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Transcriber's Office

Executive Board  
May 26, 2009

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[LR171 LR224]

The Executive Board of the Legislative Council met at 12:00 noon on Tuesday, May 26, 2009, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR171 and LR224. Senators present: John Wightman, Chairperson; John Nelson, Vice Chairperson; Mark Christensen; Deb Fischer; Mike Flood; Russ Karpisek; Rich Pahls; Tom White; and Lavon Heidemann. Senators absent: Chris Langemeier. Also Present: Mike Calvert and Laurie Weber.

SENATOR WIGHTMAN: Good afternoon and welcome to the public hearing of the Executive Board of the Legislative Council. I will introduce the members who are here and staff. First, to my right is Janice Satra, legal counsel of the board; to her right is John Nelson, Vice Chair of the board; to John's right, Senator Nelson's right, is Senator Russ Karpisek from Wilber; to his right is Speaker Mike Flood from Norfolk; to his right, Mark Christensen from Imperial; and to the far right, Senator Lavon Heidemann from Elk Creek. I am Senator John Wightman and Chair of the board. To my left is Jessica Shelburn, committee clerk; Senator Chris Langemeier is absent right now but probably will join us later; Senator Rich Pahls from Omaha is present; and we also have on the committee Senator Deb Fischer from Valentine and Senator Tom White, who are both absent and may be joining us later. As usual, we will hear testimony from the introducer of each of the two resolutions that we'll be considering today and if there are any testifiers present, we'll hear those who are in favor of the resolution and then those who are in opposition and, finally, those that would have neutral testimony. We welcome anyone to testify but ask that you not be repetitive and that you try to keep your testimony to about three minutes. Sign-in sheets are available on the testifier's table. Please fill the form out completely before you come up; hand it to the page before you begin your testimony. This will provide us with an accurate record. Please state your name slowly for the record. And since I don't think we have a lot of testifiers, I won't go into much more detail but I will certainly answer any questions that you might have in that regard. If you're going to have any written testimony, we will need 15 copies of that testimony, so the page can make some for you. So if anybody is here with a cell phone on, would ask that you turn it off. Now the first resolution we will have today will be LR171, introduced by...will be introduced by Senator Brad Ashford. []

SENATOR ASHFORD: Thank you, Mr. Chairman and members of the Executive Board. My name is Brad Ashford. I represent the 20th Legislative District and I'm here today to ask your support for creating a special committee of the Legislature for the purpose of looking at the system we use to sentence individuals to our state correctional facilities and how such a sentence impacts the state in rehabilitative and fiscal terms. The issue of sentencing is not confined to how we rehabilitate and assist individuals who depart our correctional institutions and return to Nebraska communities. It is also an issue concerned with how the Legislature appropriates money to pay for the administration of correctional services within our state. So it is imperative that we look, take a hard look,

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in my view, Mr. Chairman, and study the issue as a budgetary issue as well as a criminal justice issue, and that's what we would propose to do in this resolution. As of April 27, 2009, our correctional system was at 139.24 percent above capacity. It is only a matter of time, obviously, before we reach that point where our current facilities will no longer adequately and safely accommodate the number of inmates assigned to the correctional system. When we are not able to adequately and safely incarcerate convicted individuals, we will be left with the difficult choice between building more prisons and releasing people from prison. In this fiscal climate it would be a pretty tough sell, I would believe, to use more of their tax dollars to build more prisons, so we need to ensure that we have the support programs in place and services in place to safely release individuals from our corrections institutions so that they do not commit additional crimes and recidivate back into prison. We as a state have to provide more of the programs that work and less of those that do not, obviously. The Department of Corrections has done a, in my view, a good job of developing programs, both on the work...on the employment side and on the educational side, and I note that the department this year has implemented a high school diploma program which is very successful, and I think most of us all know about the employment opportunity programs that are available at the state correctional facility. Members, we'd like to...I'd ask your support for this resolution. I think we would like to look or I would suggest we look at the front end and the back end of this issue. Are the sentences that are being given for a range of criminal activities or for violations of our statutes, are those sentences, are they appropriate for the...as we take a look at the entire criminal justice system? Are they too great? Are they too small? How do they fit into the system as a whole? And then at the back end as well is what is available for inmates as they come back into the system...or into society after being in the system for a number of years. I think this is a big issue, obviously, or I wouldn't have brought you this resolution. And I would hope that we could move forward with this commission. I think it rises to the level of a commission status so that it has some duration. And I know there have been a number of senators who have come to me and, as Chairman of the Judiciary Committee really, and said let's look at this. We really need to do that so that we don't get to a capacity problem that becomes...it's already an issue but becomes a significant issue that we would have to take actions on. Thank you, Mr. Chairman. [LR171]

