

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

CLEMENTS: Good afternoon. Welcome to the Appropriations Committee. My name is Rob Clements. I'm from Elmwood and represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as chair of this committee. We will start off by having the members do self-introduction, starting with my far right.

PROKOP: Hi. Jason Prokop, Legislative District 27, which is west Lincoln and Lancaster County.

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

LIPPINCOTT: Loren Lippincott, District 34.

ARMENDARIZ: Christy Armendariz, District 18; northwest Omaha and Bennington.

DORN: Myron Dorn, District 30.

STROMMEN: Paul Strommen, District 47; nine counties, the Panhandle.

CLEMENTS: Assisting the committee today is Cori Bierbaum, our committee clerk. To my left is our fiscal analyst, Mikayla Findlay. And our pages today are Demet-- she's a-- she'll be coming-- Demet Gedik and Wesley Earhart, UNL students. If you're planning on testifying today, please fill out a green testifier sheet located in the back of the room, and hand it to the page when you come up to testify. Online position comments must have been submitted on the legislator's [SIC] website by 8 a.m. the day of the hearing to be included in the record. If you have submitted a comment online, we ask that you not testify in person today. If you will not be testifying but want to go on record as having a position on a bill or agency today, there are yellow sign-in sheets at the entrance to my left. These sign-in sheets will become exhibits in the permanent record after today's hearing. To better facilitate today's hearing, I ask that you abide by the following procedures. Please silence your cell phones. Move to the front chairs to testify when your bill or agency is up. When hearing bills, the order of testimony will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency, then we will hear testimony from anyone who wishes to speak on the agency's budget request. When you come to testify, please state and spell your first and last name for the record before you testify. Be concise; we request that you limit your testimony to three minutes or less. When you begin your testimony, the light on the table will be green. When the yellow light comes on,

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Appropriations Committee March 10, 2025

you have one minute remaining, and the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Written material may be distributed to the committee members as exhibits only while testimony is being offered; hand them to the page for distribution when you come up to testify. If you have written testimony but do not have 12 copies, please let the page know so they can make copies for you. With that, we will begin today's hearing with Health and Human Services. We're going to invite the CEO first, and then each division director, and after the division directors, then general public comments. So first, CEO Corsi. Welcome.

[AGENCY HEARINGS]

CLEMENTS: Next, we will open the hearing for LB348. Senator Prokop. Wait just a minute, please. We'll-- we're letting the room clear. OK. You may begin.

PROKOP: Yeah. Good to be with you all still. Good afternoon, Chairman Clements, and members of the Appropriation Committee. For the record, my name is Jason Prokop, spelled J-a-s-o-n P-r-o-k-o-p, and I represent Legislative District 27 in west Lincoln and Lancaster County. I'm here today to present LB348, which is a crucial bill that would ensure, ensure stable and appropriate state funding for Nebraska's 20 domestic violence programs, which serve survivors all across the state. In 2023, LB730-- LB739 allocated \$3 million to Nebraska's Domestic Violence Service Network, aiming to increase total state appropriations to \$4.9 million. Originally, these funds were meant to be allocated through general state-- state general funds, but as passed, the funding source was shifted to Temporary Assistance to Needy Family funds, or TANF, which created insurmountable barriers due to conflicting federal regulations and confidentiality requirements. Our domestic violence programs have been unable to access any of these dollars since. LB348 seeks to rectify this issue by shifting the \$3 million in domestic violence program funding from TANF to a more suitable and accessible funding source. This change is essential to ensure compliance with federal confidentiality laws and protect Nebraska's eligibility for critical federal funding. It would also safeguard survivor privacy and security and in line with statutory requirements outlined in Nebraska's Protection from Domestic Abuse Act, and the confidentiality provisions of victim advocate privilege. Nebraska state law mandates that domestic violence services be provided statewide, yet these services currently receive only \$1.9 million in General Fund appropriations, the only state funding specifically designated for these programs. The Protection from Domestic Abuse Act, administered by DHHS, ensures funding for emergency services and support programs for victims and

