

Transcript Prepared by Clerk of the Legislature Transcribers Office
Health and Human Services Committee February 28, 2024
Rough Draft

HANSEN: All right. Good afternoon and welcome to the Health and Human Services Committee. My name is Senator Ben Hansen. I represent the 16th Legislative District in Washington, Burt, Cuming, and parts of Stanton Counties. And I serve as Chair of the Health and Human Services, Services Committee. I would like to invite the members of the committee to introduce themselves, starting at my right with Senator Day.

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

WALZ: Lynne Walz. I represent Legislative District 15.

M. CAVANAUGH: Machaela Cavanaugh, Legislative District 6, Omaha, Douglas County.

RIEPE: Merv Riepe, Legislative District 12, which is metro Omaha, part of it, and the good town of Ralston.

HANSEN: Also assisting the committee is our legal counsel, Benson Wallace, our committee clerk, Christina Campbell, and our committee pages, Molly and Ruby. A few notes about our policies and procedures. Please turn off or silence your cell phones. We will be hearing 4 bills, and we'll be taking them in the order listed on the agenda outside the room. On each of the tables near the doors to the hearing room, you will find green testifier sheets. If you're planning to testify today, please fill one out and hand it to Christina when you come up to testify. This will help us keep an accurate record of the hearing. If you are not testifying at the microphone, but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at each entrance where you may leave your name and other pertinent information. Also, I would note if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you do have any handouts that you please bring 10 copies and give them to the page. We will use a light system for testifying. Each testifier will have 3-5 minutes to testify, depending on the number of testifiers per bill. When you begin, the light will be green. When the light turns yellow, that means you have 1 minute left. And when the light turns red, it is time to end your testimony, and we will ask that you wrap up your final

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thoughts. When you come up to testify, please begin by stating your name clearly into the microphone, and then please spell both your first and last name. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then 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. On a side note, the reading of testimony that is not your own is not allowed unless previously approved. And we do have, again, a no strict-- a strict no prop policy in this committee unless you have a baby. With that, we will begin today's hearing with, with LB871, and welcome Senator Cavanaugh to open.

M. CAVANAUGH: And that is somebody else's baby that you just took the [INAUDIBLE] audience, I guess. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h. I represent District 6 in west central Omaha. I am here today to introduce LB871, which would require the Department of Health and Human Services to submit an annual report on Temporary Assistance for Needy Families or TANF spending. This bill would require the Department to provide descriptions of what programs and services are using TANF funds, and what TANF purpose is met by each program or service, what organization or entity is actually receiving the funds, how many people are being served, and what the total costs are. The bill would also require the department to provide a clear statement explaining how the programs or services receiving Tana funds are more likely to help families achieve economic mobility and self-sufficiency than an increase in Aid to Dependent Children or ADC, expenditures would. A bit of context, for the record. Every year, Nebraska receives \$56.6 million in federal tax dollars from the TANF block Grant. Back in 2018, when I was elected to the Legislature, the state spent less than \$48 million from that block grant, adding nearly \$9 million to the state's TANF rainy day fund. By September 2020, the rainy day fund had grown to more than \$92 million. In spite of this, the department appeared in front of this committee on more than one occasion to testify in opposition to bills that carried a fiscal note, even when those proposals could be covered by TANF funds. After repeated questions, particularly at the hearing on Senator DeBoer's childcare subsidy bill, LB485, in March of 2021, the department finally provided this committee with a very barebones version of a TANF expenditure plan. At that time, the department estimated that the rainy day fund would drop to \$59.6 million by

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September of 2023. I was disappointed, but by no means surprised that when the department released a slightly more detailed TANF expenditure plan in October of 2023, indicating that the rainy day fund had ballooned to \$125.9 million as of September 2023. Our state's failure to utilize federal TANF funds to the maximum extent possible is harmful to Nebraska's children and families. It is within the power of this Legislature, and I would like to go, go so far as to argue that it is the duty of this Legislature to ensure that all taxpayer resources are utilized efficiently and effectively. The simple reporting requirement in this bill would assist us in that endeavor. I am willing to work with the department and the committee to address any concerns, but I urge you to support LB871. Thank you for your time.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman Hardin-- Hansen. Thank you for being here. What is the current reporting responsibility of DHHS, regarding TANF funds?

M. CAVANAUGH: I don't believe we have any reporting from them that's required.

RIEPE: What is the-- is this a fund that the Governor is looking at that he will tax or extract or whatever term he's using?

M. CAVANAUGH: Well, so it's a federal program. Like--

RIEPE: Oh, he couldn't then.

M. CAVANAUGH: Yeah. So, could, could potentially shift some things to it. Last year, you might recall, I talked a lot on some bills, including the budget.

RIEPE: Occasionally.

M. CAVANAUGH: Just a, a little bit. But during the budget debate, I flagged for the Legislature a couple of allocations of TANF funds to cover certain items within the budget that were not appropriate uses of TANF. And so, I, I am concerned that the administration will attempt to do that again. And we would-- unless we are being fiscal hawks and paying attention, we could jeopardize our TANF block grant if we are not using the money appropriately. And one of the Governor's vetoes last year was that the Legislature moved something that was put

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to TANF funds. It was Senator Wishart's bill to fund the Cedar parenting youth facility. So we-- you can't do capital expenses. So we moved it, as a Legislature, from TANF to general funds. And then the Governor line item vetoed that, saying that it would be-- he would just give \$1 million to Cedar, and they didn't ask for \$1 million for programming. They asked for \$1 million for the capital-- so we, we are at risk in that particular instance if that's what they have done. We're at risk of, of paying a fine greater than the amount of money that we gave to Cedar.

RIEPE: OK. Thank you. I appreciate it.

M. CAVANAUGH: Long answer to your question.

RIEPE: No, no [INAUDIBLE].

M. CAVANAUGH: My friend is-- he's got a lot of opinions about this back there.

RIEPE: Well, that's OK.

HANSEN: All right. Any other questions from the committee? Seeing none.

M. CAVANAUGH: OK. I just say that because I am like, loving the growls.

HANSEN: Yeah.

M. CAVANAUGH: All right.

HANSEN: And for everybody watching on TV who can't hear that the baby is making noise in the background--

M. CAVANAUGH: The baby, yes.

HANSEN: --so it doesn't sound weird when we're saying somebody's growling in the back. All right, so we'll take our first testifier in support of LB871. Welcome.

RASNA SETHI: Hello. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Rasna Sethi. That's R-a-s-n-a S-e-t-h-i, and I'm the health policy analyst with OpenSky Policy Institute. I'm here today to testify in support of LB871, because when it comes to tracking the Temporary Assistance for Needy

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Families block grants funding, transparency is needed to ensure that funds are used for their intended purposes and to ensure that-- the wise use of taxpayer dollars. Aid to Dependent Children, ADC, funded by a \$56 million per year block grant, under TANF, provides direct cash assistance to help families achieve economic stability. In 2023, only 21% of the TANF block grant was used for ADC. The TANF funds that are not used for direct aid through ADC and sanction purposes are then put into a rainy day fund. The Nebraska Department of Health and Human Services has kept a significant reserve amount in the TANF rainy day fund. It sits at \$121 million, which is 214% of the state's annual allotment. Nebraska has an above average rainy day fund when it comes-- when compared to other states. While the fund has grown, funding for services supported by the Tannis Block grant have seen-- have not seen an increase-- any increase in funding. There has been no increase to the direct benefit allotment since 2015. These should be benchmarked to inflation, as the cost of living has steadily increased over the years. Instead, there's been a dramatic reduction in benefits under the ADC, as well as other support programs. Nebraska is one of several states that has track-- a track record of declining nearly 90% of ADC recipients-- applications, sorry-- because of stringent requirements. There are fewer people receiving ADC benefits, not because there's less need but because there are stringent requirements to apply and high rejection rates. Given multiple administrative hurdles to providing benefits and minimal benefits on offer, Nebraska is one of the states most likely to fail in spending its entire TANF block grant. This is not efficient use of taxpayer dollars. LB871 would require reporting of how TANF dollars are spent, and also how TANF funds directly affect Nebraskans served by the program. LB871 provides essential transparency and accountability for the use of taxpayer dollars. And when it provides additional data to assist program planners seeking to improve the effectiveness of the TANF program, ultimately helping to ensure value for money in Nebraska's TANF program. It is not efficient use of funds for Nebraskans to have such a large, large TANF rainy day fund, so we support LB871 and encourage the committee to move it out of-- move it out to General File. Thank you, and I'm happy to answer any questions you may have.

HANSEN: Thank you. Are there any questions? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. In your second paragraph, you say here to help families achieve economic stability. Can you-- what's an average time required for families to meet that-- to achieve that economic stability?

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RASNA SETHI: Well, there is a time limitation on a TANF program of 5 years. So recipients can receive benefits up to 5 years.

RIEPE: OK.

RASNA SETHI: So--

RIEPE: It's that common--

RASNA SETHI: I--

RIEPE: --for that to happen?