SENATOR WIGHTMAN: Thank you, Senator Ashford. A couple of things: You talk about authorization or the Executive Board is authorized to provide the committee with legal counsel and committee clerk, and you suggest that come from existing legislative staff. [LR171]

SENATOR ASHFORD: That's correct. [LR171]

SENATOR WIGHTMAN: So I assume some of that might well come from the Judiciary Committee. Is that your thinking? [LR171]

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SENATOR ASHFORD: Yes, and we will have...yes, my idea would be that we would have adequate staffing available to provide that help. It wouldn't hurt, though, to have some...also at least be able to talk obviously to people on the other committees, Appropriations Committee and others, to make sure that we're...those fiscal issues are being addressed. [LR171]

SENATOR WIGHTMAN: Senator Flood. [LR171]

SENATOR FLOOD: Thank you, Senator Wightman. Senator Ashford, why not just let the Judiciary Committee do this? It seems to be completely and wholly within the scope of what your committee has as far as subject matter jurisdiction. Why not an interim study? [LR171]

SENATOR ASHFORD: I think this is bigger than that. I think this... [LR171]

SENATOR FLOOD: In what way? [LR171]

SENATOR ASHFORD: I think this needs to have a yearlong...I don't think an interim...I think it sort of rises to the level of some of the other commission type arrangements we've made for critical issues. I think this is one of those that has reached a level of significant concern. I'd like...the other reason is that I'd like to have...it'd be my druthers that there are members of this Legislature who are not on the Judiciary Committee who have voiced an interest in being involved in this issue that bring some perspective that would aid in our deliberations as a commission. And I just...I think it raises to that level and I'd like to have participation, I think it would be better if we had participation from all committees. [LR171]

SENATOR WIGHTMAN: Senator White. [LR171]

SENATOR WHITE: I have toured the prisons and I agree with you, Senator Ashford, recidivism is a huge problem. You've said that they can cut it down by 50 to 60 percent by simply providing three things. One is to send somebody out sober so that they've gotten adequate drug treatment, send them out with a job so that they have something that would pay a wage, and get them out of their old environment. I know that, for example, various labor unions might be persuaded to participate in arranging jobs with a future in an area different than the prisoner came from, using drug testing. That's part of any rule to go onto a job site would that be anymore. And so I agree with you that this is a big problem, it's a hugely expensive problem, and input from Health and Human Services on substance addiction, the committee, or input from Business and Labor on getting trade unions and businesses involved in getting people who have been in prison over that initial hurdle of getting the first job could be invaluable. So I do see the logic of multiple committees being involved. [LR171]

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SENATOR WIGHTMAN: Senator Nelson. [LR171]

SENATOR NELSON: Thanks, Senator Ashford. You talk about the sufficiency and effectiveness of the rehabilitative and reentry programs. Those are in the prison themselves right now. Is that correct? [LR171]

SENATOR ASHFORD: Correct. [LR171]

SENATOR NELSON: But you're not going to...you're not going to take a look into what training might be provided, as Senator White said, you know, after they get out? You're not going to get into that area? [LR171]

SENATOR ASHFORD: I'd like to. I'd like to, Senator Nelson. I'd like to get into that very area and clearly Health and Human Services would be a significant help in that regard, as would Business and Labor. Senator White is absolutely right. You know, I think we have to...it's that connector that seems to be missing a bit. We have...we have, I think we've explored and are doing good work in Department of Corrections but there's that linkage to the job market and the housing market and other daily life issues that arise when these people are put back into society and I think we do have to follow it a little bit, follow it along a little bit. [LR171]

