives \$4.70 of a median long-term financial benefits. In Vermont, it was determined that through services to prevent adverse childhood experiences, the Vermont Parent Child Center Network saved the state \$210,000 per family that would have otherwise been spent on addressing the effects of childhood abuse, neglect, including \$33,000 in childhood healthcare costs, \$11,000 in adult medical costs, and \$144,000 in productivity loss, \$8,000 in child welfare costs, and \$7,000 in criminal justice costs, and \$8,000 in special education costs. In a recent and ongoing research co-led by Safe and Sound, a family resource center in San Francisco, it indicates that if only half of the money currently spent on dealing with the repercussions of child, child maltreatment was redirected to, to prevention efforts, particularly efforts to strengthen family protective factors, child abuse and neglect would be reduced by almost 50 percent. In closing, I'm not here to stick to the status quo. That's not what I came to Lincoln for. Changes are needed and it's going to take collaboration of all of us to start pushing the envelope. This legislation is what families need, and this pilot gives us an opportunity to test what will work and what does not work. Our state has been gambling with the lives of youth and families in the child welfare system for years, wasting millions of dollars in the process. Now is the time to redirect resources to those families and keep them out of the system as much as possible. I ask for your willingness to roll up your sleeves with me and vote LB1019 out of committee. I also understand that the department has questions about implementation date and the fiscal note. I would say to that we could push it back to maybe two or three years to make sure it can be fully implemented properly. And as far as the fiscal note, this is a great year to tackle fiscal notes like this because we have federal dollars that could be directed to these type of things. So I know it's, it's high, but we, we have an opportunity, especially for a pilot, especially if we use ARPA funds that could be expensed in a time to better understand if this is a pilot that our state needs and then we can make the decision whether to go forward or not and we don't have to use General Funds to do so. Thank you.

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ARCH: Thank you. Questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator McKinney, for bringing this bill. Do you-- where do you envision this? Do you envision a, a physical space for this?

McKINNEY: Yes.

M. CAVANAUGH: Where would you envision that being?

McKINNEY: So I became aware of these resource centers when I went to a conference out of town and I would say in somewhere in north Omaha, somewhere in south Omaha, maybe midtown. So you can have multiple in the city, just where the location would be would--

M. CAVANAUGH: So the pilot would be in Omaha?

McKINNEY: Yes.

M. CAVANAUGH: OK. And the list of service-- actually, no, not that question. Sorry, getting ahead of myself. How do families and how does this start, how does this process start, like how would a, a person come into being assessed?

McKINNEY: So in my thinking behind this, you would have a family, a parent seeking some help and say the parent calls you, for example, and say, hey, I'm having some trouble with my kid. Where can I go to get some help? And you can refer them and say, hey, we have this family resource center in a community go there and they'll assist you with this, this, this and that. And it will probably have to be another outreach effort. So for example, if these families are on ADC, Medicaid, or anything like that, they're provided with the resources or the schools also could say, hey, if the school identified a kid is truant or, you know, getting into some type of trouble, maybe refer, refer them to the resource center.

M. CAVANAUGH: I was going to ask that about the school, but this would be an opportunity to partner with the schools to--

McKINNEY: Yeah.

M. CAVANAUGH: --especially if they see a kid coming in with, like, no winter coat and things like that.

McKINNEY: Yeah.

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M. CAVANAUGH: There's some identifiers for kids. So thank you.

McKINNEY: No problem.

ARCH: Senator Murman.

MURMAN: Oh, thank you for coming in with this bill. I'm just wondering, you know, is there potential for partnering with faith-based organizations like churches or YMCAs or something like that?

McKINNEY: I think so. I think that's-- I would include them as community stakeholders and providers. So it's possible to put a resource center inside of a church if it's big enough or a YMCA. That, that, that could be explored as well.

MURMAN: OK, that's, that's what I was thinking,--

McKINNEY: Yeah.

MURMAN: --at least the facility might be there--

McKINNEY: Yeah.

MURMAN: --and some type of collaborative effort. These are very useful programs that you're proposing. Thank you.

McKINNEY: No problem.

ARCH: Any other questions? Seeing none, thank you very much. We will now ask the first proponent for LB1019, anyone would like to speak as a proponent.