RASNA SETHI: In my experience, having worked in another state's administration, it is my experience that, I want to say about 2/3 of families about-- live out that 5-year grant period on TANF, when they receive benefits.

RIEPE: Is there any incentive for them to accomplish that sooner?

RASNA SETHI: Well, there, there are supportive programs that are provided through other funding for TANF, like those supportive services, for instance. And some of those include job training and other incentives to promote economic movement for the family, out of poverty.

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

HANSEN: Any other questions? Senator Walz.

WALZ: I have a question, too, on that second paragraph. Specifically, can you give some examples on how these moneys are used by families?

RASNA SETHI: Sure. So the money is used-- it's a general cash assistance program. So the cash can be used for paying rent, feeding-- food assistance, or childcare expenses, or any day living expenses.

WALZ: OK. Thank you.

HANSEN: Seeing no other questions, thank you very much.

RASNA SETHI: Have a good day.

HANSEN: Anybody else wishing to testify in support of LB871? Welcome.

ANAHI SALAZAR: Hello, Chairperson Hansen, members of the Health and Human Services Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm the policy coordinator for Voices for Children in Nebraska. Thank you also, for being flexible in hearing my little dinosaur back there. Children deserve to grow up with the resources they need to thrive. The Temporary Assistance for Needy Families block grant fund is intended to help lower-income families with children achieve self-sufficiency, and is meant to respond to economic stability-- security. Sorry. When there is financial stability in the home, children are able to thrive. Voices for Children in Nebraska supports LB871, because it would bring clarity on how funded programs through TANF are helping families create that financial stability. There are several programs fund-- funded by TAN-- by Nebraska by TANF. One is the Aid to Dependent Children, or ADC program, which provides time-limited direct cash assistance to families with children in deep poverty. TANF funding, particularly, particularly through programs like ADC, is a lifeline for Nebraska's children living in poverty. It serves as a vital tool in protecting children from the harmful effects of economic instability, contributing to their long-term well-being and fostering stronger communities. Current participation in ADC is shatteringly low, in part because of the administrative barriers and in part because of the formula calculated to allow families eligibility based-- is based off of remarkably low standard of need. When families and children receive more income to meet their basic needs, they have a better opportunity to grow up in healthy and flourishing homes. As the rainy day fund and TANF has grown, the Legislature has held interim studies to consider options for how to more effectively leverage this federal funding stream. At those study hearings and at other points upon request, the Department of Health and Human Services has shared information about plans and programs, including ADC, that the block grant funding has been and will be used to support. Programs in the past have included a range from childcare assistance, fingerprinting, Jobs for America's Graduates, a fatherhood initiative, and St. Monica's. Rather than continue to hold interim studies to receive this information, LB871 asks the Department of Health and Human, Health and Human Services to create an annual report to describe how the federal funds are being managed and the evidence supporting those decisions. Being informed about the current and anticipated expenses can help legislators align Nebraska's use of funds with the TANF program goals, and the best way to support Nebraska's family-- Nebraskan families. We believe that TANF funding is critical tool for supporting Nebraska's children living in poverty and safeguarding them from the adverse effects of long-term economic

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hardship. By advocating for openness and government funding through funding operations through LB871, we aim to enhance resource allocation and improve overall economic performance in our state. We respectfully urge you to advance LB871. Thank you, Senator Machaela Cavanaugh, for your leadership in this important issue. And thank you, Committee, for your time and attention. I'm available for any questions.

HANSEN: Thank you. Are there any questions from the committee? Seeing none, thank you very much. We'll take our next testifier in support, please. Welcome.

DIANE AMDOR: Good afternoon, Chairperson Hansen and members of the Health and Human Services Committee. My name is Diane Amdor, D-i-a-n-e A-m-d-o-r, and I'm a staff attorney for the economic justice program at Nebraska Appleseed. Nebraska Appleseed is a nonprofit law and policy organization that works for justice and opportunity for all Nebraskans. We support LB871 because we know that direct-- providing direct cash assistance to our state's lowest-income families with children is one of the most effective ways to help Nebraskans achieve self-sufficiency, self-sufficiency. In spite of this, the current TANF spending plan shows an intention to reduce the proportion of the state's TANF expenditures that go towards direct cash assistance in the coming years. And I've attached a blog post that Appleseed published late last year that has a graph on the second page that visually depicts that better than I could in words. LB871 would require the Department of Health and Human Services to provide a clear statement explaining how the programs or services receiving TANF funds are more likely to help families achieve economic mobility and self-sufficiency than an increase in Aid to Dependent Children, or ADC, expenditures would. As of 2021, Nebraska was one of just 16 states with a TANF rainy day fund that contains more money than its annual TANF block grant of around \$57 million. Following pressure from the Legislature and the media, the Department convened a TANF workgroup to discuss ideas for spending down the TANF rainy day fund. The initial meeting for that workgroup was held on March 23, 2022. At that initial meeting, some of the discussion points brought up by members included: the 4 purposes of TANF are out-of-date with current times, which is admittedly a federal issue, not a state issue; the low amount of Aid to Dependent Children cash assistance, and how difficult it is to meet family expenses; and a member mentioned that there should be better marketability of the things that are funded by, by TANF, so that the public is aware of them. Based on a review of documents received by Appleseed in response to a public records

request, none of those topics were addressed by that workgroup again. Which, again, that second bullet point there of-- in my mind, the first question of how are we going to spend TANF dollars, an existing program that directly gets those funds to the lowest-income families with children in our state is the fastest and most effective way. Why was that discussed on day 1 and never again? Just to, just to highlight that piece there. Instead, the department appears to have proceeded with development of a TANF, TANF expenditure plan that basically does anything other than increase ADC eligibility and benefit levels. In fact, the department testified in opposition to Senator Cavanaugh's bill, LB290, that would have done just that. This is in spite of the fact, again, that an increase in ADC expenditures is the fastest and most efficient way to expend TANF funds. We do know that oftentimes, hesitancy to provide low-income families with direct cash assistance is rooted in harmful and false stereotypes of low-income families. Recent, recent research has documented the ways in which TANF policy choices have been influenced by anti-Black racism and sexism, and have particularly harmed black families and other families of color. If that is the reason that the department has underutilized the ADC program, that's unacceptable and should be addressed immediately. If that is not the reason for the department's underutilization of the ADC program, then they should be able to explain what that reasoning is. For these reasons, we encourage the committee to advance LB871. We appreciate your attention to this issue, and thank Senator Cavanaugh for bringing this bill. I'd be happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman. My question would be is, does an audit exist to make sure that the-- because in your testimony, you say provide direct cash. So that's always-- trying to find out if it's traceable, and to make sure that qualified people and-- are the ones that we're-- I'm all for taking care of the ones who are helping-- not taking care of-- helping the ones that need help. But are we-- do we have any process of auditing to find out where that money's going, or if it's being used appropriately, and if-- are the ones receiving it the ones that are truly eligible? Do-- is that, is that process exist?

DIANE AMDOR: There has been an audit of TANF spending when Auditor Foley was previously the Auditor. I'm creating the date off the top of my head. But there was an audit at that time, of Nebraska's TANF spending, that raised I-- a few, I think, minor issues of how, how the

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department was utilizing that direct assistance program. But the main issue raised in that audit was the underutilization of TANF funds. And he really took the department to task for the size of the rainy day fund at that time, which, I'm forgetting the amount at that time, but it's laughable how much bigger it is now. The biggest issue the last time this program was fully audited was why aren't you spending this money?

RIEPE: But that's been-- that must have been 4 years ago or 5.

DIANE AMDOR: At least. Yeah.

RIEPE: So it's, it's, it's not a very serious auditing process in my opinion, but thank you for being here.

DIANE AMDOR: Yep. Thanks.

RIEPE: Thank you, Chairman.

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

DIANE AMDOR: Thank you.

HANSEN: We'll take our next testifier in support, please. OK. Anybody else wishing to testify in support of LB871? Anybody wishing to testify in opposition to LB871? Welcome.

SHANNON GROTRIAN: Hello. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Shannon Grotrian, S-h-a-n-n-o-n G-r-o-t-r-i-a-n, and I am the director of the Office of Economic Assistance within the Department of Health and Human Services. I am here today to testify in opposition to LB873. LB-- sorry, LB871. LB871 will require the department to speculate and justify the use of TANF funds for services and programs that are beneficial to families, more so than an increase in ADC, specifically in regards to economic mobility and self-sufficiency. Although TANF-- funds can be spent on TANF for any of the 4 purposes of TANF, some of which don't speak directly to economic mobility and self-sufficiency. With that being said, thank you for the opportunity to testify today.

HANSEN: Thank you. Are there any questions from the committee? Senator Walz.

WALZ: Could you, could you just explain that a little bit, in more detail?

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SHANNON GROTRIAN: Yes. Happy to. So TANF funds can be spent on any of the 4 purposes of TANF.

WALZ: Which are?