their families, education, counseling and intervention program for abusers, programs to aid in the prevention and elimination of domestic abuse, and assistance with completing and filing protection orders. Sadly, domestic violence in Nebraska is on the rise. According to the Lincoln Police Department, the reported protection order violations have risen nearly 62% in 2024 compared to the five-year average. What I just had passed out was an article that was just in the Lincoln Journal Star yesterday that details the increase in domestic violence cases in Lincoln, and the growing need to support-- need for support for these vital services. The article highlights the trend of rising violence, including how just last month, three women were murdered by former partners in separate incidents, underscoring the urgent need for stronger protections and the struggle local organizations face to meet this escalating demand. Despite the statutory requirement to provide these services, funding remains critically low. The demand for domestic violence services in Nebraska is rising at an alarming rate. In the past year alone, programs in Nebraska served 12,414 survivors, marking a 9% overall increase across the state. This also includes over 1,800 survivors and their children who required shelter, which is a 10% increase in those types of needs. Inflation, of which there was a 20% increase from 2021 to 2023, has significantly driven up costs for shelter, transportation, food, and other necessities. Additionally, the effects of COVID-19 have exacerbated domestic violence, with 27% of survivors reporting an increase in violence severity, and 26.6% experiencing new instance of violence since 2020. The funding crisis is further compounded by federal funding cuts that have happened through the Victims of Crime Act, which led to a 40% reduction in Nebraska's VOCA funding in 2023, about a \$2.5 million loss. Another 40% reduction is expected in 2025. LB348 would shift a domestic violent program funding from that TANF funds, like I mentioned, which have not been able to be utilized, to a more suitable source, which is the Health and Human Services Cash Fund, which would ensure that Nebraska would remain compliant with federal confidentiality laws and eligible for federal funding, provide for survivors' safety and privacy, making sure that that's upheld, and Nebraska's funding structure would be aligned with statutory protections under the Protection from Domestic Abuse Act and victim advocate privilege laws. Domestic violence and abuse persist every day in Nebraska. The need for service is increasing, yet funding mechanisms remain inadequate. LB348 provides a critical solution by ensuring that the \$3 million in funding can be used effectively without endangering survivors or violating federal law. I appreciate the, the committee's attention to this bill, and I would be happy to answer any questions that you may have.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

CLEMENTS: Questions? Senator Spivey.

SPIVEY: Thank you, Chair. And thank you for bringing this bill. Just on the cash funds-- and I feel like we've looked at so many cash funds on the committee, I can't keep them straight-- are there available funds for this, when you look at the appropriation and what these cash funds are spending?

PROKOP: From the Health and Human Services Cash Fund, yes. I know there's some questions, and others might be able to, to direct this a little bit more specifically. But yeah, for the, for the immediate needs, there are dollars in there that we would be able to tap to, to replace those TANF funds, if you will.

SPIVEY: OK. Thank you.

CLEMENTS: Other questions? Senator Dover.

DOVER: What's causing the increase in violence?

PROKOP: You know, I asked that very question when, when I was looking at doing this bill, and, and working with organizations that work on these issues. I don't think there's one singular answer. I think some of it is, is just more education. People are aware of the services, so then the service numbers go up, too, so people know, know there's resources. But there's experts behind me that I'm, I'm sure can get into even more of that type of information.

CLEMENTS: Yeah, I had a question. We were somewhat assured that TANF funds could be used--

PROKOP: Yeah.

CLEMENTS: What was the problem with TANF funds?

PROKOP: So, they-- the, the requirements of TANF, there's reporting requirements within there that were in violation, then, of some of the domestic violence laws where you have to report information. And so, because of that, they wouldn't-- they would be in violation with federal law, so--

CLEMENTS: It's a privacy--

PROKOP: Exactly, exactly.

CLEMENTS: --probably. Personal information.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

PROKOP: Exactly.

CLEMENTS: All right. Thank you.

PROKOP: Yep.

CLEMENTS: Other questions? Senator Dover.

DOVER: So, you said that VOCA, there was a \$2.5 million reduction?

PROKOP: Yeah.

DOVER: And that's in Nebraska? I mean, I'm sure--

PROKOP: Yes.

DOVER: Yeah.

PROKOP: Correct.

DORN: Yeah-- no--

CLEMENTS: Senator Dorn?

DORN: Sorry. Yeah. Thank you. Thank you, Senator Clements. Thank you for being here. And I, I just was looking at the fiscal note, and-- but-- no, I mean this-- as I was looking at the fiscal note earlier this weekend-- and Mikayla here wrote the fiscal note, but-- and I've talked to some people this morning about it, and it said: note that the source of funding indicated in the bill cannot sustain this additional expender-- expenditures, therefore alternative funding would need to be identified.

PROKOP: Yeah.

DORN: I-- first of all, I thank you for finding another source. I thank you very much for that. But I, I-- as I visited with some people this morning, I guess that's a-- more a discussion, or do you have an-- do you have an explanation for that, I guess?

PROKOP: Yeah, no. I mean, I think the, the most direct way to answer the question is we knew that we needed to address this immediately, and so we know that that's-- could be part of a, a short-term solution, that we'd have to look at other things longer term, so. This is, this is our hope to address kind of that immediate need that we have because of the TANF funds being, being what they are.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

DORN: Unfortunately, as your handout showed, we've had a tremendous increase in the last, I call it, four, five, six weeks or whatever--

PROKOP: Yeah.

