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Government, Military and Veterans Affairs Committee
February 20, 2008

[LB1043 LB1047 LB1136 CONFIRMATION]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Wednesday, February 20, 2008, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1047, LB1043, LB1136 and gubernatorial appointment. Senators present: Ray Aguilar, Chairperson; Kent Rogert, Vice Chairperson; Greg Adams; Bill Avery; Mike Friend; Russ Karpisek; Scott Lautenbaugh; and Rich Pahls. Senators absent: None. []

SENATOR AGUILAR: I'd like to welcome everyone to Government, Military and Veterans Affairs Committee. I'll introduce the senators as they are here and as they arrive. On my far right is: Senator Scott Lautenbaugh of Omaha; right next to me on my right is Christy Abraham, our legal counsel; my name is Ray Aguilar, I'm chair of the committee and I'm from Grand Island. On my immediate left is: Sherry Shaffer, our committee clerk; next to her is Senator Mike Friend from Omaha; followed by Senator Greg Adams of York; and Senator Bill Avery of Lincoln. Our pages today are Ashley McDonald of Rockville, Nebraska, and Courtney Ruwe of Herman, Nebraska. The bills today will be taken up in the following order: LB1047, LB1043, and LB1136. There are sign-in sheets at both entrances. Sign in only if you're going to testify and put it in the box up here in front of me. If you're not going to testify but would like to be on the record either as a proponent or an opponent on a bill, there's another sheet that you can fill and those are on the table at the entrances as well. Before testifying, please spell your name for the record. Introducers will make initial statements, followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for introducing senator only. Listen carefully and try not to be repetitive. If you have a prepared statement or exhibit, give it to the page and they will distribute it or make copies. Please turn off your cell phones and pagers. Before we start on the hearings today, we have a Governor's appointment to take care of. Mr. Gary Gandara, would you please come forward, have a seat. Welcome. [CONFIRMATION]

GARY GANDARA: Thank you. [CONFIRMATION]

SENATOR AGUILAR: Mr. Gandara is State Emergency Response Commission appointee. New member I assume? [CONFIRMATION]

GARY GANDARA: Yes. [CONFIRMATION]

SENATOR AGUILAR: New appointment. Okay. Gary, take a minute and just tell us a little bit about yourself and what you look forward to as being a member of the Emergency Response Commission. [CONFIRMATION]

GARY GANDARA: (Exhibit 1) Well, about myself, born and raised in Lincoln, Nebraska, all my life; 53 years old; family, two sons and a wife; 32-year veteran with the BNSF

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

Railroad, and since 1997 I've been an emergency responder for the BNSF Railroad and excelled in several opportunities there. Presently I'm a mechanical supervisor and on the HAZMAT side since '97, I've been a responder since '97, technician presently, weapons of mass destruction specialist, in rubble specialist, tank care specialist, all the categories of being a HAZMAT responder, emergency responder, for the railroad. And I've also been the go-to person with Lincoln Fire and Rescue and in a lot of various industries around the city of Lincoln, around the state, anywhere our railroad travels in the communities that we serve. We are partnerships with those communities so that we can address their needs when it comes to hazardous material response and then transportation. A member of the Transcare Group which also goes out and reaches out to communities as far as mercy response and what to do in a go-to persons with those industries. And also chemical, the National Chemistry Council, I'm a member of that as a national emergency responder in the areas of anhydrous ammonium, and chlorine. So what I bring to the table with me is some years of experience working with emergency responders around the state, particularly along the rail lines and also in the Lincoln community itself. [CONFIRMATION]

SENATOR AGUILAR: Very good. You sound extremely qualified and you already answered the questions I had. Are there any other questions from the committee?
Senator Avery. [CONFIRMATION]

SENATOR AVERY: Thank you, Mr. Chair. I don't see a financial statement here. Were you not required to file one with your application? [CONFIRMATION]

GARY GANDARA: I didn't know of a financial statement to be filed with it, no.
[CONFIRMATION]

SENATOR AVERY: Is that required of all appointments, a financial disclosure form?
[CONFIRMATION]

SENATOR LAUTENBAUGH: I don't believe all of them, no. [CONFIRMATION]