SHANNON GROTRIAN: Which are-- see if I can recall off the top of my head-- providing assistance to needy families so that the children can remain in their own homes. The second one speaks to self-sufficiency, so that's ending the dependance of needy families on government benefits by promoting work and marriage, 3 is prevent and reduce out of wedlock pregnancies, and 4 is encourage the formation and maintenance of 2-parent families.

WALZ: OK. So-- and what was your opposition? Can you just talk about [INAUDIBLE]?

SHANNON GROTRIAN: So we would have to, we would have to look at each expenditure of TANF funds, and we--

WALZ: Out of those 4 categories?

SHANNON GROTRIAN: No.

WALZ: OK.

SHANNON GROTRIAN: Of any of the expenditures of--

WALZ: OK.

SHANNON GROTRIAN: --TANF funds. And we would have to then say, explain how the expenditure for that program or service is more likely to help children's-- help families achieve economic mobility and self-sufficiency than an increase in the expenditures for the Aid Dependent Children program.

WALZ: Can-- you can maybe ask because I don't-- I still don't understand.

DAY: I think-- sorry.

HANSEN: Yep. Yes. Yeah.

DAY: Thank you, Chairman. I'm confused a little bit, too. I, I don't-- I guess I don't understand what the opposition is. Like if this would just require the department to provide a report.

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SHANNON GROTRIAN: Right.

DAY: Right.

SHANNON GROTRIAN: Um-hum.

DAY: So--

SHANNON GROTRIAN: The report would require us to speculate, in regards to how economic mobility may be met. But not all TANF expenditures are required to meet economic mobility.

DAY: Why would the report require you to speculate? I guess I'm not--
I--

SHANNON GROTRIAN: So we would need--

DAY: --this is just requiring a report on the funds and how they're being spent.

SHANNON GROTRIAN: Right. But it says, explaining how an expenditure for that program or service is more likely to help families achieve economic mobility.

WALZ: Oh, you're going to-- go ahead.

DAY: But isn't that the purpose of the TANF funds? So, if, if--

SHANNON GROTRIAN: TANF has 4 purposes, which was-- like, for example, one of those is reduce out-of-wedlock pregnancies, which doesn't speak directly to economic self-sufficiency. So a program could very specifically be funded in the regards to reduce out-of-wedlock pregnancies. Therefore, it may not speak directly to economic self-sufficiency.

DAY: OK. Sorry, I need a minute.

HANSEN: Yep. Senator, Senator Walz, do you have a question?

WALZ: I was just wondering if you would be not in opposition if you didn't have to do that speculation piece of the report.

SHANNON GROTRIAN: Well, we'd be happy to look at amendment if there is one.

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WALZ: So if it was just a report that showed how TANF funds were spent.

SHANNON GROTRIAN: We currently provide that report.

WALZ: OK. All right. Thank you.

SHANNON GROTRIAN: Yeah.

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

SHANNON GROTRIAN: OK. Thank you.

HANSEN: All right. Anyone else wishing to testify in opposition? Anybody wishing to testify in a neutral capacity? All right. Seeing none, we'll welcome Senator Cavanaugh back up here. And for the record, we have 10 letters in support, and we have 1 in opposition, and zero neutral, for LB871.

M. CAVANAUGH: Well, that took a turn. This is the first I'm hearing that the department has any issue whatsoever with giving this Legislature a report on TANF. I am angry that this would be how this would come up. And the reason? Because they have to justify how it provides economic certainty for families? The whole point of TANF is economic independence. Promoting out of wed-- reducing out-of-wedlock pregnancies? Economic independence. Two-parent families? Economic independence. Self-sufficiency? Economic independence. And Aid to Dependent Children is economic independence. And it is galling, galling to have the department show up here for a report bill and not say a single word to my office. This is the second to last day of this hearing. This bill was introduced very early on, LB871. This was bill-- bill was introduced at the beginning of this session. If they wanted a single word changed, I would have talked to them about it. But to come in here on a bill that should be on consent calendar, give me no notice, and have the most ridiculous statement of opposition is offensive. It is offensive to me and it is offensive to this committee to do something like that, and is certainly offensive to the families that this money should be going to provide for. I will bring an amendment to clarify for them their ludicrous opposition. And I would encourage DHHS to conduct themselves more professionally in the future. I'd be happy to answer any questions that you may have.

HANSEN: Any questions? I'm not going to ask any.

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WALZ: I know I'm kind of nervous, too. No, I'm kidding. My question is, are you aware of the report that was mentioned that they already have available, regarding how the TANF funds are being used?

M. CAVANAUGH: They put out on their website, after much haranguing from this committee, a proposal for how they are using the funds. We don't actually get a report on how the funds are being used, and we don't get a detailed report explaining why they are using them these different ways. And when we say there are 4 pillars, there are 4 pillars. And the number 1 pillar is Aid to Dependent Children. And we, Senator Riepe, give-- eligibility is 50% of poverty. So no one wants to be receiving TANF funds. This is the poorest of the poor. This is people that make \$7,000 a year. These are single mothers who make ends meet barely, at all. No one wants to be on this program. And there is a lifetime cap of 60 months. So you can't be on this program forever. It is an emergency stopgap. And it is for-- we-- it is-- we are one of the most restrictive states. 50% of poverty. 50%. Not 100% of poverty. You have to be more impoverished than half of the impoverished people in this state. So the priority for these funds is supposed to be making sure the children in poverty have heat, have food, have clean clothes to go to school. These are not people that want to be in this position. These are people who are in crisis, and TANF is there to support them. So there are 4 pillars, but all of them can be argued to be working towards self-sufficiency, to making sure that a family no longer needs TANF. And they should be able to explain why the programs that they are investing in are more beneficial to these families than just the straight Aid to Dependent Children. And this is a conversation that I've had with some of you in the past. Senator Riepe and I have talked about this. They are sending millions and millions of dollars to nonprofit organizations outside of the state's purview to then administer programs that take a 10% administrative cut right off the top. And then they send that money to another program that takes an administrative cut. So by the time this money gets to the people it's intended to bring out of self-sufficiency, there's nothing left. We're not doing right by these families. Even if we don't want to increase how much money we are giving them, even if we don't want to increase what poverty is, we still are robbing them of resources because we are bloating the services. And you know how I feel about bloated services in government. I don't know if that answered your question. Sorry.

HANSEN: Any other questions? Senator Hardin.

HARDIN: Sorry, I missed your opening.

M. CAVANAUGH: It was nicer than my closing.

HARDIN: The report that you're saying that you need to see, is that the issue? I'm, I'm trying to get a scope of what's appropriated versus what's distributed. Would that be on the report that you're asking for?

M. CAVANAUGH: Yes. So this has been an evergreen issue since I've been in the Legislature, that this committee has asked the plan from the department of what they're going to do with TANF. And as one of the testifiers discussed, Auditor Foley, when he was previously Auditor, did an audit of the TANF funds and found that the rainy day fund was in an extreme excess. It continues to grow, the rainy day fund, and any legislation that's been brought forward to increase eligibility or increase the payments has been fought by the department, saying that if we did that, it would bankrupt the fund. So the fund continues to grow and we aren't spending the dollars. And we could increase eligibility or we could increase what we pay, the 50%. So the report is to hold them more accountable than they've been to us, because they've always said, we'll get it to you, we'll get it to you, we'll get it to you. And you can ask Chairman Hansen and Speaker Arch, and they will tell you that that has rarely come to fruition, if-- even when they have given us the reports, it hasn't been to an acceptable level.

HARDIN: Thank you. Any other questions? Seeing none, that will conclude LB871. And then, for something new. Senator Cavanaugh.

M. CAVANAUGH: It's another report.

HARDIN: We do have-- by the way, for LB871, we have 10 proponents who wrote in, 1 opponent, and zero in the neutral. And this begins LB1237.

M. CAVANAUGH: Well, let's hope this one goes better. I will just start out by saying that no, DHHS has not given me their opinion or feedback on LB1237. Hopefully, this one goes better, or they're rewriting their testimony with actual concerns. Good afternoon, Vice Chairman Hardin and members of the Health and Human Services Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, representing District 6 in west central Omaha. LB1237 requires data from the Nebraska Medicaid in an annual report. We are particularly interested in the redetermination process that happened when the COVID-19 pandemic continuous coverage mandate ended. The large number of re-determinations took place-- that took place within a short amount

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of time will show the strengths and weaknesses of our current process. However, this report would be an annual report. Whether it's the end of a pandemic or just a normal year, this data can be used to identify areas of concerns where the department needs to improve their efficiency and accuracy. Data to be included: Number and percentages of applications approved; number and percentages of applications denied; number of eligibility determinations, including the data on continued enrollment terminations and other determinations; number of case closures both in Nebraska Medicaid and CHIP and the categorical reasons for closure; the number of and percentage-- the number and percentage of re-determinations or renewals processed on an emergency basis; the number-- the average number of days for processing; the rate of re-enrollment within 90 days of termination, and within 12 months of termination; the average time of a client call; call a, a-- abandonment rate, sorry; the number of requests for a hearing; information on hearing decisions with identifying information redacted. This is an exercise in process improvement for the department, and an oversight for the Legislature to ensure Nebraskans are getting adequate services in this area. I would say that, again, I have not heard from the department. So if they do have changes that they would like to see in this, I am open to discussing any changes that they feel would be prudent in the report. Also, the fiscal note is \$11,470. I was pleased to see that they didn't need to hire a whole slew of people to provide this report. So hopefully this-- though it does have--come at a cost, it will be a fairly minimal cost. It's less than what we make in a year by \$530. So, you know, one state senator's salary right there. So, so with that, if you have any questions, I'm happy to answer them.