DORN: --and I'm-- agree with Senator Dover here; what-- what's causing that? Or why, why have we seen that? And with that comes additional cost, and it's very important to fund some of that. Thank you.

PROKOP: Yeah. Absolute tragedies we've, we've seen in this state.

CLEMENTS: Other questions? Staying none. Will you stay to close?

PROKOP: Absolutely.

CLEMENTS: Very good. Now, we welcome proponents for LB348. Good afternoon.

CHRISTON MacTAGGART: Good afternoon, Chair Clements, members of the Appropriation Committee. My name is Christon MacTaggart, C-h-r-i-s-t-o-n; last name, M-a-c-T-a-g-g-a-r-t. I'm the executive director of the Nebraska Coalition to End Sexual and Domestic Violence. I'm testifying in support of LB348. We are testifying in support on behalf of our member programs who will directly benefit from these funds. As you've heard, under Nebraska's Protection from Domestic Abuse Act, these programs collectively provide statutorily-mandated services, including crisis intervention support, prevention, to survivors of domestic violence, sexual violence and trafficking in all 93 Nebraska counties. After the TANF rainy day funds were awarded in 2023 by the Legislature, the coalition worked closely with HHS on attempting to administer the funds. However, federal law and confidentiality requirements of existing funding conflict with TANF eligibility requirements. After over a year of problem-solving discussions, including federal technical assistance and guidance from the Department of Justice, we collectively identified that we didn't believe there was a path forward that complied with requirements of both programs. Because of this, problems for our programs have, have been compounded. Due to high housing costs, victims often cannot move into sustainable housing as quickly as previously, and both requests for shelter and the length of stays are up. In 2024, our programs provided almost 50,000 shelter nights to over 1,800 victims and their children. Additionally, over 1,100 requests for shelter were unable to be met, primarily due to capacity. Beyond shelter, programs provide safety planning with every victim they work with, as well as transportation and support from medical and legal advocacy, assistance with protection orders,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

prevention, and a host of other things. Every situation is different. Particularly in rural communities, they are often the only agency besides law enforcement that has a 24-hour response. And in every community, our advocates are often the only people who the victim has access to for free and confidential support who are trained to help them stay safe. All of these things cost money for staff, gas mileage, rent, and basic necessities. Programs have increased fundraising; they've been able to access some domestic violence-specific American Rescue Plan funds through one of our federal grant programs, but that will end on September 30 of the-- 30 of this year. As a result of not accessing these state funds, though, programs have all either laid off staff or been unable to fill open positions; they've cut service area travel and mileage, and reduced shelter capacity, among other things. They're reducing services at a time when requests for support are up. So, this funding was intended to maintain services, as you've heard, due to an approximate \$2.5 million or 42% reduction in state VOCA funding. We know that other cuts to that funding are coming, and we're-- again, we're hoping to have some state support before we have to navigate that as well. So, for these reasons, ensuring we have access to these funds is crucial. We ask you to support LB348. I'm happy to answer any questions that you might have.

CLEMENTS: Questions? Senator Spivey.

SPIVEY: Thank you. Chair. Thank you so much for your testimony. And for the VOCA funding, that's federal dollars?

CHRISTON MacTAGGART: It's federal dollars that comes into the state. So, the \$2.5 million is Nebraska-specific.

SPIVEY: And what, what is causing some of that decrease, or what you're anticipating?

CHRISTON MacTAGGART: Sure. VOCA funding is-- has been decreasing for a while. It is based on fines on white collar crimes of federal prosecutions, and those have been decreasing for a period of time. So, there are a number of things happening at the federal level to hopefully level off VOCA funding so that we don't continue to see such large decreases. However, we've also been told that it will never revert back to the previous levels.

SPIVEY: OK. Thank you.

CLEMENTS: Other questions? Seeing none. Thank you for your testimony. Next proponent for LB348.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

AMANDA GERSHON: Back already. Thanks for putting up with me.

CLEMENTS: We don't allow props. Sorry.

AMANDA GERSHON: No-- OK. That's fine. I just wanted to show a picture of my friend. Put a face to an old name. But I'll just close it up. No problem at all.

CLEMENTS: Thank you. You may begin.