SENATOR WIGHTMAN: Senator Fischer. [LR171]

SENATOR FISCHER: Thank you, Senator Wightman. Senator Ashford, I know on a number of interim studies I have sat in with other committees when they've conducted studies because of my interest in them, even though I don't serve on that committee. You spoke about using Judiciary Committee's staff in order to do this. Couldn't you just handle this in Judiciary Committee, since you're going to be using the staff, and invite senators who have an interest in the area to sit in, instead of having the Legislature establish a new select committee in order to do this, since you're already using your committee staff for it? [LR171]

SENATOR ASHFORD: My...well, first of all, I think we're going to have to use other committee staff because I don't...I mean our...as is usual, the Judiciary Committee will be full during the interim on a number of issues, including a relook at immigration and other issues, and I think that...and the court system and I think it's going to take a lot of our committee's time. But in addition to that, I just think this is one of the seminal issues of the Legislature. I think this rises to a level that needs...and you're right. You're right, a senator who is interested in this issue could sit in and that certainly could be accommodated and accomplished. My sense is, my experience is that it's better to get that senator involved from the very beginning and have some involvement in developing a report or developing suggested legislative initiatives, that that works better in a commission setting than it does in a legislative setting in a committee interim study. I

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just feel strongly that we want to get buy-in from these senators, the ones that are most interested in this issue. And again, I think it's a question of saving money on the front end and the back end and also doing the best job we can with these inmates. [LR171]

SENATOR WIGHTMAN: I guess one other question I had, you have the Executive Board is also authorized to hire outside consultants. I don't know whether we're going to be set up with a budget but... [LR171]

SENATOR ASHFORD: Right, and I don't really, at this point, I don't see any necessity to hire outside people necessarily. I suppose that we could come back to you for that request at a later time. I don't...but that's in there because if it does arise we can...you could consider that potentially if we were to bring that to you or the Chair of this commission were to bring that to you. But I know at this time, I think we're adequately covered, but it may be that in the future we would look for additional help. [LR171]

SENATOR WIGHTMAN: Thank you, Senator Ashford. Anyone else? Senator Fischer. [LR171]

SENATOR FISCHER: Thank you, Senator Wightman. On your resolution, it specifically sets up a special committee,... [LR171]

SENATOR ASHFORD: Right. [LR171]

SENATOR FISCHER: ...not a commission. [LR171]

SENATOR ASHFORD: I should say committee. I'm sorry. [LR171]

SENATOR FISCHER: It's a special committee. It gives the Executive Board the authority to hire legal counsel,... [LR171]

SENATOR ASHFORD: Correct. [LR171]

SENATOR FISCHER: ...committee clerk, other staff as required... [LR171]

SENATOR ASHFORD: Right. [LR171]

SENATOR FISCHER: ...from existing legislative staff. [LR171]

SENATOR ASHFORD: Right. [LR171]

SENATOR FISCHER: And then the...what Senator Wightman just brought up about outside consultant. [LR171]

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SENATOR ASHFORD: Right. [LR171]

SENATOR FISCHER: If you're hiring or providing, providing legal counsel from another committee, you said Judiciary is...you know, you're busy, as many committees are over the interim, how does that work out with salaries? We have other special committees here in the Legislature. [LR171]

SENATOR ASHFORD: Uh-huh. [LR171]

SENATOR FISCHER: What are their budgets? Do you know any of that? [LR171]

SENATOR ASHFORD: You know, I don't know anything of that but I, again, I think we have adequate staff to get started on this. And if it looks as if there is too heavy a burden, we can approach the committee. I think we're going to be able to handle this with the existing team that we have in Judiciary and maybe, from time to time, utilizing some help from the Appropriations Committee, from the Fiscal Office to help us do some numbers and see where we are, and really being able to call on Health and Human Services and Business and Labor for logistical support. I don't think that means assigning somebody necessarily at all, but at... [LR171]

SENATOR FISCHER: So... [LR171]

SENATOR ASHFORD: Sorry. [LR171]

SENATOR FISCHER: So the main change you see, even I guess discounting maybe the wording of the resolution, the main change you would see here is it would allow participation by senators from other committees. [LR171]