HARDIN: Thank you. Any questions? Senator Riepe.

RIEPE: Thank you, Chairman. I'm trying to understand, was this just intentional or benign neglect that-- it looks like when, you know, Senator Jensen was here, there was legislation looking over this summer here, in 2006. And then, again, for a biennial report, and then, again, in 2009, and then, again, in 2017.

M. CAVANAUGH: I'm sorry, what are you looking at?

RIEPE: I'm looking at the, the memorandum.

M. CAVANAUGH: Oh, the committee statement? I don't have that in front of me. I'm sorry.

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RIEPE: Oh, OK. I just-- is there, is there been a breakdown in the reporting processes?

M. CAVANAUGH: You know, I don't know the answer to that. I'm kind of wondering-- we can maybe discuss it with our legal counsel who wrote the memo, but I'm not sure. I know that we don't currently have it. And because of the Medicaid unwind with the pandemic, how we had change-- how the rules had changed, it seemed like a good opportunity to look into this. But maybe we do have a reporting requirement that I wasn't aware of, that we're just not doing. But as far as I know, there isn't a current reporting requirement.

RIEPE: OK. Fair enough. Thank you very much. Thank you, Chairman.

HARDIN: Any other questions? I'll ask 1 or 2. And that is-- you know me. I like questions from a million feet up. Is it your sense that this information may be available and assessed, but simply not organized in a way that here it is in a report and it's concise, or what is your sense about that?

M. CAVANAUGH: Well, so part of our job in-- not just oversight, but what we're supposed to do with that oversight is when we-- when issues are brought to our attention that need a legislative fix, that then, we, we carry that forward. And having a report that points out weaknesses in the process-- in addition to strengths. I don't want to focus on weaknesses. There's also going to be strengths that we see, but the weaknesses are what we're going to have to look at and how can we improve upon that, and how can we give the department and the agencies the tools that they need to support what they're doing? So having a more concise report for the Legislature, I think is more helpful. Not everyone is-- likes to nerd out on data the way that I do. So, I think having a report for future Legislatures would be helpful in indicating where we need to improve our processes within Medicaid.

HARDIN: OK. Thank you. Very good. Will you be staying for closing?

M. CAVANAUGH: I sure will. We got 2 more bills after this. Not mine.

HARDIN: All right. We do. Can we have the first proponent for LB1237? The first proponent. The first one up here gets a cookie or something. No, but I was hoping you had one. I take that back. There's no cookie [INAUDIBLE].

RASNA SETHI: Oh, I was looking forward to that, too.

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HARDIN: Welcome.

RASNA SETHI: Thank you. Here I am, again. Hello, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Rasna Sethi. That's, again, R-a-s-n-a S-e-t-h-i. And I'm the health policy analyst with OpenSky Policy Institute. I'm here today to testify in support of LB1237, because transparency around Medicaid eligibility is essential to effective functioning of Nebraska's Medicaid program and to ensure appropriate use of taxpayer dollars. The Medicaid unwinding has been a major administrative undertaking for the Department of Health and Human Services, affecting 266,949 Medicaid enrollees to date. As the end of the COVID-19 pandemic emergency came on April 1, 2023, Nebraska's Medicaid enrollees who were on continuous enrollment were subject to have their benefits renewed by DHHS. To give you a sense of the scale of this undertaking, DHHS has to be in contact with almost 14% of the Nebraska's general population to review their Medicaid eligibility and must complete those reviews by June 30 of this year. A significant risk identifies at the start of the unwinding, that an estimated 10-20% of Nebraska's Medicaid enrollees would be disenrolled. During the unwinding DHHS has required under federal regulations to publish data on Medicaid enrollment and eligibility. Through this reporting, we know that as of January 2024, 33% of recipients who had been disenrolled during the unwinding-- 33% of recipients had been disenrolled during the unwind. Of this population, 52% were terminated for procedural reasons. While this information is currently available publicly, DHHS is not required under federal law to make this enrollment and eligibility data publicly available after June 30, 2024. LB1270-- LB1237 will enable DHHS to continue to make their data available, supporting the many stakeholders of Nebraska's Medicaid program to use these data to improve their operations, ultimately helping the program to better utilize taxpayer dollars. Similar measures have been implemented in other states, including Illinois in 2023 and Louisiana in 2020-- 2018-- sorry, 2013. Illinois provides enrollment data by demographic category, helping provide insight into the impact of Medicaid services among different populations. Louisiana produces a periodic report throughout the year of managed care organizations to monitor their operations and administrations of their services to Medicaid recipients. These measures have provided an important information to the public about Medicaid and how it is managed. LB1237 will start to achieve the same accountability measures that other states have already implemented. For these reasons, OpenSky Policy Institute

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supports LB1237 and urges the committee to work-- vote it through to General File. I'm happy to answer any questions you may have.

HARDIN: Thank you. Any questions? I'm not seeing any.

RASNA SETHI: OK.

HARDIN: Thank you.

RASNA SETHI: I guess that makes up for the lack of a cookie.

HARDIN: OK.

RASNA SETHI: Thank you.

HARDIN: Thanks for your flexibility. The next proponent, LB1237.
Welcome back.

ANAHI SALAZAR: Thank you. Thank you, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm here with-- I am the policy coordinator for Voices for Children in Nebraska. Every child deserves quality and consistent preventative healthcare, giving children the best chance to grow up to be healthy. Medicaid and the Children's Health Insurance Program are vital healthcare services that serve families and children across the state. Voices for Children in Nebraska supports LB1237 because it would require the Department of Health and Human Services to share data about Medicaid unwinding. In 2023, Medicaid unwinding, unwinding went into effect after the 3-year pause during the pandemic. What has surfaced since its initiation is that administrative hurdles have left millions of people without Medicaid nationwide. Across the country, 70% of all people disenrolled had their coverage terminated for procedural reasons. In Nebraska, almost 90,000 individuals were disenrolled because they did not complete the renewal process. It could also happen due to outdated contact information and lack of understanding of the process requirements, or failure to complete the renewal within a specific time frame. This is concerning because not completing the process does not necessarily mean in-- ineligibility. The report would include the number of applications approved and denied, cases-- case closures in Medicaid and Children's Health Insurance Program and the reasoning for closure, the average number of days required to process applications, and other data. This valuable information will point to places in the process that can be streamlined for individuals and families to ensure that those who are eligible are not losing access due to

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administrative processes. We respectfully urge you to advance LB1237. Thank you, Senator Machaela Cavanaugh, for your leadership in this important issue, and the committee for your time and attention. I'm available for any questions.

HARDIN: Thank you. Any questions? Senator Riepe.

RIEPE: Thank you, Chairman. I read recently somewhere, that were most of the-- I think it was some 40,000 here in Nebraska, that were being disconnected, and that, that most of those are being moved to other programs like, you know, the Obamacare program, so that they weren't being just dropped off at the end of the line. And the other one that I read, which is a serious and is more of a statement than anything, is state of Indiana has now been in expanded Medicaid for 10 years. And they're over enrollment and they're into a crisis stage, and they've got to figure out how to get out of that. But I guess I'd go back to my question. Are these people being moved-- many of them moved over to other programs?

ANAHI SALAZAR: That's a great question. I don't have that, that information, but I can definitely look into it and get back to you on, on if, if they are and if they are-- the amount of people that are being transferred to other.

RIEPE: I suppose it-- clearly, on their eligibility, income has driven most of that.

ANAHI SALAZAR: Um-hum.

RIEPE: OK. Thank you.

ANAHI SALAZAR: Yeah.

RIEPE: Thank you for being here.

ANAHI SALAZAR: Yeah.

RIEPE: Thank you, Chairman.

HARDIN: Any other questions? Seeing none--

ANAHI SALAZAR: OK.

HARDIN: --thank you.

ANAHI SALAZAR: Thank you.

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HARDIN: Another proponent for LB1237. Welcome.