AMANDA GERSHON: OK. Jennifer Hitchcock [PHONETIC] is a name-- oh, I'm sorry. My name is Amanda Gershon, A-m-a-n-d-a G-e-r-s-h-o-n. Jennifer Hitchcock is a name many don't remember 20 years later, but I will never forget her. In high school, we lived two houses away from each other. I remember sleepovers, and her being willing to be my guinea pig for hair dye, and-- and sleepovers. She was so sweet. [INAUDIBLE] born too late and loved everyone, even my little sister. On November 3, 2004, her ex-boyfriend convinced her to take a trip to see this kid one more time. She was the kind of person animals and kids loved. Her ex and his nephew hit her in the head with a 40 and then a brick in the face, and locked her in the trunk for nine hours before they went on a three-day murder spree. She wasn't involved, but she had to watch. They intentionally drove to Madison and bought a shotgun. They took her into the woods, raped her, shot her, and left her to die at 22. I didn't know how to deal with my grief so young. She was my first experience with a DV victim, but far from the last. I had no idea her situation was so bad. So, for the last 20 years, I have actively tried to help DV victims. Even people who know me may not know this because it is such a private thing, and all the personal details must be kept that way. I have been able to help a couple ladies leave over the years and create a new life, but it's hard. Typically, a victim will stay with me for a day or a week, and go back. I have a close friend I've been trying to help for ten years, and she crashes at my home when it's bad, but she's not ready to leave yet. Isolation is part of the sick game abusers play, and I refuse to let them play that game. I regularly talk with women unable to leave because they need that support. I have a DV victim who moved in a year ago with her two children, and I have been to every court case-- every single one-- and we are not getting anywhere. We are not getting anywhere at all. Her victim rights have been violated, her constitutional rights have been violated, and we have nowhere to go to get any help at this point. It's incredibly hard on her children who witnessed the brutal fight. And I also run a free group on Facebook of about 20,000 members, and I reach out personally to everyone that'll post anonymously saying they are a DV victim. I check in regularly with people. I have a woman right now I'm trying to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

convince to come stay with me because her boyfriend keeps trying to break down her door, and she feels like nobody is there to help her. This has been a long time of doing this. It has not gotten any easier in 20 years at all, and we have to change that. Thank you for your time. Any questions?

CLEMENTS: Are there questions? Seeing none, we'll-- thank you for your good work. Thank you for your testimony.

AMANDA GERSHON: Thank you. Thank you for letting me testify twice today.

CLEMENTS: Yes.

AMANDA GERSHON: You all have a wonderful day. Thank you.

CLEMENTS: You're welcome. Next proponent. Welcome.

CARMEN HINMAN: Good afternoon. Chairman Clements and members of the Appropriation Committee, my name is Carmen Hinman, C-a-r-m-e-n H-i-n-m-a-n. I am the executive director of Hope Crisis Center serving Gage, Jefferson, Saline, Seward, York, Fillmore and Thayer Counties. Like 19 sister programs, we provide essential and statutorily-mandated services for victims of domestic and sexual violence, including emergency shelter, a 24-hour hotline, housing assistance, personalized advocacy. In 2024 alone, we helped 613 rural Nebraskans on their journey to safety and healing. These lifesaving services are free to survivors, but they come at a steep cost to our programs. In 2024, our direct service expenses alone reached over \$100,000. This figure excludes the ongoing costs for maintaining our hotline, outreach and education programming, and, for us, five satellite offices, all primarily sustained by state funds. While state funding has not been reduced, it remains flat. This stagnation fails to keep pace with inflation and the growing demand for services in our challenging post-COVID economic climate. For instance, hotline calls have nearly doubled since 2019, and shelter stays are extending due to a critical shortage of affordable and safe housing. At the same time, other community organizations face their own funding challenging-- challenges, forcing our program to shoulder an even greater burden. Our inability to utilize TANF funds is further compounded by federal cuts. In 2023, as you've heard, a 42% reduction in Victims of Crime Act funds left our entire network reeling, and many federal grant programs now faced uncertain futures. After 27 years in this field, I have never been as deeply concerned about the future of victim services and their funding as I am today. Without stable state support, the long-term

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

impact could be devastating, not only financially but in the very real human cost of lost lives and shattered families. The reality is that the threat to innocent lives does not stop when funding is absent. In moments of crisis, a hotel room, a bus ticket, or even supportive words over our hotline can be a victim's saving grace. Just last month, three Nebraskan women lost their lives, leaving five children motherless; a tragedy that underscores how critical our services are. Countless others continue to live in fear, anticipating the same cycle of rage and retaliation. We know that leaving is the most dangerous time for a victim of domestic violence, and without support, the threat is even greater. There is no way to know how many tragedies have been and will be prevented thanks to our services. For these reasons, I urge you to vote yes on LB348. Ensuring our programs have access to the state funding is not merely a budgetary decision, it's a commitment to protecting lives and building safer communities. Thank you, and I would entertain any questions that you might have.

CLEMENTS: Are there questions? Senator Spivey?

SPIVEY: Thank you, Chair. And thank you for the work that you do, and being here today. For your hotline that you mentioned, is this a statewide hotline? Or is it specific to your area and your organization?