SENATOR ASHFORD: Yeah, active involvement from beginning to end, which I see as a real plus. [LR171]

SENATOR FISCHER: Okay. Thank you. [LR171]

SENATOR WIGHTMAN: Anyone else? Thank you, Senator Ashford. [LR171]

SENATOR ASHFORD: Thank you. [LR171]

SENATOR WIGHTMAN: Are there other testifiers in favor of LR171? [LR171]

SENATOR ASHFORD: Mr. Chairman, I have a...Judiciary Committee is meeting here in about two minutes so I may, by necessity, waive my closing. [LR171]

SENATOR WIGHTMAN: Okay. Thank you. Senator Council. [LR171]

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SENATOR COUNCIL: Thank you. Mr. Chairman, members of the committee, I'm Brenda Council. I represent the 11th Legislative District and my comments will be brief because I have to attend the same Judiciary Committee meeting that the introducer of LR171 is off to attend. But I'm here to urge your support of the establishment of this committee. Senator Ashford has touched briefly upon some of the issues that I believe is worthy, the issues that are worthy of a thorough and extensive examination and investigation with regard to sentencing in the state of Nebraska. We just advanced at least three bills that require and provide for enhanced sentences. And I don't know if you are comfortable, but it certainly provided me no comfort that the fiscal note on most of those bills showed no real impact on our correctional facility, that it was incapable of being determined or undetermined. Yet at the same time, Senator Ashford talked about as of April 27 that meant obviously we released some people because just prior to that we were at more than 140 percent of capacity, which is the threshold. So obviously we've released some people and one of the problems with that is, in talking and meeting with members of the Correctional Department, or Parole Board, the way that we are sentencing individuals, the length of time that we are providing sentences that require them to be incarcerated at the correctional facilities as opposed to county jails puts a tremendous amount of pressure on the very process that Senator White was alluding to, which was to make sure that people who need substance abuse services receive it before their release date. And what we're seeing is we have people who are in the system and their release date, tentative release date, TRD, is approaching and they would be...the people would next most likely candidates to get into these programs which have limited capacity. Met with the medical director from the correctional center last week talking about the number of beds in the women's correctional facility and the number of beds available in the men's correctional facility for individuals who require intensive, in-house rehabilitative services. We're at capacity with those. And those programs last anywhere from three to six months. And if our sentencing is such that we are sentencing more and more people with the kinds of backgrounds and problems that require those kinds of services, we are actually bumping people out of the queue in order to move people up so that we have the requisite amount of time before their release date so that we're just not releasing people without these services. And I think we need to go in and carefully look at our sentencings, the impact of those sentences on not only our adult correctional facilities but our juvenile correctional facilities. LB63 in particular increased a lot of penalties for juveniles that may or may not result in them going into the adult correctional facilities as opposed to the juvenile facilities. And as well, LB307, which was a bill that I introduced and laid over until next session, discussed the efficacy of continuing to sentence juveniles convicted of murder to life without possibility of parole, that we need to look at how those sentences are being imposed, whether the assessments that were represented to the Judiciary Committee as having occurred in each of those cases are in fact occurring, whether or not there are additional services or resources that could be provided in terms of that assessment process. If we're going to continue to incarcerate youngsters for the remainder of their