KELSEY ARENDS: Thank you. Good afternoon, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Kelsey Arends, K-e-l-s-e-y A-r-e-n-d-s, and I'm the Health Care Access Program staff attorney at Nebraska Appleseed, testifying in support of LB1237 on behalf of Nebraska Appleseed. One of our core priorities is working to ensure that all Nebraskans have equitable access to quality, affordable healthcare. Because this bill improves transparency and consistent access to important Medicaid data, Nebraska Appleseed supports this bill. Reliable public access to data on eligibility and enrollment and the Medicaid program fosters transparency and accountability. LB1237 requires the Department of Health and Human Services to include key metrics tracking enrollment, eligibility, and the consumer exper-- experience in the already mandated annual Medicaid report submitted to the Governor and Legislature each year. Recent annual Medicaid reports have provided some high-level information about the Medicaid program. LB1237 would add specific metrics to be reported each year to provide more robust insight into the experience of the hundreds of thousands of Nebraskans who rely on Medicaid to access healthcare. Some of the metrics required in LB1237 are also currently tracked on the DHHS Medicaid unwind website and updated monthly. As this committee is aware, nearly 90,000 Nebraskans have lost their health coverage due, due to the Medicaid unwind over the last 10 months. This historic disenrollment event will continue to have implications for healthcare access for a long time to come. DHHS has made certain helpful data points available on their website throughout the unwind, and we encourage DHHS to continue the online enrollment dashboard after the unwind is over. To ensure this transparency continues long-term, LB1237 would ensure that Medicaid enrollees, community stakeholders, the Legislature, and DHHS would have a reliable public place to find year-over-year data on Medicaid enrollment in the Medicaid annual report. Some of the metrics required by LB1237 also mirror data points DHHS has previously reported to the Legislature. For example, in 2011, the Legislature required a similar report to track the implementation of ACCESSNebraska, which was submitted on a quarterly basis for 2 years. DHHS recently implemented the iServe Nebraska portal to replace at least some of the features of ACCESSNebraska. Requiring specific metrics to be included in the annual report will allow consistent and long-term tracking for major systems changes like this transition from ACCESSNebraska to iServe. LB1237 also acknowledges that there may be some reasonable limitations on the data that's available. Some of the

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metrics in LB1237 are required to be broken down by eligibility category, including program type, local public health district or other geographic area, and race or ethnicity if available. To get a fuller picture of barriers to health coverage and how those barriers may vary across communities, it's essential to have data broken down by race and ethnicity, geographic region, and eligibility type. These breakdowns are particularly important for monitoring disparities in access to Medicaid. However, the bill anticipates that some of this information may not be available or may not be able to be published for privacy concerns, in which case the breakdowns are permissive. The bill also requires DHHS to make fair hearing decisions available to the public, after any private and health information is removed to protect Medicaid enrollee-- to protect the Medicaid enrollee who appealed their Medicaid case. Other states maintain fair hearing decision archives in order to provide critical insight into the types of enrollment and eligibility issues Medicaid enrollees counter-- encounter, identify systemic access issues, and to demystify the appeal process for Medicaid enrollees. The annual Medicaid report is a reliable, commonsense place to compile the metrics required in LB1237. Ensuring these specific data points are included in the annual report will promote transparency and help track the effects of Medicaid system changes. LB1237 will make more relevant and robust information accessible to Medicaid enrollees, community stakeholders, and the Legislature. For these reasons, Nebraska Appleseed encourages your support of this bill.

HARDIN: Thank you. Any questions? You mentioned just a moment ago that other states do have these kinds of archives available. Do you know which states might have that so we can-- it's always easier to take a look at how someone else is doing it than to start with a blank page. I'm just curious.

KELSEY ARENDS: Yes. I don't have a comprehensive list. I'm sure there are more states out there. But in my testimony, I provided some links to-- Minnesota, Massachusetts, and New York have hearing archives available.

HARDIN: Thanks.

KELSEY ARENDS: Yeah.

HARDIN: All right. Any other questions? We appreciate it.

KELSEY ARENDS: Thank you.

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HARDIN: Proponents, LB1237. Dusty's coming up. He's going to-- oh, I guess not. Any opponents for LB1237? Welcome.

MATTHEW AHERN: Do we get cookies for the first opposition testimony? Is that an option?

HARDIN: You-- yes.

MATTHEW AHERN: Take a rain check on the cookies or--

HARDIN: Yes. We'll-- Senator Walz is in charge of the cookie allotment.

MATTHEW AHERN: Sounds good. The baking brigade will get [INAUDIBLE].

WALZ: I have some mint Girl Scout Cookies in the office.

HARDIN: Thanks for being here today.

MATTHEW AHERN: Thank you. Well, good afternoon, Vice Chair Hansen-- or sorry-- Hardin. I'll just look a little bit better-- and the--

HARDIN: I've been called worse.

MATTHEW AHERN: --members of the Health and Human Services Committee. My name is Matthew Ahern, M-a-t-t-h-e-w A-h-e-r-n, and I'm the interim director for the Division of Medicaid and Long-Term Care within the Department of Health and Human Services. I'm here to testify in opposition to LB1237. The measures that LB1237 would add to the annual report were, were developed primarily with-- through the public health emergency to meet, meet the federal reporting requirements for the unwind process and for our operational requirements. As the redetermination process wraps up this summer, our federal reporting requirements may be sunseting. The development and ongoing generation of these measures has been a highly labor intensive process for us as we meet the demand on an ad hoc basis. In order for us to automate these reports, it will require some build with our nFocus system, which is not an insignificant task. Over the last 18 months, in fact, we've been working with nFocus to try and automate these reports and have not been successful yet. So there's-- there are some that we're able to automate and some that we're not yet. We've not been able to meet that requirement just yet. Let's see. So, you know, that, that presents some problems for us. In Medicaid, as we are trying to bring scrutiny to all of our programs, we're trying to make sure that all of our activities are maximizing the value that we deliver to Medicaid

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members. And with the end of the public health emergency, I'm concerned about the diminishing utility of these reports for the cost of administrative work that's ongoing. I'd like to thank you for the opportunity to testify today.

HARDIN: Thank you. Any questions? Senator Riepe.

RIEPE: Thank you, Chairman. Thank you for being here.

MATTHEW AHERN: Um-hum.

RIEPE: Where are we at with supportive information systems within DHHS?

MATTHEW AHERN: So--

RIEPE: A few years ago, I know we brought in a consultant and settled for \$5 million to get them out of here, so.

MATTHEW AHERN: So, I mean, there are, there are a number of components or facets to the information systems that we have at DHHS. There's the nFocus system, that deals with the application eligibility process. We have kind of-- attaching to that, we have iServe, which is more of the interface as, as members look to apply for these services. On the other side of things, we have the MMIS system, through which we pay out the majority of our claims and things like that. Then we have other, sort of, data repositories, in which we pull data from the MMIS or the systems that we feed into, and draw out reports as needed. So it is kind of a complicated weaving of different data points. Some of the concerns around some of this data is some of these things are pulled from the nFocus system. Some are pulled from other parts of the system. Some of which we've, we've had greater luck, I guess, addressing, given the-- the old nature of the system, it becomes a little more difficult to, to customize and to, you know, automate some of those things. And that-- those are some of the issues that we've been running into, though we do have kind of a larger, overarching strategy that we're trying to approach these data needs in a thoughtful way. And through incremental improvements, hopefully revitalize that system to get it into a better place.

RIEPE: I think, about 5 years ago, the director responsible for Medicaid and Long-Term Care commented to me that the system was older than he was. And, you know, he was a young guy, but--

MATTHEW AHERN: Yeah.

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RIEPE: --in information technology, that's a long, long time.

MATTHEW AHERN: That is a long time. I maybe have more gray hairs than whoever that was. I don't know. But it, it is definitely an older system, for sure.

RIEPE: My other question, if I may, Chairman?

HARDIN: Sure.

RIEPE: Was-- do the provisions required or in LB1237, do those exceed the federal requirements?

MATTHEW AHERN: They do not.

RIEPE: OK.

MATTHEW AHERN: That said, the federal requirements as we-- in the public health emergency may not continue. So we're, we're meeting this through an ad hoc basis right now. But if the federal requirements are gone and we don't have any more operational need to manage the unwind--

RIEPE: They're gone or replaced?

MATTHEW AHERN: Well, so we're, we're not totally sure what their decision is going to be in terms of these particular [INAUDIBLE].

RIEPE: So this program is supposed to terminate?

MATTHEW AHERN: Yeah. The unwind will terminate. And these federal reporting requirements were developed for the unwind. So it may be that they make a decision to, to carry this forward. That's not something that we know. As of right now, they're scheduled to sunset with the end of the public health emergency.

RIEPE: OK. That's helpful. Thank you. Thank you, Chairman.

HARDIN: You've commented on this a little bit in the last 2 minutes, but can you give us a little bit of a flavor of-- while we didn't have redetermination in the macro like we did following COVID, what did that review process look like on a maintenance basis, 2019 and earlier? Can you just kind of give us a sense, in terms of how much you had to supercharge it in order to take on the enormous challenge that took place in the years of COVID and following?