CARMEN HINMAN: This is specific to our area and organization. So, across the state, the hotline service is a mandated service for our programs. Each of our network programs has their own hotline, and so calls from our respective counties are directed to our--

SPIVEY: To yours.

CARMEN HINMAN: --specific hotline number. Yes. So, that's a huge cost to our organization to maintain that, and it's a 24-hour service.

SPIVEY: Thank you.

CARMEN HINMAN: Thank you.

CLEMENTS: Other questions? Seeing none. Thank you for your testimony.

CARMEN HINMAN: Thank you for having me.

CLEMENTS: Next proponent. Seeing none. Anyone in opposition? Seeing none. Anyone in the neutral capacity? Seeing none. Senator Prokop.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

PROKOP: Thank you, Mr. Chairman and members of the committee, for your time on this bill. I'll just keep it very, very brief. But, you know, when I, when I introduced this bill and talked to those that work in these programs-- obviously, the need is great; it's only increasing, and the reason why-- the reasons why you've, you've heard a little bit about. I think it's a recognition of, you know, this Legislature has recognized that this is a priority to be able to put dollars towards it, and the bill is trying to reconcile a better funding source so they can actually deliver on the services that I think the Legislature has recognized in the past are important to deliver on. So, with that, I'd be happy to answer any questions you might have in close.

CLEMENTS: Are there questions? Seeing none.

PROKOP: OK. Thank you.

CLEMENTS: Thank you. We have comments for the record on LB348. Proponents, 86; opponents, 0; neutral, 0. That concludes the hearing for LB348. Next, we will open the hearing for LB359. We'll let the room clear for just a minute here. And if you are testifying, please move to the front row. Very good. Welcome, Senator Cavanaugh.

M. CAVANAUGH: Thank you, Chairman Clements, and members of the Appropriations Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, and I represent District 6 in west-central Omaha. I-- first of all, I took my sweater off, even though I'm still a little chilly, because I, I didn't realize that green was the color of health for child-- child care, but-- just happened that I wear green a lot, I guess. So, I wanted to show my support. LB539 [SIC] is a fairly straightforward; it seeks to increase rates by 5% for child welfare providers who perform work on behalf of the Department of Health and Human Services and the Office of Probation Administration. I know that the budget presented to us keeps child welfare rates-- provider rates flat, and in doing so, it does replace some ARPA funds that were temporarily used to fund the rate increase for specific services. The intent of these dollars was to buy time, and not a long-term solution. And at that time, we actually had in the budget for the provider rates to be through general funds, but the former-Governor Ricketts said there were ARPA funds available that we could use, and so we shifted them to the ARPA funds, but it was always the intent of the Legislature to do a permanent increase. It wasn't because of COVID; it was intended to be a permanent increase in provider rates. We just used the funds that were more readily available at that time. So, I want to recognize it's important that we don't go back in reimbursement rates for child welfare services, but also

staying stagnant isn't an option. So, I'd like to talk a little bit about how child welfare it-- or, child welfare providers are funded. Each year, providers sign an annual contract with DHHS to provide specific services. Contracts begin on July 1 and end June 30. As part of that contract, DHHS presents providers with a reimbursement rate for providing that service. Again, providers do not negotiate rates; they are presented rate base-- rates based on the budget that is passed that spring. It's also important to note that they are only reimbursed these rates when the provider-- when they provide face-to-face contact with a family. Therefore, the, the time their employees spend in initial and ongoing training, traveling without a parent or child in the car, waiting for a client who is a no-show, and other instances are all expected to come out of an-- the hourly reimbursement rate for this specific service. In addition, these reimbursement rates are expected to cover administrative time, office overhead expenses such as utilities and rent, general business expenses such as pay call-- payroll, cost to hire, HR, various insurance coverages, and changes to the contract that someone behind me will talk about in more detail. Finally, the reimbursement rate covers the wage of the employee who actually provides the service. I hope that we can all agree that the cost on the specific items that I have just mentioned have not remained flat, and continue to increase in cost. As a state, we partner with these private sector providers because it's the most efficient, efficient way to provide quality services to our most vulnerable children and families, and the state cannot do this alone. We have a responsibility to appropriately fund providers because they are critical to the success and future of these kids, and therefore, our state. As I look at the child welfare system from a budget perspective, I can only conclude that the physical, emotional, and mental health of our children consistently appears to be a way down-- consistently appears to be way down on our list of priorities when it should be at the top of the list. So, I'm, I'm happy to answer any questions from the committee. Probably can be better answered by those sitting behind me. And with that, I'll take your questions.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. And thank you, Senator Cavanaugh. Why the 5%? I know you talked about originally that there was conversations in the body, because I-- I know in the field, as you mentioned, folks are not being reimbursed at a rate that even covers the cost of the service, let alone their operating. So, how did 5% come about that conversation with the body at that time, and why not a higher amount?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 10, 2025

M. CAVANAUGH: Oh, the 5%-- the previous increase? That was really what the industry was kind of asking for. They actually probably were asking for more than that, and I think that's kind of what we settled on we could afford as a long-term increase. And then the 5% now-- I-- honestly, it's what the providers have asked for, so that's why I introduced it at that rate.