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lives, I think we need to be clear about what their background and that the proper assessments have been made. And so it's for those reasons that I support LR171. And particularly in response to some of your questions, I believe that the breadth and the depth of the issues involved in this require a multidisciplinary approach. We're talking about areas that fall squarely within the Health and Human Services are, some that fall squarely within Urban Affairs, clearly there are Appropriations implications with anything that we discuss. As a member of the Community Corrections Council, I know we're looking at, all the time, alternatives to incarceration and to address those individuals who incarceration could be avoided if the proper programs are developed. I mean it may come as some surprise to you as to the percentage of our current correctional population that are incarcerated for nonviolent offenses. And you know, understandably, we incarcerate a lot of people because we're scared of them, but we also incarcerate a lot of people because we're mad at them and we need to begin to make a distinction and channel these individuals to the proper places so that we do reduce recidivism, that it does provide a deterrent, that we do provide them a means of reentering society and our communities without increasing the risk that they will reoffend. And I think, Senator Wightman, you asked a question of Senator Ashford about...I'm sorry, Senator Nelson, you asked about reentry. I think we ought to look at reentry services after individuals are released. We have a serious, serious problem in the district I represent with ex-offenders returning to the community without requisite skills for the jobs that are available and we see an increase in the recidivism rate. We need to provide services for individuals after they've transitioned out of our facilities and see how we can work with some of the existing programs that deal with offender reentry issue. So for those reasons, I would urge the committee to approve the creation of this committee because I don't believe the work can be completed adequately by an interim study. This is a process that's going to at least take 12 if not 18 months to provide the kind of accurate data that this body needs to make long-term decisions with regard to our correctional facilities. [LR171]

SENATOR WIGHTMAN: Thank you, Senator Council. Any questions from anyone? If not, thank you. [LR171]

SENATOR COUNCIL: Thank you. [LR171]

SENATOR WIGHTMAN: Do we have anyone else that wants to speak in favor of LR171? Anyone want to speak in opposition to LR171? Anyone in a neutral capacity? Seeing none, we will close the hearing on LR171 and move on to LR224. Senator Mello. [LR171 LR224]

SENATOR MELLO: (Exhibit 1) Pages. Good afternoon, Chairman Wightman and members of the Executive Board. My name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I represent the 5th Legislative District, and I'm here before you to discuss LR224 which would create the Budget Reform Task Force. As a freshman senator on the

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Appropriations Committee, going through the state's budgeting process for the first time, I was struck by the lack of performance measurements and cost-benefit analysis used to construct our state budget. It is for this reason I introduced LR224. The Budget Reform Task Force will encourage the Legislature to take a long hard look at our budgeting process and will provide recommendations to strengthen accountability and transparency within our state government. Along with my own experiences through the state budgeting process, last year the Pew Center for the States released their grading the states project on government performance. I recently just had the pages pass out Nebraska's summary report to the committee. Some of the key recommendations from this Pew Center report are to institute a clear performance appraisal policy mandating annual assessments, to encourage agencies to develop additional outcome measures, and to incorporate performance measures more fully into the budget process. The intent of LR224 is to look into areas of budget reform, including but not limited to zero-based budgeting, performance measurements, oversight of public contracts, and evaluation of existing programs and agencies, and evaluation of the fiscal note process, and how strategic planning can relate to the budgeting process. As introduced, LR224, the task force would consist of 11 members from all areas of the Legislature, including the Chair representative from the Executive Board, Appropriations, Education, Revenue, as well as 2 additional members from the Appropriations Committee, Revenue Committee, and 3 members from at large. Because the budget put forth by the Appropriations Committee is not limited to one policy area, I thought it was appropriate to have representatives from all areas of the Legislature to ensure this task force receives the critical input that members from other committees can provide. Since the introduction of LR224, I've been approached by members of the Executive Board with concerns about the subpoena power granted to this task force, and a concern about 11 members being too large for this type of work. I'm more than happy to work with the committee on any potential changes that the committee would suggest, such as removing the subpoena power or reducing the number of senators on the task force. Thank you, Chairman Wightman and members of the Executive Board. I'd be happy to answer any questions you may have. [LR224]

SENATOR WIGHTMAN: Thank you, Senator Mello, and I'm one of those that discussed with you the issuance of the subpoena power which has drawn quite a bit of fire from the administration, as you might have suspected or maybe didn't suspect but...and you have indicated that you would have no problem with just deleting the words "and issue subpoenas" on page 3 if the committee was desirous of making that amendment. Is that correct? [LR224]

SENATOR MELLO: That is correct. [LR224]

SENATOR WIGHTMAN: You also talked about the numbers. Have you had more thought about that as far as the 11 members that you now propose? That does get close to a fourth of the entire Legislature. [LR224]