MATTHEW AHERN: Yeah. So, you know, there are components to this data that we have always been tracking, and we continue to do so. There are components of this that we have not. To some degree, as we went into the public health emergency, a lot of that information trailed off, wasn't really being utilized. We were still processing applications. We just weren't terminating anybody. We were tracking some of the operational needs, and, and, and as, as we kind of see fit, as we manage the operations of the eligibility process. So some of this has always been available to us. It's, you know, it's been available for, for request, for, for public need. There are some of these that have not been available that we've had to kind of piece together in, in-- and aren't necessarily part of this. As we've gone through the redetermination process, we, we went from, I think, 250,000 approximately, Medicaid members, close to, to-- up to-- close to 400,000. And so, we've had to go through the undertaking to do more reviews annually than we have ever had to do, by a significant margin. And so, there has-- we have been stretched pretty thin. We've been stretched pretty thin in a lot of facets of what we're doing, while we're doing everything else that we try and do, in terms of paying out and helping make sure people have, have healthcare. So we've been stretched thin on all fronts, to be totally frank. And that, that contributes to what we're able to accomplish from a system development standpoint. That contributes to what we're able to accomplish from a data and reporting standpoint, from simply processing as many applications as we can. I will highlight, you know, and maybe this is a little off topic, but I'm going to go ahead and brag a little bit on our eligibility operations team and our, and our team that planned this un-- these unwind activities. I get to interact with a lot of different states, and a lot of states that have done things differently, in terms of how they handled the unwind. And they tried to take on a lot of tricky new things. They tried to adopt to a number of things that they hadn't been doing as part of their regular operations, and that led to a lot of concerns, additional scrutiny into their eligibility process, because they were making more and more mistakes than they normally would have. I think we've been able to adopt approaches to allow us to work effectively-- as effectively as we can, given the condition. And our, our team has done an excellent job of staying on top of that, and, and bringing the level of quality that they bring to those redeterminations.

HARDIN: Is there, right now, a concise place where we can go and find the data that Senator Cavanaugh is looking for? Is it just out there and we don't know where it is? I can tell you that I look all over the

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internet for things that I often can't find, and I usually have to go find a third grader to help me locate it.

MATTHEW AHERN: Yeah.

HARDIN: Is it out there and we just don't--

MATTHEW AHERN: The, the majority of it. I-- I'd have to double back. I don't think it's broken out to the degree that it is requested in the annual report. But as our-- my colleague at Appleseed had mentioned, we do have the public dashboard available right now on, on our website, that outlines a lot of these data points. And I'll actually thank them, as well. Because in, in our conversations and ongoing meetings with them, we've been able to refine the data that we, that we put out there, per their request, to kind of break that out in greater detail. I, I appreciate the, the collaboration that we've had. I, I am absolutely a proponent of transparency. And, and that-- that's not my, my concern here. I'm, I'm also a proponent of, of making sure we're evaluating the, the efforts that we undertake and make sure that it's driving the maximum amount of volume, given the limited resources we all work with.

HARDIN: This is a comment, not a question. Just saying that in the business world, when we set out to make a report--

MATTHEW AHERN: Yeah.

HARDIN: --and we look at the information that we've amassed, sometimes we find that, uh oh. Maybe some unfortunate things took place, where people should have been do something that they didn't receive. We might find the opposite, as well.

MATTHEW AHERN: Yep.

HARDIN: And so, I think it would be great to have access to all that's there. That's where we learn and change and move forward. So that's great.

MATTHEW AHERN: I certainly understand that.

HARDIN: OK. Thank you. Appreciate it.

MATTHEW AHERN: Thank you.

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HARDIN: Anyone else, LB1237? Looking for those in opposition to LB1237. Anyone in the neutral? Seeing none, Senator Cavanaugh. Welcome back.

M. CAVANAUGH: Thank you, Vice Chair Hardin and members of the committee. So as I stated in my opening, I have not heard from the department on any of their concerns. I asked one of the pages to bring me a copy of the testifiers' testimony. And there is none. And as you all well know, DHHS typically shows up with a typed-up testimony and distributes it to the committee. I have never seen DHHS show up without a typed-up testimony, and 2 testifiers have come from DHHS without a typed-up testimony. And I think it's worth noting that they showed up, didn't tell me, had pretty asinine opposition-- weak sauce at best-- the day after I met with the Governor's staff about the confirmation of Steve Corsi. And tomorrow, we have a-- supposed to have a briefing with Dr. Tesmer. And I bring these things up because I think that it is really unfortunate. I have always had a great deal of respect for the people that work in DHHS that sit behind me. But today, I have lost a significant amount. A job is a job. But when you allow yourself to become a political pawn, that I cannot stand-- abide by. This is so unfortunate and extremely unbecoming, and very, very disappointing. Both of these bills are consent calendar bills. Both of them. They are reports. Now, we might, as a body, decide we don't need another report. Maybe we don't. But that's what these are. They're not controversial. If they were, there would have been a lot more thought by DHHS put into their testimony today than a green slip, and just coming up here and telling you some, some things. It makes me sad. I thought the conversation that I had yesterday with the Governor's administration was in good faith, but clearly it was not. They wanted to teach me a lesson. The lesson is learned. They don't care about transparency in government. They care about playing politics with the people of Nebraska. And I don't appreciate it. And I don't appreciate them treating this committee with such disrespect. And I'm very disappointed in the people that came and testified today. I'll take any questions.

HARDIN: Questions? Seeing none.

M. CAVANAUGH: Thank you.

HARDIN: Thank you. This concludes the hearing for LB1237. There were 3 proponents, zero opponents and zero in the neutral that wrote in regarding LB1237. We move on to LB1261, and the keeper of the cookies, Senator Walz.

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WALZ: Yes, sir. It is. I think this is my last one, isn't it? No, I have one tomorrow. I have a good one tomorrow. Are you ready?

HARDIN: Please.

WALZ: OK. Good afternoon, Vice Chair Hardin and members of the Health and Human Services Committee. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I represent Legislative District 15. LB1261 establishes the ALS Respite Services Act. This act would facilitate coordinated respite services across Nebraska for caregivers and family members of individuals with ALS. Respite services serve as a valuable role in supporting medical caregivers by reducing stress, enhancing the coping process, and strengthening their ability to man-- to meet the demands for caring-- of caring for individuals with ALS. Respite care providers-- short-term relief to primary givers. This act will facilitate respite care by identifying local training resources, connecting families with funding options, providing quality assurance, and assisting families and caregiver-- caregivers to identify needs. ALS is a horrifying disease that has deadly consequences for individuals that have been diagnosed. This incurable sickness results in life expectancy of 2-4 years. During that time, patients lose the ability to speak, swallow, walk, grab objects, move, and breathe. ALS also presents unique and vast challenges, as well as extraordinary costs for family members and caregivers. Those caring for individuals with ALS provide assistance with daily activities such as eating, using the bathroom, and bathing. They also provide more technical assistance with items such as mobility aids and breathing machines. Assisting the efforts of those who care for this vulnerable, vulnerable population is efficient, cost effective, and above all, humane. It is our duty as human beings, I believe, to create an environment of support for family members and caregivers of individuals with ALS. LB1261 takes steps to achieve that goal. I will be followed in testimony by individuals representing the ALS Association, who can provide additional information and perspective on this issue. That being said, I am asking the committee to hold onto this bill for now, pending ongoing conversations between the Department of Health and Human Services and interested parties. I appreciate the committee's time today, and will do my best to answer any questions.

HARDIN: Thank you.

WALZ: Yeah.

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HARDIN: Any questions? Will you be with us for closing?

WALZ: I'll be around.

HARDIN: Thanks. Can we see the first proponent for LB1261? Welcome.

SARAH WAGELIE: Good afternoon, Vice Chair and members of the Health and Human Services Committee. My name is Sarah Wagelie. For the record, that's spelled S-a-r-a-h W-a-g-e-l-i-e. I'm here today as a registered lobbyist on behalf of the ALS Association. I'd like to start by thanking Senator Walz for bringing this important bill and her willingness to work with us on finding ways to better serve caregivers statewide. Modeled in part after the Department of Health and Human Services current Lifespan Respite Program, this program will provide policy and program development support, provide technical assistance to community respite service programs, develop and distribute respite, respite service information, coordinate the exchange of information among stakeholder-- stakeholders, ensure statewide access to community respite services, and evaluate the implementation of these programs. Under this act, the ALS Respite Service Program will include a variety of options that are responsive to caregiver needs. The goal is to make sure these-- make these services available before families are in crisis. These options will fit the unique needs of individuals who have been diagnosed with ALS, and offer the most efficient access to coordinated respite care in their community. One question that has come up is why is a separate respite service program needed if the Department of Health and Human Services has an established program already. The answer is that caring for individuals with ALS presents unique challenges and costs for the caregiver. Estimated out-of-pocket costs for caring for a person living with ALS can be as high as \$250,000 annually. This makes it one of the most costly conditions for families. Additionally, a 2021 survey of ALS caregivers found that 56% of respondents worry about the lack of time to relax or engage in self-care, and 68% said they spend more than 30 hours per week providing care. The amount of support available under the current program is not enough to address the demands of care for many people with ALS. Currently, the respite program reimbursements cover up to \$125 per month for planned respite per, per client. For some within the early stages of ALS, the funds may pay for about 4 hours of care per month at \$30 an hour. However, for those with higher needs, may only be reimbursed, reimbursed for a little over 1 hour per month, about 70 hours for a patient who might have a surgical tube to assist with breathing. The ALS Association is working with DHHS to examine the current respite program and explore

options that would better serve the specific needs of those diagnosed with ALS. The association's goal is to give caregivers a needed break from the demands of providing near constant care. A tailored solution is necessary to alleviate the burden of those who serve individuals who have been diagnosed with ALS. The ALS Association looks forward to working with all interested parties to better serve Nebraskans diagnosed with this disease. I thought I would-- again, like to thank Senator Walz and her staff for their work on this bill. I would ask the committee to hold off on taking action on it pending further discussion with the department. I also want to take this chance to express our appreciation for DHHS and the Governor's Office for their willingness to come to the table, find a workable solution on this issue. Be happy to answer any questions.