SPIVEY: OK. Thank you.

M. CAVANAUGH: Yep.

CLEMENTS: Other questions? Seeing none. Will you stay to close?

M. CAVANAUGH: I will. Thank you.

CLEMENTS: Very good. First proponent for LB359. Senator Cavanaugh, we'll, we'll have to correct you. You said LB539--

M. CAVANAUGH: Oh, I'm sorry.

CLEMENTS: --and that's-- it's LB359.

M. CAVANAUGH: It was written correctly, I just [INAUDIBLE].

CLEMENTS: First proponent. Welcome.

RYAN STANTON: Good afternoon, Chairman Clements, and members of the Appropriations Committee. My name is Ryan Stanton, spelled R-y-a-n S-t-a-n-t-o-n. I'm the CEO of Compass, a family service provider in Kearney. I'm also the president of the Nebraska Alliance of Family and Child Service Providers. We're an association of child welfare providers who individually contract with DHHS to provide child welfare services to thousands of families all across Nebraska. We have offices in ten communities, and over 300 employees drive over 3 million miles annually to ensure those families have the services they need. I'm here in support of LB359, and want to thank Senator Cavanaugh for introducing it. In order to not be duplicative in our testimony, provider association groups met and divided up issues that we wanted to be sure to and share with you, and my role today is to give you a brief history of rates. I have provided you a handout that outlines this history. As the veteran members of this committee have repeatedly heard over the years, providers serving in counties outside of Douglas and Sarpy counties went without rate increases for services other than foster care between 2010 and July of 2020. Despite increases over the last several years, we have not made up the ten years of flat rates, which brings us to today. Currently, the rates for many services have

not been reviewed for well over 15 years, and new services continue to be considered and requested by DHHS. The existing real cost of basic services must be accurately assessed when determining reimbursement for new services or service packages. Allowing new current-- or, allowing current rates to lag incentivizes an inadequate assessment of the cost of new services. In addition, nearly every DHHS-- every year, DHHS makes changes to our contracts that result in increased costs or a reduction in income for providers without a mechanism to pay for these changes. For example, I have provided you a handout that includes this language from our 2014 contracts regarding staff training, and then the language from our 2024-2025 contracts regarding the training. You can see they've added three additional mandatory trainings for our staff in the last ten years, and have increased documentation requirements for administrative staff. None of this was specifically funded. To be clear, all of these trainings have increased accountability and are important, and make the system better. However, unlike government, they aren't free. I have also provided you a handout with other changes to our contracts over the last several years that resulted in a negative impact to our bottom lines. Providers appreciate the efforts of the Legislature to provide small increases to child welfare services over the last few years, as well as your willingness to dedicate ARPA dollars to specific services, and hold DHHS accountable for doing so. What we seek is a fair and predictable method for determining rates and rate increases, with contract language that holds both the provider community and DHHS accountable. To that end, providers desire annual rate increases equal to the rate of inflation or a cost of living increase. Any above and beyond increase would need to show objective evidence as to its need. In the meantime, we continue to deal with inflation and always-increasing cost of doing business, and will continue to come and beg for dollars to help serve the state's most vulnerable citizens. Once again, we appreciate Senator Cavanaugh hearing our plea, and I also just wanted to say thanks to Governor Pillen for replacing those ARPA dollars with state general funds in the preliminary budget.

CLEMENTS: All right. Are there questions? Seeing none. Thank you for your testimony.

RYAN STANTON: Thank you.

CLEMENTS: Next proponent. Good afternoon.