AUBREY MANCUSO: Good afternoon again, Senator Arch and members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I am the executive director of Voices for Children in Nebraska. When children experience challenges, the best interventions with a proven track record of success are those that keep young people connected to school, family, and community while providing resources to address any challenges. It is long past time for Nebraska to increase our commitment to community-based services that support the needs of kids and families. Voices for Children supports LB1019 because it is a step in this direction and has the potential to divert kids and families away from our juvenile justice and child welfare systems. For many years, we have over utilized higher end and more costly interventions

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for children and families when young people may have been better served by interventions at the community level. We've also historically not put enough resources and emphasis into prevention. The Legislature recognized this issue in the juvenile justice system and in 2013 passed significant reforms which aim to invest more resources for struggling young people at the community level. While this was a significant and positive reform, we have not continued to scale the resources available to meet growing needs. As communities and families emerge from the impact of the COVID-19 pandemic, we are likely to see many more young people struggling with mental and behavioral health challenges and challenges related to reconnecting with their learning. Investing in more resources in preventative services at this time can decrease the potential for increased involvement in our formal systems like child welfare and juvenile justice, while resulting in better outcomes for kids and families. We would urge the committee to advance LB1019 and I'm happy to take any questions.

ARCH: Thank you. Are there any questions? I have one.

AUBREY MANCUSO: Sure.

ARCH: As I, as I take a look at the list of the services that, that a youth could be referred to, I guess I think of, I think of our schools now. And it, and it, it appears to be tutoring, mentoring and, I mean, you know, referrals for mental health or anger, social skills, job skills, literacy, which we put that into the schools. It appears as though a lot of these are being referred by schools now. Is that-- am I misunderstanding?

AUBREY MANCUSO: I think that is happening to some degree, Senator. I think, I think what Senator McKinney is trying to do here is give kids and families a clear place to go when they're in some sort of crisis. I think, you know, I also-- I'm also the parent of a child who has had some challenges and so have been through that process of trying to get the appropriate assessments and get the appropriate services in place. And as a person with means and resources and knowledge, that process was hard and confusing. And so I think what Senator McKinney is trying to do here is really simplify that and so that families can come in there and they can get the assessment that they need and they can get help navigating the services they need in, in a single place or location.

ARCH: OK. Thank you. Seeing no other questions, thank you very much.

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AUBREY MANCUSO: Thank you.

ARCH: Next proponent for LB1019. Seeing none, is there anybody that would like to speak in opposition to LB1019? Welcome.

STEPHANIE BEASLEY: I'll give her a second, instead of--

ARCH: OK.

STEPHANIE BEASLEY: --instead of launching right in. All right. Good afternoon again, Chairperson Arch and members of the Health and Human Services Committee. My name is Stephanie Beasley, S-t-e-p-h-a-n-i-e B-e-a-s-l-e-y, and I am the director for the Division of Children and Family Services, or CFS, within the Department of Health and Human Services, or DHHS. I'm here to testify in opposition to LB1019. The bill would require the Department of Health and Human Services to establish a family resource and juvenile assessment center in Omaha for the purpose of present-- preventing at-risk youth for being incarcerated and to prevent you from becoming involved in the juvenile justice system, social services system, and the adult criminal system. While DHHS supports the goals of LB1019, the bill, as drafted, leaves several questions unanswered that prevent DHHS from defining programming, staffing models, and financial impact. The lack of clarity to define and define programming and staffing makes it challenging for DHHS to truly evaluate the financial impact of the bill. LB1019 creates a family resource and juvenile assessment center as a pilot program. However, it does not indicate when the pilot is to start or end, the length of the pilot program, the data collected during the pilot program, and the intention moving forward once the pilot is complete. LB1019 requires the provision of services and resources to at-risk youth. Clarification is needed on how at-risk youth will be defined and who would determine the eligibility of a youth to receive the resources and services outlined in the bill. Additionally, it is unclear if the intention of this legislation is to expand on the existing Douglas County Juvenile Assessment Center that is currently operating in Omaha as part of juvenile justice reform, or if this legislation creates an entirely new family resource and juvenile assessment center. LB1019 indicates that the pilot center is to operate 24 hours a day, 7 days a week. The Douglas County Juvenile Assessment Center that is currently operating does not operate 24/7 and has a budget of \$1.6 million. The fiscal impact of the family resource and juvenile assessment center established in this bill would be significantly higher than the existing center because it will be operating and clinically staffed 24/7. In addition, providing

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assessments and referrals for services to the youth and families at no cost as outlined in LB1019 would increase fiscal impact to the state. LB561 passed in 2013, and LB464 passed in 2014, transitioned to the duties of providing services for youth involved in the juvenile justice system from the Department of Health and Human Services to the Office of Probation. DHHS recommends that any program focusing on preventing juveniles from entering the juvenile justice system or being incarcerated be spearheaded by the Office of Probation. It is the Office of Probation that now holds the responsibility of providing services to the juvenile justice population. If the population being served by this bill is also intended to include juveniles that who might be eligible for diversion services, consideration should be given to all other necessary parties that should be included in this legislation. For example, historically, diversion services have been funded through the county or local municipality. The Department of Health and Human Services respectfully request that the committee not advance LB1019 in its current form. We are happy to meet with Senator McKinney and other interested senators to speak to our questions or concerns. The department greatly appreciates the opportunity to testify and share this information with the members of the Health and Human Services Committee. I'm happy to answer any questions you may have.