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SENATOR MELLO: I had conversation with my good friend and colleague Senator Heidemann this morning which it seems to be a conversation I've had with other members, too, which most task force or special committees number around nine, seems to be the larger number that most people strive for. And so whether or not you wanted to have the four Chairpersons or their representatives from the Appropriations Committee, Executive Board, Planning Committee, and the Education Committee, and maybe it open it up...maybe open it up to just five members at large from the Legislature, the one concern I would have, I have no problem with the committee if that was the path the Executive Board would look to travel, I would just like to make sure though the Revenue Committee, I think, serves a very valuable role in this budget process because ultimately we have to appropriate money that is available to the state that ultimately travels through the Revenue Committee. So I would hope that whatever changes the Executive Board would see to shrink it, to make sure that somehow there's adequate representation from that one committee, because that was something we struggled with in devising the task force, was whether or not to put the Chair of the Education or the Revenue Committee on, but we kind of settled with putting two members from the Revenue Committee on. So it's up to the Executive Board and I'd be willing...more than willing to work to shrink that down. [LR224]

SENATOR WIGHTMAN: Any other questions? Senator Fischer. [LR224]

SENATOR FISCHER: Thank you, Senator Wightman. Senator Mello, we formed a Planning Committee this year. Do you think that the Planning Committee that we've just formed would be able to accomplish some of the tasks that you've set out in this proposed task force? [LR224]

SENATOR MELLO: I think there's a chance they might, somewhere in the future, look to address how strategic planning and long-term planning goes into the budget process. But this task force looks at numerous other issues involving state government that I don't know at this point whether or not the Planning Committee will look at in the near term, such as oversight of existing public contracts. I don't know, for an example, that's a somewhat specific thing, knowing that close to \$2 billion out of the state's budget goes to contracts where that might warrant...that alone might warrant, you know, numerous public hearings for that matter of looking into where the public contracts go, what's the oversight, how the Performance Audit Committee might play a role in that as well. So to some extent, to answer your question, somewhere down the lines it would be possibly the hope that if this task force is created that the products that might come from it, the Planning Committee might be able to look at work with the Legislature to find ways to implement those, whether or not it means through legislation or just through internal practices. [LR224]

SENATOR FISCHER: As a newly appointed member of our newly setup planning

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committee, don't you think you would have quite a bit of influence in saying what your new committee is going to be looking at? [LR224]

SENATOR MELLO: That would be a perspective to take, possibly. I think we haven't met so far so I think we'll be meeting later this afternoon or later this lunch hour, which I've discussed with a few of the members on the committee about looking at how the budget process does affect strategic planning but also how strategic planning affects the budget process. So once again, I... [LR224]

SENATOR FISCHER: I guess I see the two tied together. [LR224]

SENATOR MELLO: I see them tied... [LR224]

SENATOR FISCHER: Budget determines a lot on what we do here, as you well know,... [LR224]

SENATOR MELLO: Uh-huh. [LR224]

SENATOR FISCHER: ...being a member of the Appropriations Committee. I just question if we need this task force, since we do have a new committee we just established and I'm thinking let's wait and see what your Planning Committee is going to be planning for us. [LR224]

SENATOR MELLO: Uh-huh. I think that there's an opportunity for both to since this is a short-term committee. Once again, it ends at the end of next year's session, then provides recommendations to the Legislature. Not knowing how the Planning Committee will take shape or take form and what the priorities will come from the Planning Committee, this was a conscious decision to move forward on a Budget Reform Task Force because I think the budget really is the only thing the Legislature has to do. And it's...I think it rises to an elevation of importance that we have to look, with almost 40 new members in this body, we have to look at the ways that we've currently been doing things but also keep in mind that the taxpayers that sent us here fully expect us to work harder and to look for more innovative ways to do the business that we're supposed to be doing. So I think that it's...they're not...I don't think they would work in opposition. I think that what this task force could do would help provide possibly one of many frameworks that the Planning Committee could eventually use to continue to monitor the budget process and monitor government efficiency and government performance. But I think this might help serve as a catalyst, knowing that that committee will oversee a wider range or look possibly to oversee a wider range of policies where this really is just focused on government performance, government efficiency, and transparency within our existing state government. [LR224]

SENATOR FISCHER: And I applaud you for that, but my concern is also with efficiency