ASHLEY BROWN: Good afternoon. Thank you, Chairman Clements, and members of the Appropriations Committee. My name is Ashley Brown, A-s-h-l-e-y B-r-o-w-n, and I'm the president for KVC Nebraska, a nonprofit

organization providing a wide variety of child welfare, juvenile justice, and other human service-- other human services, excuse me, for individuals and families across the state. I also serve as the president for the Children and Family Coalition of Nebraska, otherwise known as CAFCON. And I'm testifying today on behalf of CAFCON, a nonprofit association comprised of 11 organizations that provide child welfare and other services to Nebraskans in all 93 counties. Thank you, Senator Cavanaugh, for drawing attention to this important issue, and shout-out to the wearing green, planned or unplanned. CAFCON members value a strong and productive public-private partnership. We're grateful for the collaboration between the public and private system over the years. Despite many systemic challenges, our members have maintained their commitment to being good partners to the state on behalf of children and families. Many leaders within CAFCON have served on countless workgroups, task forces, committees, and commissions in the interests of innovation, comprehensive state planning, and finance modeling. It remains critical to this partnership-- for this partnership to continue, and it must be paired with a commitment for future adjustments and plans on how we set and review child welfare rates. This Legislature has been a thoughtful and responsive partner on the issue in the past. Even so, with no structure or predictable way to evaluate and adjust service rates, providers are continuously at a disadvantage in terms of planning workforce needs, hiring employees, training, and retaining them. It's a critical time for the state and DHHS to also consider cost-saving efficiencies and leverage their use of federal funds. We must maintain our commitment to the safety, well-being-- the safety and well-being of children under the care of DHHS who are served by community-based nonprofits like CAFCON members. The fiscal challenges we find in our state today undermines the financial stability and impact of both small and large nonprofits that have never received adequate funding. As you've heard or will continue to hear today, this jeopardizes our ability to secure the health, safety, and well-being of families served by both the public and the private system. To effectuate positive outcomes for children and families involved in these systems, the first step is making an intentional investment early so that systems and services of support in our state are appropriated effectively. The 5% increase is an investment in these services divine-- designed to interrupt and prevent further system involvement, as well as address children and family who are already system-involved. You all have copies of my testimony, so I'll just fast forward to the end. For these many reasons, we ask for your support with this rate increase request and adoption into the biennium budget. I'm happy to answer any questions.

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Appropriations Committee March 10, 2025

CLEMENTS: Are there questions? Seeing none. Thank you for your testimony.

ASHLEY BROWN: You bet.

CLEMENTS: Next proponent. Good afternoon.

THERESA GOLEY: Good afternoon. Good afternoon, Chair Clements, and member of the Appropriations Committee. My name is Theresa Goley, T-h-e-r-e-s-a G-o-l-e-y, and I'm testifying in support of LB359 on behalf of the Nebraska chapter of Family Focused Treatment Association, known as FFTA, in my capacity as the chair. FFTA works to advance best practices and advocate for policies that support families in their care and treatment for children. Our members deliver a range of treatment foster-- fam-- treatment-- family care services including but not limited to family preservation, home visitation, foster care, adoption, kinship care, older youth services, parent and family support, and in-home mental health services. As the committee will hear from various service providers today, FFTA in particular has been instrumental in some of the most significant advances in service delivery and cost modeling. For example, in 2012, members served on and assisted with a comprehensive review, assessment, and development of the foster care reimbursement rate methodology and structure. This process, facilitated by the Nebraska Children's Commission and Foster Care Reimbursement Rate Committee, brought together subject matter experts, service providers, and foster and adoptive caregivers to determine the appropriate rate for the provision of agency-supported foster care and caregiving. The work of these efforts, supported through legislation, brought current historically-underfunded foster care rates for the state of Nebraska. One example of the adaptation of the service array is kinship care. We know that when children are not able to remain with their parents, the goal is to keep them with people known to them, such as relative or family-like kin. These relative and "kin-gare"-- caregivers are often stepping into a caregiver role unexpectedly. Overnight, their family may grow from a family of three or four to a family of eight or more. This comes with an unanticipated cost for furniture, food, and clothing, but also requires additional supports as these families are now working with service professionals and legal parties, all while trying to provide the calm, steady care for children experiencing the crisis of family separation. Having adequate rates allows providers to serve children and families with the continuity of care they deserve, while they face the challenges in their lives. The child welfare provider system has weathered much uncertainty, disruption and stress over the last several years. However, progress has been made in some areas thanks to investments in service providers

and advancement in prevention practices. Despite this progress, the workforce shortage in Nebraska and the historically low unemployment rate has made it increasingly difficult to recruit and retain, retain employees. Inflation, competitive wages for essential workforce, and liability insurance, among other rising costs, have exceeded rate increases, which necessitates the increase request being considered today. Having adequate rates allows providers to invest in prevention services to decrease the number of children and families entering the child welfare system. This rate increase would ensure the sustainability of a well-trained and supported workforce in our child welfare system. In doing this, providers will be able to ensure accessibility of a robust service array, focusing on the safety, permanency, and well-being of children and families across the state. LB359 would provide consistency, predictability, and stability in an industry that has been historically been underfunded and unstable. Thank you, Senator Cavanaugh, for bringing this appropriations bill.

CLEMENTS: Are there questions? Excuse me. Questions? Seeing none. Thank you for your testimony. Next proponent. Good afternoon.