SHERRY SHAFFER: Whatever the clerks office gets. [CONFIRMATION]

SENATOR AGUILAR: No. [CONFIRMATION]

SENATOR AVERY: Okay. I have no questions beyond that. [CONFIRMATION]

SENATOR AGUILAR: Further questions? [CONFIRMATION]

GARY GANDARA: Actually, I have no money (laughter). [CONFIRMATION]

SENATOR AVERY: You have no money. Good answer. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Government, Military and Veterans Affairs Committee
February 20, 2008

SENATOR AGUILAR: Seeing none, thank you, Gary. Appreciate you coming down today. [CONFIRMATION]

GARY GANDARA: Thank you. [CONFIRMATION]

SENATOR AGUILAR: Are there anyone present who would like to testify on behalf of Gary in this appointment? Are there anyone present who would testify against the appointment? Or in a neutral capacity? Seeing none, that closes the hearing on the appointment for today. We're now ready to open on LB1047. Senator Fulton, please. Welcome. [CONFIRMATION]

SENATOR FULTON: Thank you. Good afternoon, Chairman Aguilar, members of the committee. For the record, my name is Tony Fulton, T-o-n-y F-u-l-t-o-n, and I represent Legislative District 29. I bring today before you LB1047, which represents a collaborative effort between the Department of Administrative Services and the State Auditor of Public Accounts to make clearer those provisions within existing statute that pertain to meal and incidental expense reimbursements. During the course of periodic agency audits, the State Auditor's Office has found a number of instances in which excessive expenditures have been made. But there is no statutory mechanism in place whereby a limit on reimbursement may be imposed. Presently, a structure of control seems to be lacking. LB1047 alleviates this problem by: one, requiring actual receipts for incurred expenses except meals less than \$25; two, including the specific location at which the expense occurred on the itemized reimbursement request; and three, requiring the director of DAS to establish maximum reimbursement rates for meals based on existing GSA standards. So as to not impose unrealistic standards, the head of the applicable state entity may deem reasonable those expenses that exceed the DAS rates. Concluding, LB1047 is the product of careful consideration by two state offices, which will result in improved transparency and leveling of the field with regard to certain travel reimbursements. I urge the committee to advance the measure and I'd be glad to answer any questions if I can. [LB1047]

SENATOR AGUILAR: Thank you, Senator Fulton. Are there questions for Senator Fulton? Seeing none, thank you. Will you be around to close? [LB1047]

SENATOR FULTON: I think so, yes. [LB1047]

SENATOR AGUILAR: Okay. Very good. May we have the first proponent...LB1047? Welcome, Auditor Foley. [LB1047]

MIKE FOLEY: (Exhibit 1) Thank you. Thank you, Mr. Chairman, members of the committee. For the record, my name is Mike Foley and I'm the Nebraska State Auditor testifying today in support of Legislative Bill 1047. I'm very grateful to Senator Fulton for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

working with my office and the Department of Administrative Services on this legislation. I think the product of that work is a very fine bill. When I came to the State Auditor's Office just a little over a year ago, I quickly became aware of a longstanding point of contention between the Auditor's Office and many agencies of state government regarding employee reimbursements for meals consumed while on official government travel. The contention arises because of existing language in state statute that provides for reimbursement of actual meal expenses without any limitation. Other provision of state statute require my office to report instances of cost inefficiency when we discover them in our audit work. Suppose the state employee travels to a meeting in Chicago on state government business and spends \$100 on a very fine dinner. In real life, this does happen. The question then arises as to how much of the \$100 should be charged to the taxpayers of Nebraska. Well, some would argue that the full \$100 should be charged to the taxpayers because that's what the meal cost. Others would say that a \$100 meal is excessive and that only a portion of it should be borne by the taxpayers. Federal government and most state governments settled this question long ago by adopting a per diem federal GSA reimbursement schedule that I've circulated to each of you. I think you will agree that the GSA reimbursement schedule sets a ceiling on reimbursement that is generous to employees and eliminates confusion as to how much is proper for meals to government employees when on travel. Hundreds of thousand of federal, state, and local government employees throughout the United States use the GSA schedule just as we all use the federal mileage allowance in determining how much we can be reimbursed for government-related travel in our automobiles. As Senator Fulton mentioned, this bill is the product of many hours of discussion between the State Auditor's Office and the Department of Administrative Services. I think the bill strikes the right balance of equity between our state government employees and Nebraska taxpayers. I'd like to point out one other important feature of the bill. We recognize that legitimate instances will occasionally arise when a state employee finds himself/herself in a situation where the cost of meals exceeds the GSA schedule. The bill allows state agency heads to approve the meal reimbursements in those limited instances. I'm pleased to support this legislative solution that I believe resolves a longstanding point of contention in a manner that is equitable to state employees and to taxpayers. Thank you very much for your consideration of the bill and I'd be pleased to respond to any of your questions. [LB1047]

