

Judiciary Committee
LB 927
February 22, 2018

Matthew T. Wallen, Director
Division of Children and Family Services
Department of Health and Human Services

Good afternoon, Chairwoman Ebke and members of the Judiciary Committee. My name is Matt Wallen (M-A-T-T W-A-L-L-E-N) and I am the Director of the Division of Children and Family Services (CFS) of the Department of Health and Human Services (DHHS). I am here to testify in opposition to LB 927, a bill that would move responsibilities of serving the juvenile justice population from the Office of Probation Administration to CFS.

In 2013, LB 561 passed, which moved the juvenile justice population of youth from CFS to the Office of Probation Administration. This was revisited in 2014 to modify statutes on payment of costs and gave the Office of Probation Administration placement and care authority over youth placed on probation. The Division supported these changes and is confident that the Office of Probation Administration is the best entity to serve these youth, as they are best suited to work with juvenile offenders.

CFS identified several areas of concern with LB 927. First, it is unclear whether the bill would revert back to how the juvenile justice youth were served by DHHS prior to 2013, or if the intent is to have both CFS workers and probation workers provide case management services to the same children at the same time.

The bill allows youth under age 18, to be placed on probation, but requires CFS to pay for all services provided to these youth, and gives DHHS placement and care responsibility for all probation youth in out-of-home care. It appears, CFS would be financially responsible even when children are not in DHHS custody, in addition, the Office of Probation Administration would be able to authorize services, but CFS would pay for the services. This is very concerning, as the Department needs to be able to manage funding as well as ensure children are receiving appropriate services that will meet their needs.

Also, moving certain youth under the custody of the Office of Probation back to the responsibility of CFS is concerning for the Division of Medicaid and Long-Term Care. This will increase the number of young adults who qualify under the former foster care eligibility category, significantly increasing costs for the Medicaid program. Nebraska Medicaid estimates the proposed legislations cost to the state would be more than \$2.6 million annually. These costs are in addition to any costs my division would have to implement this bill.

The former foster care eligibility category, established under the Affordable Care Act, requires states to cover individuals who were in foster care arrangements under Medicaid until the age of 26. Under federal law, state wards under the responsibility of DHHS in an out-of-home placement and age out of care are covered by Medicaid until they turn 26. Youth who age out of the Office of Probation are not

eligible for this coverage category. Thus, this bill will increase costs for the Division of Medicaid and Long-Term Care and the State of Nebraska.

Another concern is that the bill does not modify any of the statutes in the Office of Juvenile Services Act. Nebraska Revised Statute 43-405 defines the Office of Juvenile Services (OJS) administrative duties. OJS is the entity that runs the Youth Rehabilitation and Treatment Centers. When LB561 was passed in 2013, and moved juvenile justice youth to probation, the language eliminated the OJS functions relating to community-based services, levels of treatment, evaluation, and parole effective July 1, 2014. This bill does not include any reference or inclusion of community-based services. Because of this, many of the references to the Office of Juvenile Services in this bill contradict the Office of Juvenile Services statutes.

LB 927 creates ambiguity regarding the discharge of youth from the Youth Rehabilitation and Treatment Centers. Youth would continue to be discharged on Intensive Supervised Probation and continue to have a re-entry hearing. However, the proposed bill indicates that the re-entry plan should be developed between the YRTC and probation or CFS. The language could be interpreted that probation is not part of developing the re-entry plan despite the fact that youth will be discharged from YRTC on probation.

Again, I oppose LB 927 because I believe these youth on probation are best served by the Office of Probation Administration. The process of moving this function back to CFS is not good for families or youth and could delay normal assimilation back into the community.

Thank you for the opportunity to testify today. I am happy to answer any questions.