LESLIE TRAVIS: Good afternoon. Good afternoon, Chairman Clements, and members of the Appropriations Committee. I also want to thank Senator Cavanaugh for introducing LB359. I am Leslie Travis, spelled L-e-s-l-i-e T-r-a-v-i-s, and I am a foster parent. My husband and I-- My husband Brandon [PHONETIC] and I have been fostering for many years. We often foster children who have high medical needs. Since I last testified in front of this committee a couple of years ago, we have cared for five children; two of those five had high-priority medical needs with life-threatening conditions, numerous doctor appointments, and emergency room visits. I want you to know that we love being foster parents to these children; I also want you to know that first the pandemic and now the cost of inflation have had numerous impacts on fostering that are beyond our control and beyond the control of providers. I know that, for many people, foster care is the primary and maybe only service they associate with child welfare. However, there are other equally important services that are necessary to ensure child welfare system is stable, and that vulnerable children get what they need. Providers such as Better Living, who we work with, help transport children in foster care to visits with their biological parents, and supervise those visits when necessary. Transportation and supervised visits are separate services outside of foster care, as-- and as I understand it, are reimbursed at different rates than foster care. There are several providers across the state who help manage foster parents but don't provide other services, such as supervised visits. I want you to know that my husband and I rely heavily on transportation

and parenting time supervised visit services. It's everyone's goal that children be reunified with their parents, and maintaining a bond is part of that process. At times when a provider is unavailable, I myself have helped by getting the children ready, and supervised visits. I have helped transport the children to their visits so they don't miss out on seeing their parents. This is a part-time job. We know that we are not alone; other foster parents do this as well. Transporting children isn't always easy as buckling them in the car and driving to the destination. Siblings fight, visits with their parents don't always go well, children have bad days and take their frustrations out in the car. There have always been a limited number of staff who were able to supervise visits with children with high medical needs, and that hasn't changed. It's crucial that the needs of children be met to ensure a safe visit. Each time a new family support worker takes over the case, there is a learning curve for that person as they get to know the families involved. I know statistics show that children involved in cases that have multiple family support workers remain in the system longer. Again, I have witnessed this. We all know sitting here today there isn't one single kid in our state who asks to be in a home that requires involvement with DHHS. Not one. What they are asking you for is that service is in place so that when the bottom falls out of their life through no fault of their own, they have what they need to grow up to be the best version of themselves. Most kids in the child welfare system probably don't know your names, and you may not know any of theirs, but they will be aware that they were not forgotten when their transportation to go to a therapist appointment, dental appointment, and a family support specialist to supervise a visit with their mom and dad, and you can know that you made a difference in the lives of vulnerable children all across our state. I ask for you to please increase rates for child welfare-- child welfare services, and I'm happy to answer any questions that you may have.

CLEMENTS: Are there questions? Seeing none. Thank you for your good work and your testimony. Additional proponents for LB359? Anyone here wishing to testify in opposition? Seeing none. Is anyone in the neutral capacity? Seeing none. Senator Cavanaugh, you may close.

M. CAVANAUGH: Thank you. My close will be brief. I'll take any questions.

CLEMENTS: I might ask, have, have you heard what the population of children in foster care is, currently?

M. CAVANAUGH: Oh, gosh.

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Appropriations Committee March 10, 2025

CLEMENTS: Is it-- is--

M. CAVANAUGH: No. That's, that's a question for Director Bish.

CLEMENTS: Yeah, I know. It's over 4,000--

M. CAVANAUGH: I'm going to punt it to her. Over 4,000.

CLEMENTS: I believe.

M. CAVANAUGH: OK.

CLEMENTS: And it's-- just another question would have been for them, but what's the mix between court-- coming from the courts and coming from elsewhere? Do you know?

M. CAVANAUGH: I, I don't know, but I would imagine a lot are coming from the courts because of just the nature of foster care-- is usually being removed from the home. There's all, there's all different types of placement, though; there's, like, kinship placements, and so those are a little bit different, but they're still a removal from the home, so I would assume that they would be heavily court-involved in-- even if they're a kinship placement. Which-- if you guys want to stick around, I'm happy to go into kinship placements and IV-E funding, as I'm sure you all are, too.

CLEMENTS: I'm being told that we have 4,116.

M. CAVANAUGH: You know, that analyst Mikayla, she's got-- she knows with-- where it's all at.

CLEMENTS: Other questions? Seeing none.

M. CAVANAUGH: All right. Thank you.

CLEMENTS: Thank you, Senator. And we have comments for the record: proponents, 3; opponent, 1; neutral, 1. That concludes the hearing for LB359. That concludes our hearings for today.