SENATOR AGUILAR: Thank you, Mr. Foley. Are there questions for Mr. Foley? Seeing none, thank you. [LB1047]

MIKE FOLEY: Thank you. [LB1047]

SENATOR AGUILAR: Any other proponents of LB1047? Are there any opponents? Welcome. [LB1047]

TIM TEXEL: (Exhibit 2) Thank you. Senator Aguilar, members of the committee, my

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

name is Tim Texel, first name is T-i-m, last name is T-e-x-e-l, and I'm the executive director and general counsel for the Nebraska Power Review Board. We're the state agency with the primary jurisdiction over Nebraska's electric suppliers, and my board authorized me to testify today in opposition to LB1047 and point out some of my boards' concerns with the bill. And I will admit first of all that the bill on its face appears to a very good idea. There are several concerns that my board has upon closer examination and we wanted to raise those with the committee. I believe the bill would potentially create some unintended consequences or at least has that possibility on state employees seeking reimbursement for meal expenses. One technical issue that I wanted to raise is the new language in the bill requires actual receipts to be submitted, except for meals under \$25, and I believe Senator Fulton mentioned that. But there's no provision for what happens if a receipt is lost or stolen. So my concern is does the employee then simply have to absorb that cost if they can't find the receipt, if it's missing? That would be a concern that I don't believe is equitable for a state employee to have to absorb the cost. It would seem fair to allow something like a option for an affidavit that they could submit, if you wanted that formality, to say that their receipt had been lost or stolen and stating the amount or approximate amount. Currently, the state of Nebraska reimburses its employees for their actual and necessary expenses included for meal expenses, rather including meal expenses. The language stating that the state is obligated to reimburse employees for their actual and necessary expenses are written into the statutes for dozens of agencies, and I had the page hand out an example of those. My paralegal did some quick research and found that many of the state statutes creating boards or commissions use the "actual and necessary expenses" language concerning reimbursements. On at least 24 statutes, we found use that language and at least 60 committees, councils, and commissions use that same reimbursement language. Those that I'm referring to now are the smaller advisory councils and such, but they have those same language in there. The Legislature standard from what I saw as necessary expenses in the legislative councils is actual expenses. They divvy up those two words between them I guess. I believe this shows the state of Nebraska has previously taken a position that its policy for reimbursement purposes examines whether state office or employees expenses were actual and necessary. Under this bill, that standard would essentially be erased for purposes of meal reimbursements in favor of what I would term a bright-line limit or ceiling. And as I'm sure all of you know, bright-line rules have the beauty of being easy to administer, but they can often be unfair in their results and I submit that may be what would happen with LB1047. LB1047 would effectively overrule the language in those dozens of statutes and change the standard, for meal reimbursements anyway. One of the issues with the GSA standards...a concern that my board has with adopting them is that they are not geographically specific. So if a seminar or conference is in an expensive or isolated location, the GSA standards will not reflect the true cost of that location and I can give an example of that later. The GSA guidelines cover a large geographic area, and I believe Auditor Foley handed out the standards, that show its usually a county or a large metro area, such as Los Angeles. Another is that if a group of, say, when I go to a seminar or conference, if a group of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