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and I tend to see this proposal as duplicating what I hope will be the job of our new Planning Committee. And going through planning processes in various organizations over the year, we always...we always would pick one area, which is why I was saying to you, as a new member of this, couldn't you pick the budget area since it is the one thing we have to do, pick that area, work through the Planning Committee on that? You're not willing to give that to me though, right? [LR224]

SENATOR MELLO: At this point in time, without discussing it with the other Planning Committee members, I would feel I would be speaking out of turn to determine that before the committee has even met. [LR224]

SENATOR FISCHER: Well, you can't. You can't. [LR224]

SENATOR MELLO: So I think though ultimately what, since the Planning Committee would take such a wide array of issues, I look to see or my perspective when introducing this was strategic planning is a different perspective and model to follow, compared to an evaluation process of evaluating currently what we're already doing and then seeing if there's ways to modernize that or to offer new recommendations of what we're currently doing; where the strategic planning process, I think, looks more at research, almost like a research and development kind of mind-set, which takes at demographic changes in Nebraska, income, and job creation data, looking at things...at more data perspective and seeing how that research and that data can form long-term policy, where this is...this is what we're currently already doing. This is what we've known or have seen to work in other venues, in other budgeting processes. What happens if we travel this path or, you know, kind of gaming out different theories of what happens to our process if we add different components and/or get rid of different components along the way? So, like I say, I think ultimately when you're done with the evaluation process it hopefully will provide you a product that the planning then can take in a long-term, strategic way, and how can we implement these long-term recommendations beyond our four to eight years in the Legislature. [LR224]

SENATOR FISCHER: Thank you. [LR224]

SENATOR WIGHTMAN: Senator Nelson. [LR224]

SENATOR NELSON: Thank you, Senator Wightman. Senator Mello, this is a pretty glowing report that you gave us here from the Pew Center and I'm just looking. It says systems are in place for performance management, we just need to establish a stronger performance culture. And then again, however, there is an apparatus in place for performance-based management. I mean is the task force going to be kind of a cheerleader? I mean don't we have these things in place? I'm just asking the questions. And what...and isn't it more of an administrative function to kind of enforce these and...? I mean, we can make recommendations after a task force study, I suppose, but is it

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going to be worth the effort? [LR224]

SENATOR MELLO: I think your question actually answers the question that you ask, which is in theory through this report it shows that we have a skeletal framework that's there, but it's also saying that we don't have the measurements in place or, quote unquote, the meat on the bones to actually execute some of the performance measurements that are needed for our policies. So I think that it's a worthwhile endeavor for the Legislature, being an independent branch of government that ultimately creates the budget, passes the budget, and provides the funds for operating state government, to take a worthwhile look at our state government and look at our operations and look at the potential efficiencies or lack thereof in regards to how we craft our budget, how ultimately we pass our budget, and then what results we get from that proposed budget. For an example, it's an issue that was brought up numerous times in the Appropriations Committee regarding vacancy savings. I've actually asked various agencies around state government to provide vacancy savings as of May 7, which I was alarmed to see the large number of job vacancies that we currently have in the existing state budget that we also passed. Now I was one to discuss with the Appropriations Committee that it's something that I hope that this committee or this task force, when introduced, would look at those kind of processes, which is how does an agency request more money for their agency full knowing, though, that they have close to 85 vacant positions that have not been filled or are currently not filled in their agency. Those are the kind of questions that I would hope that this task force would look to ask, not only in the name of government efficiency and transparency but just in generally of how we're going to choose to prioritize programs as a Legislature, then how those agencies look to prioritize those programs. [LR224]

SENATOR WIGHTMAN: Senator Pahls. [LR224]

SENATOR PAHLS: I just want to clarify what your concept of strategic planning is. You see that as the big picture. This actually...let's say we, down the line, this could have been created by that Planning Committee as an action plan to an issue. I see this as a smaller thing because your plans would say we need to take a look at all these. This actually could be an action plan for the future. I mean I see why we may need to do it now,... [LR224]

SENATOR MELLO: Uh-huh. [LR224]

SENATOR PAHLS: ...but I see this as a small component of the overall plan. [LR224]