HARDIN: Thank you. Any questions? Senator Cavanaugh.

M. CAVANAUGH: More of a comment. It's really nice when they come to the table and work on a solution. Thank you.

SARAH WAGELIE: Thank you.

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

SARAH WAGELIE: Thank you.

HARDIN: Proponents LB1261. Any opponents, LB1261? Welcome.

TONY GREEN: Good afternoon. Vice Chair Hardin and members of the Health and Human Services Committee, my name is Tony Green, T-o-n-y G-r-e-e-n. I am the director for the Division of Developmental Disabilities at the Department of Health and Human Services, here to testify in opposition of LB1261, which proposes the creation of the amyotrophic lateral sclerosis, or ALS respite program. First, I do want to express gratitude to Senator Walz for meeting with me to discuss the department's concerns. LB1261 would require us to establish an ALS respite program to support individuals with ALS and their caregivers. However, the program would overlap with the department's existing Lifespan Respite Program, for which individuals covered by the proposed ALS respite program would already qualify. Implementing a new program. would also impose some significant demands on the department, including developing new regulations, internal IT, systems for record keeping and billing, building a statewide provider network, and creating additional outreach materials. While the department does strongly support respite services for caregivers, the

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bill does not address an unmet need and duplicates existing DHHS programs. We would ask that the, the bill not advance, as is, to General File. And I'm happy to answer any questions that I can on this bill.

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

TONY GREEN: Thank you.

HARDIN: Anyone else in opposition for LB1261? Anyone in the neutral for LB1261? Seeing none, Senator Walz.

WALZ: Trying to decide. I was going to say a couple things really quick.

HARDIN: OK.

WALZ: Thank you. We did have meetings with DHHS and the lobbyists that are representing ALS. And after finding out-- and although the respite services for ALS are already qualified underneath the current program, we did come to a couple conclusions that, number 1, a lot of people who are needing that respite care don't even know that there are services available. So that's something that we know that we need to work on. The other thing is something that Sarah mentioned, and that is the cost. As a person progresses in their disability, the cost for services goes up. And I think that that's something that we also need to make sure that we're having conversations about, and establish maybe a better cost model for that. So.

HARDIN: OK. Question for you. Do you have kind of a sense of what's, what's not covered, in terms of there's overlap that's perhaps, going on between what's proposed and what's actual now. Do you have a sense, from a concrete standpoint, what additionally needs to be covered with what you're proposing for respite care?

WALZ: I don't, I don't really--

HARDIN: Is it, is it an amount that's there?

WALZ: I would say that it would have to be an increase in the amount of-- the amount of funding provided to a respite provider, as somebody with that disease progresses.

HARDIN: OK.

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WALZ: OK. The other thing is that I don't know if we have a really good idea because, as I said before, a lot of people don't even realize that that service is available.

HARDIN: OK.

WALZ: So.

HARDIN: In a public awareness.

WALZ: Public awareness is probably a, a pretty big piece of that.

HARDIN: I see. Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator Walz. Do you have any more bills to introduce?

WALZ: Tomorrow.

M. CAVANAUGH: Oh, OK. I was remiss in the last bill. I was a little fired up. I don't know if you noticed.

WALZ: It went right over my head.

M. CAVANAUGH: Really? And I thought I was being too subtle. That was my last bill to introduce this year, which means it's my last bill that I ever get to introduce in front of you. And I am sad because I have had the great honor and privilege of serving with you for 6 years on this committee. And you have shown so many of us how to lead with grace, compassion, and intelligence. And I just want to thank you for that.

WALZ: Thank you, Senator.

RIEPE: Ditto.

HARDIN: Thank you, Lynne.

WALZ: Oh, now you all get a cookie for that.

HARDIN: This concludes LB1261. We did have 2 letters of support, zero opponents, zero neutral for LB1261. Let's start LB1280. We would love to start LB1280. However, we seem to be missing one senator. He's on his way, though. So we're going to stand at ease for 5 minutes while we wait for--

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WALZ: Want me to go get my cookies?

HARDIN: Yes.

WALZ: OK, I will. I'll be right back.

HARDIN: Really? You have cookies?

WALZ: Yeah, yeah. I do. Mint.

HARDIN: We're going to stand at ease till 2:55. And then we'll make a game time decision, then.

[EASE]

HARDIN: Welcome.

McDONNELL: Thank you, Senator Hardin and members of the committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. LB1280 aligns workforce development incentives with creating helpful incentives to produce semiconductors, CHIPS for the American Act. Incentives in LB1280 give Nebraska-based applicant for federal investment the greatest chance of a fully funded application with the United States Department of Commerce. The creating help-- the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022, CHIPS Act, was passed in July of 2022 and signed into law in August of 22. This landmark bipartisan legislation creates an immerse opportunity for Nebraska and chance to make the silicone, silicone prairie a real thing. LB1280 enables Nebraska workers to trans--transition into careers they previously thought were unattainable because of their responsibilities to their families. According to the U.S. Chamber of Commerce report, one of the biggest barriers to workforce participation is access to childcare. Half of all workers and nearly 60% of parents cite lack of childcare as their reason for leaving the workforce. Childcare planning is not just a feel-good section of the application, it is a, a pillar of a successful applicant. To date, 3 companies have been awarded CHIPS Act funds in U.S. based manufacturing. A similar program to LB1280 is already beginning-- being implemented for highway construction workers in Oregon. The largest grant recipient, mul-ti--Malta, New York has an existing workforce program that provides childcare subsidies that it will be expanding in its, in its construction workforce during this, this-- the next expansion. Every grant awarded over \$150 million is required to have a childcare plan in place. This is not solely required of the business supplying, but

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also something a community can commit to. In the case of LB1280, this is the community stakeholders saying we want this facility to be fully funded and this is how we can help make this-- that happen. During her speech on Monday, Secretary Raimondo started by-- there-- stated, there are 600 statement-- statements of interest with applications they are looking through. There will be a good companies that aren't approved because other stakeholders stepped up and found a way to secure workforce needs. Many of you have heard the numbers that a fully-funded semiconductor plant can bring to our state, but I will repeat them. A fully-funded project means Nebraska's GDP would increase by \$2.7 billion, add 17,000 jobs and add \$172 million in annual tax revenues. In addition to this, the report estimated 26,000 jobs and a \$2-- \$2 billion increase in Nebraska GDP from just construction alone. That is a solid return on investment. Not to mention, we find a way to tap into an underutilized workforce that has very real barriers keeping them from leaving, leaving the, leaving the home. LB1280 is not a permanent subsidy for workers. It is a transition incentive to get them into a career that can pay above the average household income for the state. Estimates from the past few years have put the number of eligible nonworkers around 20,000. The majority of these people want to work, but wages barely cover costs of childcare, so the math doesn't make sense for them to return to the workforce. Putting them in position to become a skilled trans-- tradesperson makes a-- the math work. LB1280 creates a new eligibility section for TANF funds. This section was chosen because of the upward mobility mobile-- model already being used in the childcare industry. This gives the childcare industry little dis, dis-- disruption on the implementation. The incentive to be part of the largest construction project in Nebraska history allows the training programs in these industries to assist in implementation as they bring more individuals into the workforce. Jon Nebel, with the Nebraska Building and Construction Trades, will be here to answer any of your questions and talk about the implementation of these training centers.

HARDIN: Thank you. Any questions?

WALZ: Wait. Oh, no. You go.

BALLARD: She brought the cookies. Go ahead.

HARDIN: She brought the cookies. You-- good point, Senator Ballard. Senator Walz. You didn't bring cookies, Senator Ballard. And so, please--

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WALZ: So I'm just trying to understand the bill a little bit. So the-- this would provide childcare assistance to apprentices who are--

McDONNELL: For the semiconductor. So the bill I brought last year was based on the CHIPS, the, the semiconductor. Those numbers I was reading from my testimony came from the University of Nebraska at Omaha. The projections of 17,000 jobs, \$2.7 billion to the economy, 26,000-- anyways. The, the numbers sometimes are, are overwhelming if they're half right. What we're trying to do is with the [INAUDIBLE] at the federal level, is we're doing it for the right reasons, but we're also trying to check the boxes. We haven't received the dollars yet. We haven't been awarded the dollars yet.

WALZ: OK.