regulators or state commissioners or private industry officials are going to an expensive restaurant, setting the GSA guidelines as the standard rules out or could rule out my or my board members attendance and I'll address the agency head example in a moment. But that would pretty much destroy the opportunity for networking and personal relationships that hopefully you understand are important in state government when I'm working with other governmental entities and commissions around the country. Regarding the agency head exemption, LB1047 would allow the agency head to authorize exceeding the GSA standard. I assume the agency head would be the board chairman in my case, it's not specifically stated in the bill and maybe that should be, but I assume that that's who it means and it wouldn't mean myself as an executive director. But that may be unworkable or risky for an employee. If a state employee is invited to go with the group to an expensive restaurant, how would he/she know if the agency head would approve? So they would have to assume the risk of the GSA standards and if not, then they would have to absorb the additional cost above the GSA standard, which they may not well have picked the restaurant. I know I don't when I go. I think that sometimes the commissioners--and I'm not meaning to be overly critical of them--but from other states and private industry do go to expensive restaurants, certainly more than I would pick to go to if it were up to me. But they do that and I would essentially be put in the position of saying, no, I can't go. I don't think that would foster good relations with the other state officials particularly. My board is also concerned that the agency head waiver may not be acknowledged or accepted by some involved in the process, and that's another concern that they would have, again, with the bright-line test, that problem comes up. And I might use an example to illustrate that. Several years ago, my board chairman and myself went to Disneyland in California to attend the American Public Power Association annual conference. This was a conference that I and my board members attend every year in various locations around the country and it's one of the few conferences that deals specifically with public power issues, which sometimes are difficult to find from my agency and myself. Going to Disneyland, I will freely admit, was not in my opinion the best choice of locations due to the expense and the appearances, but that's where the location was chosen and I had no role whatsoever in choosing that. The nearest applicable GSA reimbursement standard for Disneyland from what I can tell is Orange County and the entire Los Angeles area. As you can imagine, both my board chairman and I exceeded the GSA standards. So in our next audit, the Auditor's Office determined or declared that our meal expenses were unreasonable because they exceeded the GSA standards, and that's without any statutory provision saying that the GSA standards should be used. Well, due to the nature of the location, the board chairman believed that the expenses were reasonable and he was with me at that occasion. We explained that situation to the Auditor's Office, but unfortunately we were still determined to be unreasonable despite the fact that we were at Disneyland's campus. I didn't have a rental car. It would have been more expensive to rent a car and drive to another restaurant to meet the GSA standards. I didn't think that was a reasonable option either. So unfortunately I was spending more because every place within walking distance of Disneyland is expensive. That's the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

nature of that location. So my board and I would just like to point out that that audit would be an example and that particular situation is an example of what I'm bringing up. I would like to point out to be perfectly fair that this was prior to Auditor Foley taking office. I've spoken to Auditor Foley about this and I have greater comfort that his administration be much more reasonable on something like this. But Auditor Foley won't be there forever and this is not about him or personality driven or anything like that so I wanted to make that perfectly clear. So my board, when they voted, just believes this is not in the best interest of this state due to particular situations like this and we would respectfully oppose the bill. And that's all I have. If there's any questions, I'd be glad to try to address them. [LB1047]

SENATOR AGUILAR: Thank you. Are there questions for Mr. Texel? Seeing none, thank you. [LB1047]

TIM TEXEL: Thank you. [LB1047]

SENATOR AGUILAR: Are there any other opponents to LB1047? Is there any neutral testimony? Seeing none, Senator Fulton to close. [LB1047]