SENATOR MELLO: I don't disagree, Senator Pahls. It's not. It's only one aspect I think of sitting back and evaluating our state government and then charting a course into the future. It could be a project of the planning committee if they so chose to do it. When introduced, and as the idea was discussed numerous times in the Appropriations

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Committee, I think time is of the essence in regards to how we look to evaluate our budget. For an example, the Pew Center for the States offered a competitive grant to various state governments for them to evaluate and manage their performance aspects of their budget process. Nebraska was one of numerous states that didn't even apply. And I think that set off an alarm bell for me, realizing that there's money to help out our state government perform better and to be more efficient for the taxpayers. And in no way am I casting blame on anyone, as I notice that a lot of other states didn't apply for this competitive grant as well, but I think this sets up an opportunity for the Legislature with various members, knowing the Planning Committee is a very small committee and maybe you have different members as well. That's an option that, if this committee so chose to do, is to have members not on the Planning Committee to serve on this committee, for that matter, to provide a different perspective. Because, while you may be the Chairman of the Banking, Commerce and Insurance Committee, you obviously have a different perspective of how state government works and operates or how state agencies provide you data or research back compared to myself, who sits on Appropriations Committee. So I think, with that being said and trying to cut this short a little bit, it's a separate entity, I think, or it's a separate focus and purpose but in no way do I think that it couldn't fall within what Senator Fischer is asking of the long-term Planning Committee's role. I just think that it falls in it somewhere down the line, where this is more of an immediate focus. [LR224]

SENATOR PAHLS: Thank you. [LR224]

SENATOR WIGHTMAN: Thank you, Senator Pahls. Senator White. [LR224]

SENATOR WHITE: Yeah, I have a couple of comments. First of all, would this study, for example, on the agencies help us find out how much cash they actually have on hand in their various accounts? Because I've gone through that process and I'm deeply frustrated. [LR224]

SENATOR MELLO: Yeah, Senator White, it would. The big component of this, of this task force, actually looks at government, a government performance review, essentially, looking at every individual agency and finding, you know, finding ways that either, one, they could operate more efficiently but also just getting a better financial perspective of what each agency has and whether or not, for an example, some commissions in our state government might need to be sunsetted. It's a conversation I've had with Senator Avery when drafting this, which is looking to find ways possibly to be constantly reviewing our state government and our state government finances on more of maybe a five-year basis. Because as I've mentioned numerous times in Appropriations Committee, we have hundreds of millions of dollars sitting in cash funds, and I know that you've brought up before as well on the floor, that need to be reviewed and they need to be whether or not different commissions and different agencies actually need the funding they need, full knowing that they have an ability to essentially collect a fee

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or to collect their own internal cash that could be used for their operations compared to using state General Funds to do exactly what they want. [LR224]

SENATOR WHITE: In a sense, you're looking at zero-based budgeting. [LR224]

SENATOR MELLO: Yes. [LR224]

SENATOR WHITE: Thank you. [LR224]

SENATOR WIGHTMAN: Thank you, Senator White. Senator Fischer, did you have your hand up again? [LR224]

SENATOR FISCHER: Thank you, Senator Wightman. I was just going to thank you for the sheet you gave us, Senator Mello. And although we ranked with a B, I think the executive summary is interesting and especially the first sentence. It says, "Nebraska is a responsible fiscal steward and uses a long-term perspective when making tax and expenditure decisions." So it's always good to hear something nice about your state. Thank you. [LR224]

SENATOR WIGHTMAN: Thank you, Senator Fischer. Anyone else with any questions or comments? Thank you, Senator Mello. [LR224]

SENATOR MELLO: Thank you. And I will waive my closing too. Thank you. [LR224]

SENATOR WIGHTMAN: Are there others who wish to speak in favor of LR224, other testifiers? Seeing none, are there other testifiers who would want to speak in opposition to LR224? Again seeing none, is there anyone in a neutral capacity? If not, we will close our public hearing on LR224. [LR224]

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Disposition of Bills:

LR171 - Reported to the Legislature for further consideration with amendments.  
LR224 - Reported to the Legislature for further consideration with amendments.

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Chairperson

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Committee Clerk