ARCH: Thank you. Are there questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here again, Director Beasley. So first of all, just looking at the bill again, it is a family resource and juvenile assessment center. Nowhere in there does it say juvenile justice. So I guess I'm a little confused as to why it would be the position of the department that this should be under the Office of Probation. There's a-- that to me, implies an assumption of the status of the children that are in, in these situations already, which is not established in Senator Terrell's-- I'm sorry, Senator McKinney's bill. Could you speak to that first?

STEPHANIE BEASLEY: And that's, that's the question is what is the intention? Who will be served? Is this intended to keep juveniles from incarceration, out of the deeper end of the system? Is this a diversion program for juveniles? That-- those were the questions that we were unable to fully analyze what the exact programming and design of this bill would be.

M. CAVANAUGH: So on page 2, line 5 of this bill, it says: The goals of this program. So it does-- I, I, I don't need to read it for you. But

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so there are some goals outlined. But I guess, did you offer any additional language to Senator McKinney's office on how to address the-- those specific concerns on programming and staffing and goals?

STEPHANIE BEASLEY: We were unable to connect before this hearing.

M. CAVANAUGH: Will you be following up with his office with how to address those specific concerns of programming, staffing, and goals?

STEPHANIE BEASLEY: Absolutely. We have reached out and we will reach out after this hearing too.

M. CAVANAUGH: And then it seems like another concern is timeline for implementation. Is that correct? And so that's another thing that could be-- I guess what I'm getting at is if you haven't connected with Senator McKinney's office on these more substantial concerns and questions that that would be helpful in moving this forward. I know that that will never take away the fiscal impact piece. But again, I disagree fundamentally that that's of your concern. I always like to say that for the record. So if we can get those other logistical pieces addressed, I think that would be very helpful for the committee.

STEPHANIE BEASLEY: Certainly, Senator. I think it was just a timing issue.

M. CAVANAUGH: Sure. Thank you.

ARCH: Any other questions? Seeing none, thank you very much for your testimony. Anybody else wish to testify in opposition to LB1019? Is there anybody that would like to testify in a neutral capacity to LB1019? Seeing none, Senator McKinney, you're welcome to close. While you're coming up, I would mention that we received three letters in support and no opponents and one neutral.

McKINNEY: Thank you. So in response to, to the department, I'm open to communication about figuring out an implementation date, reporting system, and things like that. As far as the goals, my goal is to avoid-- my overall goal is avoid having juveniles and families even have to deal with the juvenile justice system period. So to say to go under Probation, that goes against the, the premise of why I even established-- why I even brought this to you. I would like for them to avoid the system as much as possible. Now if you do have a juvenile that is on probation going to the center, that's another thing, that's understandable. But the overall goal is to make this open to families

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and youth in a community no matter your background or no matter if you've been in front of a juvenile court judge because there's, there's juveniles that need help prior to ever going in front of a judge and being picked up by a police officer. And in, in, in my vision, I hope that if we establish this, that kid never has to go in front of their probation officer or the juvenile court judge because they had access to the center and they were able to get the resources that they need for themselves and their families. And I understand Douglas County has a juvenile assessment center, but as I said kind of in my opening, families don't feel as though it's really, really accessible. They don't know, they don't know where to go. It's not a clear process, and I know they'll probably say they're doing amazing things. I'm not saying they don't. But I think we need to have a central focus and put resources in a central place to avoid having families fall through the cracks. And I know the fiscal note is the fiscal note, but as I'll repeat, the federal government just allocated appropriated dollars to states and our state has a portion of that and we could pay for this because it falls within the guidelines of what those funds could be used for. And as a pilot, it would fall within a time period in which those funds could be expensed. Thank you.

ARCH: Thank you. Are there any further questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator McKinney. I'm just-- I did pull up the Douglas County Juvenile Assessment Center, and to the point that you made and the conversation I had with Director Beasley, I just wanted to reiterate that that is-- you come into that center once you are part of the system and your bill is the, is the step, multiple--

McKINNEY: Prevention.

M. CAVANAUGH: --multiple steps before the system.

McKINNEY: Yes.

M. CAVANAUGH: Being system-involved, ideally. So I just wanted to make sure that that was clearly stated for the record. Thank you.

McKINNEY: No problem.

ARCH: Any other questions? Seeing none, thank you very much.

McKINNEY: No problem. Thank you. Have a good weekend.

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ARCH: Thank you. That will close the hearing for LB1019 and the hearings for the day for the committee.