SENATOR FULTON: I'll be brief. Thank you. I'll just share why I decided to bring this forward. My experience prior to being here, I worked in the private sector and the first time I had any experience with GSA was on a trip to Japan I had to take. I went there to close a deal as a lucrative deal for our company and in closing it, I actually didn't have to pay for any of my expenses, the Japanese paid for everything. Well, when they came over here, I guess it's tradition how deals are made, deals are closed, we had to take them to places and entertain them. And as I was told by my boss, make sure that they are taken to the best places and they see the best that Lincoln has to offer. So we did. When I submitted my expense report, I went over the GSA standard and that is what we use at our company, it's a manufacturing company here in town, and I had to explain myself and I did and I think I reasonably did so and so I was able to be reimbursed. But what occurred there, I think, is how one is able to keep control over a budget when there isn't a structure to a budget, then it is only human nature that expenditures be made without a restraint. When it's somebody else's money, it's less likely that there's going to be restraint involved. Now this doesn't apply everywhere, but I can tell you that that does apply in organizations where there isn't a structure. Presently, I recognize that there isn't a structure. When this bill was brought to me, red flags went off. So putting a structure in place, utilizing a GSA as that numerical basis by which a structure can be enforced seems reasonable to me. But I also had the experience that Mr. Texel described to you in that there are times where one has to go over the GSA standard, and so we have provided for an element of judgment, and element of volition, particularly...it's on page 3, it's the exception in the bill LB1047, page 3, line 4, "except that the head of the applicable state entity may, on a case-by-case basis, authorize, in writing, reimbursement for expenses he/she deems reasonable that are in excess of the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

established rates." So I bring this bill to you today with the hopes that we can put some kind of structure around meal reimbursement particularly, recognizing that an element of volition adds an element of reasonableness, and that's the prospect by which I would hope that the committee could look favorably upon this bill. So thank you. [LB1047]

SENATOR AGUILAR: Thank you, Senator Fulton. Are there any follow-up questions for Senator Fulton? Seeing none, that closes the hearing on LB1047. We're ready to open on LB1043. Senator Avery, would you assume the chair? [LB1047]

SENATOR AVERY: We would like to welcome to our presence on the panel Senator Karpisek from Wilber and Senator Rogert from Tekamah. Did I get that right? [LB1043]

SENATOR AGUILAR: And Senator Pahls from Omaha. [LB1043]

SENATOR AVERY: Oh, I'm sorry. And Senator Pahls from Omaha. Senator Aguilar. [LB1043]

SENATOR AGUILAR: Good afternoon acting Chair Avery and members of the committee. My name is Ray Aguilar. I represent District 35, Grand Island, future home of the State Fair (laughter). LB1043 is about contract security companies and security guards. I introduced a similar bill in 2003, which was referenced to the Judiciary Committee. The Government Committee has heard bills the last several years dealing with this issue. The idea of this bill was in response to a situation in Hall and Lancaster Counties where a security company mimicked the sheriff's department in uniform, vehicle, and even the shield or logo on their letterhead. It is my understanding they are no longer operating in Hall County. But it may be happening in other counties and I am concerned about this because it can cause confusion among members of the public. Another concern that I have is the issue of the security guards carrying a weapon. There are no provisions in current law which ensures the guard has been through a criminal history check or is licensed to carry that weapon. LB1043, I am trying to create minimal standards for security companies and security guards. The industry itself is calling for higher standards and professionalism within its ranks. The companies that believe in high standards and belong to one of the national associations probably already exceed the minimum requirements set forth in this bill. LB1043 is intended to license persons working as security guards to require an armed security guard to be trained in fire arm use and to prohibit such companies and guards from using equipment and uniforms that look like local law enforcement. The act assigns the Nebraska Commission on Law Enforcement and Criminal Justice the duty of administering the act and establishing rules and regulations with licensure. A license issued as provided for in this act could be automatically revoked for no longer meeting the requirements of this act. Applicants for armed guards must provide a copy of a valid handgun purchasing permit and a certificate of successful completion of a qualified handgun instructor. Criminal history checks are to be performed on applicants by the Nebraska State Patrol,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

including the facilitation of a Federal Bureau of Investigation fingerprint identification. Each license will expire three years after issuance. The license application fee for the contract security company is \$250 and the renewal fee is \$200. For an armed or unarmed security guard, the license application fee or license renewal fee is \$100. To eliminate confusion and to safeguard the public, a security guard uniform is required to be clearly distinguishable from that of local law enforcement and the Nebraska State Patrol. This requirement is carried to forms of advertising, badges, vehicles, and clothing. Finally, the bill creates the Security Services Advisory Council, which will serve in an advisory capacity to the executive director of the Nebraska Commission on Law Enforcement and Criminal Justice. The council will review and make recommendations regarding rules and regulations to be adopted under the act. Thank you for your time and attention, and I ask your advancement of LB1043. If there are any questions, I'll be happy to try to answer them for you. [LB1043]