McDONNELL: There's states competing around us. And one thing definitely that we have to do is provide childcare. And so, these idea of these new positions with these semiconductors-- we've got \$20 million right now that we approved last year, that's sitting at Metro Community College, over a 2-year period, for them to start training people to-- for the semiconductor industry. We've done things and we put ourselves in a place to be more competitive. But I believe childcare-- and what we're hearing from the federal level, childcare is also going to be part of that, where possibly it strengthens our opportunity to get that, that grant on the CHIPS bill.

WALZ: OK. All right. Thanks.

HARDIN: Senator Ballard.

BALLARD: Thank you, Vice Chair. And thank you for being here, Senator McDonnell. So if I understand this right, this subsidy does not go into effect unless we get a CHIP semiconductor manufacturer.

McDONNELL: Correct. Just like the \$20 million right now at Metro Community College. We're, we're last dollar in, to answer your question.

BALLARD: [INAUDIBLE]. Perfect. Thank you.

WALZ: Can I ask a--

HARDIN: Senator Riepe.

RIEPE: No, go ahead.

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HARDIN: Senator Walz.

WALZ: Thank you. So would this piece of legislation, if it goes into effect, the federal effect automatically, Nebraska would be eligible to do this? Is that what you're trying--

McDONNELL: If, if, if we are awarded the, the grant and we are one of those places in the country with the semiconductors through the CHIPS Act, and we pass this-- there's a lot of ifs-- we put this legislation in place, then just like the idea of the dollars for Metro Community College, for the training, goes into effect. If not, we're last dollar in as a state. If we don't do this, if it doesn't happen, then we are not at risk as a state of, of a dollar.

WALZ: OK.

McDONNELL: Does that clarify it?

HARDIN: Senator Riepe.

RIEPE: Thank you, Chairman. Thank you for being here. My concern is this. Is the, is the problem of recruiting a workforce-- today's environment, the cost of childcare is cost of business. And I have a concern that we can create childcare, and it'll be just like our education system, it'll join Social Security, it'll join Medicare as a major program that will never go away. And that as a state, not just a state but a nation, we'll all of a sudden have this other entitlement, if you will. That is-- we can't afford what we've got. That's, that's a concern.

McDONNELL: So to balance that, you know, sometimes government needs to plow the way. Sometimes government needs to get out of the way. But the idea of taking people and giving them the opportunity to have a job like this, provide childcare, and then take that career to the next level, I think it's, it's-- you, you have to do one to help the other. Because that individual, then, based on the idea of having the opportunity to have a semiconductor job, have the ability to have that support for childcare, it gives them a chance to get into this industry, do very well, and then eventually, they won't need that childcare. But I cannot tell you for sure-- just like K-12. Is it going to work for everyone? No, I can't guarantee that this childcare-- at least for the concept here, we're trying to put ourselves in the best position to get that grant, to get those dollars coming in from the federal government. So we could be one of these

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sites for the semiconductors, and make sure our, our, our people in the state of Nebraska have the best opportunity to be successful.

RIEPE: I-- I'm-- may I?

HARDIN: Sure.

RIEPE: Yeah. I'm a real believer in life, that 1 will get you 10. What you do for one, you do for all. So whether it's-- if today, it might be semiconductors. Tomorrow, it's something something, and the next day, it's something something. And this thing has all the likings to grow into another educational program, K-12, kind of. I mean, this has the potential of being a massive, massive program. That's, that's my biggest concern, is where does the money come from for all of these programs?

McDONNELL: And, and if it would work, then I would say, yes, it, it could grow. It could grow in a positive way because it's working, and it's actually helping with the job market.

RIEPE: But it's working at the expense with subsidy from government.

McDONNELL: And the return on that dollar then, based on the idea of the, the taxes from the semiconductors, from those individuals that are, are making a better wage, based on-- what they're spending, also. I mean-- and I, I don't have those numbers.

RIEPE: Well, but with that argument, you can also-- one could say, well, the government should do everything, because-- but by taking away all the expenses from business, they'll pay more taxes. And you know, that it's a riddle. In a way, it's a socialist model, for us to take over, as government, all the childcare.

McDONNELL: Well, I, I think you--

RIEPE: And is it a problem? I admit, yes it is.

McDONNELL: I think there's a, a, a fine line there. But at the same time, I think the idea of assisting people with training, education, just-- like K-12. We're, we're educating people to hopefully, of course, be the best version of themselves, but to prepare themselves for the workforce. So we are paying for that. That's, you know, K-12 is taxpayer-funded education. So the idea of actually giving people a chance because of, of childcare, that are ready to take on those new

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jobs and help them get into that workforce and, and move up, I think it's worth the investment.

RIEPE: I've just seen a lot with a lot of organizations, hospitals, school boards. We get into mission creep, and we keep adding and adding and adding, to the point where we end up in a fiscal problem. But, you know, I appreciate your championing this thing. And I don't blame you for-- if some funds are available there. You know, I don't, I don't blame you for doing that. OK. I'll shut up. Thank you.

HARDIN: Do we have a sense-- we're guessing, right? But kind of paint a picture for us in terms of potential timing. When, when does like the grant decision, kind of, get made? When, when might we see jobs on the ground and, and a need for this kind of thing? Can you kind of [INAUDIBLE]?

McDONNELL: Been told a couple different dates, and none of them have been correct. So here we are. We were told towards the end of the year. Then that was switched to possibly at the end of February. Now, it's being switched again. So hopefully-- I don't know. Hopefully, March, April, but I don't know.

HARDIN: OK. By the way, my ideas on all this with childcare, because I completely agree with you. And I think we can find at least \$1 billion to do it. And what we do is we take that money that we're using for K-12 and we move it down, because that's when IQ is formed, before they can hit their heads on this table. Just letting you know.

McDONNELL: Thank you for the information.

HARDIN: Will you stick around for closing?

McDONNELL: Yes. I'll be here. And I'll be here for the cookies.

HARDIN: Very good. Very good. Proponents for LB1280.

McDONNELL: It's a real popular bill. I got John. I don't, I don't have quantity but I got quality here.

JON NEBEL: There's no opponents, I don't see. So that's good. Thank you for having me. My name is John Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the Nebraska State Building Construction Trades and Nebraska State Council of Electrical Workers. Really, it is return on investment. We're trying to get this CHIPS plant fully funded. We have some time. And I appreciate Senator McDonnell bringing this bill up

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and kind of resetting the conversation. And we talked about it already, a little bit. But where we left off, we all approved some-- or the Legislature approved some funds last year, which I considered almost like the Field of Dreams motto, where if you build it, the tax credits will come. This is more of the concept of who's going to build it and how are they going to get it done type of thing. Part of the plan that the government laid out was you have to have the childcare portion satisfied. And I just want to kind of set the tone that Senator Riepe was talking about, where-- the mission creep and getting into an environment of when does this stop? That's why we drafted it the way we did, with the apprenticeship language. There's a definite stop date for anybody in these apprenticeships. It's no longer than 5 years. Some of them are even as short as 2 years for their, their apprenticeships, depending on the trade that you're in. But the semiconductor side of it, which is the 200% threshold for their income. That was something beings that that, that career doesn't exist yet in this state. It was hard for us to determine, so I just kind of used the highest threshold I found in TANF in the last few years. And I wanted to really talk about the fiscal note on it, which is, is large, but not as large as I thought. And at least it's not as-- it's half of what our buy-in is already for the state to, to provide. I think last year's bill, 616, LB616, committed about \$100 million or more in tax credits if we get a fully funded project. Worst-case scenario on, on the fiscal note for this one is \$43 million. And that's-- it's pretty unrealistic because that includes all the apprentices that are currently working in the state. And I can tell you that not all of our apprentices have children, so they would not be applying for this type of funds. I think their assessment of 261 apprentices is probably pretty accurate. So it's, it's probably around a \$6-7 million fiscal note, as is, if we're paying for all the childcare. So it's not as much as, as we've already bought in, but it still fully funds-- or satisfies-- checks off box mark-- box for Department of Commerce. And as you heard, maybe in March or April is when we'll know if we're, if we're to get the project. So, I think anything we can do now, to set us apart from other states is a great incentive to do it. So I'm happy to answer any of the questions about why we developed the language or what it could do for us. Thank you.

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

JON NEBEL: Um-hum. Thank you.

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HARDIN: Any other proponents for LB1280? Opponents for LB1280? Neutral for LB1280. We had 6 proponents write in, zero opponents, zero in neutral. And the cookies are now here, Senator McDonnell.

McDONNELL: I'm here for the cookies. Thank you. Thanks, Jon. Here to try to answer your questions.

HANSEN: Are there any questions from the committee? I'm gone for a little bit, and you guys are have-- Girl Scout cookies out already?

McDONNELL: They got crazy in here.

HANSEN: Man. Seeing no other questions, that will conclude our hearing for LB1280.

McDONNELL: Thank you.

HANSEN: Thank you. All right. And that will conclude our hearing for today. Thank you.

RIEPE: Thank you.