SENATOR AVERY: Thank you, Senator Aguilar. Are there any questions from the committee? Seeing none, are you going to stay for closing? [LB1043]

SENATOR AGUILAR: Yes. [LB1043]

SENATOR AVERY: Any proponents wish to testify? Are there any opponents? Anybody wish to testify in the neutral position? Seeing none, Senator Aguilar waives...I'm sorry. [LB1043]

JOHN GALE: I'm sorry, Senator. I would like to testify in a neutral position. [LB1043]

SENATOR AVERY: Come forward, please. [LB1043]

JOHN GALE: Good afternoon, Mr. Chairman, members of the Government Committee. My name is John Gale, G-a-l-e. I'm Secretary of State for the state of Nebraska. I'm here to testify on LB1043 in a neutral capacity simply to focus on certain procedural processes contained in this bill. Legislation to license and regulate security guards has been introduced previously, as Senator Aguilar mentioned, in 2002, 2004, and 2005. Senator Aguilar and former Senator Elaine Stuhr introduced LB1217 in 2002, which bill was not advanced out of the Judiciary Committee due, as I recall, to some issues over handgun permits. Both senators introduced LB1063 in 2004, which bill was indefinitely postponed in April of 2004. Then both senators again introduced LB72 in 2005, which bill made it to Select File but not Final Reading. Although neither bill was adopted, LB72 did seem to have a consensus of support in the Legislature. My office worked closely with Senators Aguilar and Stuhr in 2004 and 2005 because LB1063 and LB72 delegated the licensing and administrative duties to my office. We had calculated a fiscal note for both of the bills estimating the cost of administering the acts. We suggested that the issuance of gun permits, however, might be better conducted by a law enforcement agency due to the training and testing requirements that were then

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

required. Both senators agreed that that responsibility should rest then with the Nebraska Crime Commission. As Secretary of State, I've given considerable attention to my licensing division since becoming Secretary of State. Prior to becoming Secretary of State, many licensing responsibilities were delegated to my office and I have attempted to consolidate all of those different licensing duties into one division supervised by an attorney with two administrative assistants. Part of my thinking was that I knew other licensing responsibilities were bound to come along. They were talking about licensing of home inspectors for real estate sales, as well as the licensing of security guards and other areas, such as interior design engineers. My licensing division handles licensing for private detectives, plain clothes investigators, private detective agencies, polygraph operators, voice stress examiners, debt management organizations, notary republics, and collection agencies. It also administers public access to state agency rules and regulations. We license approximately 31,000 different individuals and agencies through the various licensing processes, including the notary republics. The division is further subject to the supervision of my chief deputy, Ron Moravec, who also serves as my general counsel. Because of our administrative and legal experience processing, licensing applications, issuing licenses in related fields, and conducting hearings for revocation of licenses it seems that my office would continue to be an ideal agency to handle the licensing of security guards. One concern of the sponsors was that of keeping all of the functions under one agency, rather than sharing duties between agencies as we had proposed under LB72. And I think that's where a difference developed, a very practical and understandable difference in terms of sharing the responsibility of the crime commission, doing the gun permits, our office doing the licensing. However, things have changed since LB72 because LB72 had a number of requirements for issuing of gun permits, such as testing and training, which we felt more comfortably should be given to a law enforcement office, and that's where we asked that the administration be divided between our office and the crime commission. LB1043 introduced by Senator Aguilar and now does place the entire responsibility for both licensing and issuance of gun permits on the Nebraska Crime Commission, and clearly the Crime Commission will do a professional job with whatever responsibilities are given to them. However, the task is now more administrative and ministerial than it had been under LB1063 and LB72. So we feel that since the standards aren't at the level where it's necessary to have a law enforcement agency handling the licensing, it's a much more ministerial process that it would more naturally gravitate toward our office consistent with the work we do, licensing private detectives, polygraph operators, and plain clothes investigators. We have the trained attorneys and staff who are knowledgeable in administrative law and constitutional rights and have the experience from licensing private detectives and private investigators, which are very similar professions. So I'm here to testify today to Senator Aguilar and to this committee that our office, consistent with the historic duties given to us by the Legislature in terms of licensing many fields that are related to law enforcement, that we would be quite willing to take on the duties of this entire bill as Senator Aguilar and Senator Stuhr had originally proposed. Since it is more ministerial, it is more consistent with what we do,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Government, Military and Veterans Affairs Committee
February 20, 2008

and it is more consistent with the delegation of duties of this Legislature in the past. We're not trying to compete with the Crime Commission. Obviously the Legislature can delegate these responsibilities to whatever agency you deem appropriate. But I just wasn't sure that the committee knew all of the different and myriad areas in which we do licensing and have been delegated those responsibilities. And I think we discharge them well to the 30,000 different individuals and agencies that we now service in these different areas of license and license revocation. We can competently draft the rules and regulations. We have an attorney who is in charge of the licensing divisions supervised by my general counsel. So any regulations that are required under this bill we can handle and feel that we can do so very competently. We've looked at our fiscal note that we've introduced previously on this bill and we feel not only we can do this competently and professionally, but we can do it at less expense than the Nebraska Crime Commission. So I would ask the committee to reconsider the delegation of duties for licensing administrative oversight under this security guard bill, and delegate it to the Secretary of State's Office to be administered by our licensing division consistent with other duties you have given the office in the past. Thank you, Mr. Chairman. [LB1043]

SENATOR AGUILAR: Thank you, Mr. Secretary. Are there questions for the Secretary? Seeing none, thank you. [LB1043]

JOHN GALE: Okay. Thank you, Mr. Chairman. [LB1043]

SENATOR AGUILAR: Is there any other neutral testimony? Seeing none, that closes the hearing. I waive closing, so that closes the hearing on LB1043. We're now ready to open on LB1136. Senator Rogert. [LB1043]

SENATOR ROGERT: You don't all have to leave on my account (laugh). [LB1136]

SENATOR AVERY: Welcome, Senator Rogert. [LB1136]

SENATOR ROGERT: (Exhibits 1&2) Good afternoon, Chairman Avery and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Kent Rogert and I represent the 16th Legislative District. I come before you today in introduction and support of LB1136. LB1136 would open up our current Nebraska Revised Statute 23-1114.01 and allow for the classification that currently exists for counties in the establishment of salaries for county officers and their deputies and allow for it to be used for other purposes under the statutes. I'm passing out to the committee a sheet which indicates how they are currently classified under this statute. The purpose in bringing this legislation is simple and will be laid out more clearly by Mr. Joe Kohout, registered lobbyist for Douglas County, who will be following me in testimony today. The purpose is this, currently when we deal with cities we have simple categorization--did you get that word, categorization--cities of the metropolitan class, primary class, first class, second class, and villages. When we get to counties, it is a bit more clumsy

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
February 20, 2008

because we have to incorporate these city classifications into the county classifications. Thus, when we try to enact legislation which may adopt only to Douglas County, we reference in our statutes a county containing a city of the metropolitan class, or if we reference Lancaster County, a county containing a city of the primary class, or finally if we want to catch Douglas, Lancaster, and Sarpy, we reference counties containing more than 100,000 inhabitants. LB1136, if enacted, would allow us when referring to Douglas County, to refer to it as a Class Seven county or referencing Lancaster and Sarpy County a Class Six county. This doesn't necessarily replace a mechanism under the statutes that I laid out before. It just merely makes it easier to refer to them in statute. I appreciate your attention to this matter and once again, Mr. Kohout will be following me in testimony, but I can try to answer any questions you may have. [LB1136]

SENATOR AVERY: Any questions from the committee? Boy, we're a quiet bunch today. Thank you. Are you going to stay for closing? [LB1136]

SENATOR ROBERT: I got no where else to go. [LB1136]

JOE KOHOUT: (Exhibit 3) Acting Chairman Avery and members of the committee, my name is Joe Kohout, K-o-h-o-u-t, registered lobbyist appearing today on behalf of the Douglas County Board of Commissioners. I'm passing out a letter to the members of the committee from commissioner Mike Boyle whose, shall we say, baby this is and who had intended to be with you today, but unfortunately had some unexpected conflicts today and asked me to pass out to you the letter that I am providing. Really in essence, I think Senator Robert has laid out what we're looking for here. I don't think there's any consistency when it comes to referencing of counties in statutes that there's any consistency about how we refer to some of those counties. As he said, when we refer to Douglas County, a lot of times we say, counties containing a city of the metropolitan class, Lancaster containing a city of the primary class. As such, what we're really looking for here is a consistency and that is the main reason for the introduction of the bill. We appreciate Senator Robert bringing it. It's really, in our opinion, nothing more than that and would entertain any questions that you might have. [LB1136]

SENATOR AVERY: Senator Friend. [LB1136]

SENATOR FRIEND: Joe, it's not a concern...I'm asking you, I guess, whether it is a concern of yours or did it come up in the discussion that we've got volumes and volumes of statutes that would eventually and periodically need to be changed? You take these piecemeal. I mean, every time a section of law is opened up, you make that correction. I mean, the Revisors Office will be awful busy for the next 20 years, I would think or am I oversimplifying? [LB1136]

JOE KOHOUT: No, I think that's a valid concern frankly, Senator Friend. I think if

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Transcriber's Office
Government, Military and Veterans Affairs Committee
February 20, 2008

you...you know, this is one of those bills that we passed this year and the next thing you know, next year you have, you know an 800-page cleanup bill to go through and strike those references and insert...one of the things that we try to do is obviously beginning, in the bill we put out, beginning January 1, 2009, that may be referred to. Kind of the thought there was to attempt to sort of do it piecemeal as we went through it and if a bill was introduced at the request of Douglas County, that it was only going to apply to Douglas County in the 2009 session. We refer to it as a Class Seven county at that time. It wasn't anything...that's obviously a concern and I don't want to minimize it. But at the same time, I think that moving forward, that would be something that we could address as we went. [LB1136]

SENATOR FRIEND: Okay. [LB1136]

SENATOR AGUILAR: Further questions for Mr. Kohout? Senator Avery. [LB1136]

SENATOR AVERY: I'm curious as to how you came up with the numbers in these classes? I see Class Seven includes those counties with more than 200,000 inhabitants. That lumps Lancaster in the same category with Douglas, correct? [LB1136]

JOE KOHOUT: I believe so. I don't know the population of Lancaster County off the top of my head. [LB1136]

SENATOR AVERY: Oh, it's more than 200,000. [LB1136]

JOE KOHOUT: Okay. Frankly, Senator Avery, the statute that you have in front of you or the statute that we went into when the Douglas County Board passed a resolution, we contacted NACO and said, here's what we're looking at, do you know of any classification that currently exists in statute? And they said, well, yes, we do, there's one that has to do with salaries of county officials and their deputies. So rather than pull it out to reinvent something out of whole cloth, we went and looked at that section and just utilized that section, amended it via this bill to try to allow us to use that categorization for other purposes. [LB1136]

SENATOR AVERY: And those numbers were already there? [LB1136]

JOE KOHOUT: Those numbers are already there. We're not amending those numbers at all. [LB1136]

SENATOR AVERY: So you would admit though, however, that not all counties have the same kinds of interests, same problems, same issues and not all above 200,000, for example? [LB1136]

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JOE KOHOUT: I would agree with that. [LB1136]

SENATOR AVERY: Yeah. [LB1136]

JOE KOHOUT: Although I would say that nine times out of ten if an issue was facing Douglas, it probably is facing Lancaster as well. [LB1136]

SENATOR AVERY: Yeah. You're probably right. [LB1136]

SENATOR AGUILAR: Further questions? Seeing none, thank you. [LB1136]

JOE KOHOUT: Thank you. [LB1136]

SENATOR AGUILAR: Are there any other proponents? Are there any opponents? Neutral testimony? Senator Rogert waives closing and that closes the hearing on LB1136 and all the hearings for today. [LB1136]

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Government, Military and Veterans Affairs Committee
February 20, 2008

Disposition of Bills:

LB1043 - Held in committee.

LB1047 - Held in committee.

LB1136 - Held in committee.

Chairperson

Committee Clerk