

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board January 31, 2024
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AGUILAR: Good afternoon. Welcome to the Executive Board. My name is Senator Ray Aguilar. I represent the 35th Legislative District, and I serve as Chair of the Exec Board. We will start off having members of the committee and committee staff do self-introductions, starting on the far right with Senator Clements.

CLEMENTS: Rob Clements, District 2.

BALLARD: Beau Ballard, District 21.

BOSTAR: Eliot Bostar, District 29.

SLAMA: Julie Slama, District 1.

LOWE: John Lowe, District 37.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

ARCH: John Arch, District 14.

RIEPE: Merv Riepe, District 12.

JACOBSON: Mike Jacobson, District 42.

AGUILAR: Also assisting the committees is our committee clerk, Sally Schultz, and our committee page, Molly Penas of Fort Calhoun, who is a political science major at UNL. This afternoon we'll be hearing 2 bills, and we'll be taking them in order listed outside the room. On the table near the entrance, you will find a green testifier sheet. If you are planning to testify today, please fill out-- fill one out and hand it to Sally when you come up. This will help us keep an accurate record of the hearing. Please note that if you wish to have a position-- your position listed on the committee statement for a particular bill, you must testify in that position during the bill's hearing. If you do not wish to testify but would like to record your position on the bill, please fill out the yellow sheet near the entrance. Also I would note that the Legislature's policy that all letters for the record must be received via the online comments portal by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you do have handouts that you please bring 12 copies and give them to the page. If you need additional copies, the page can help, help you make more. Testimony for each bill will begin with the introducer's opening statement. After the opening

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statement, you will hear from supporters of the bill, then from the opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make a closing statement if they wish to do so. We ask that you begin your testimony by giving us your first and last name. Please spell them for the record. Because the Executive Board meets over the noonhour and members have other hearings beginning at 1:30, we will be using the 3-minute light system today. When you begin your testimony, the light on the table will turn green. The yellow light is your one-minute warning. And when the red light comes on, you will be asked to wrap up your final thoughts. I would remind everyone, including senators, to please turn off your cell phones or put them on vibrate. With that, we will begin today's hearing with LB1286. Welcome, Senator Walz.

WALZ: Thank you. It's a pleasure to be here today. I was hoping that maybe there was some lunch to go with it. Good afternoon, Chair Aguilar and members of the Executive Board. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I represent Legislative District 15, which is Dodge County and Valley. Today, I'm introducing LB1286 on behalf of the Nebraska Council of School Administrators, which seeks to clarify that Legislative Fiscal Analysts shall also seek out the projected economic impact to political subdivisions. Since I began serving on the Education Committee, I have continually heard about unfunded mandates. I believe that a portion of that issue is because here in the Legislature we don't always have the whole picture on how our policies impact local political subdivisions. This was talked about at the interim hearing for LR166 that was held in the Education Committee this past fall. By not having this full picture, especially for school districts, the impacts can lead to increased property taxes for our local districts. So what LB1286 is attempting to do is to clarify that our Fiscal Office should attempt to reach out to political subdivisions on the economic impact of each bill introduced. I've spoken with Keisha, the director of the Legislative Fiscal Office, regarding this bill; and we have been in conversation with several of the education community members on how to best approach this issue. Through conversations, I'm planning to work over the interim to assist the Education Committee to learn more about putting together fiscal notes in a similar fashion as the League of Municipalities and NACO. Kyle McGowan from NCSA will be coming up behind me to discuss the background of this bill. Thank you and I would be happy to answer any questions.

AGUILAR: Thank you. Any questions for Senator Waltz? Senator Arch.

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ARCH: Just one question.

AGUILAR: Speaker.

ARCH: Thank you for coming today.

WALZ: Pleasure.

ARCH: I was surprised with the fiscal note that it was zero. I mean, I-- maybe, maybe somebody will talk about it. But I, I would think that adding this requirement would, would add requirement for staff to do something like this.

WALZ: Yeah. That is probably something that Kyle can address. Yeah.

ARCH: OK.

WALZ: I'm hoping he can.

AGUILAR: Senator Slama.

SLAMA: Thank you, Mr. Chairman. And thank you, Senator Walz, for bringing this bill. Obviously, unfunded mandates are something that we all have a-- we all try to minimize cut as much as we can. So am I right in understanding your proposal and we would have Fiscal reach out to every-- at every political subdivision for every bill that's put before the Legislature to see if it would be an unfunded mandate?

WALZ: Again, we're still having conversations with Keisha--

SLAMA: OK.

WALZ: --on how it would best--how it would best work.

SLAMA: Sure.

WALZ: I think that we would try to get a pretty good majority of different school districts and the sizes to find out how it would impact different, different districts.

SLAMA: Sure. No. Yeah [INAUDIBLE]

WALZ: Does that make sense?

SLAMA: Yes. Yes. Thank you.

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WALZ: And maybe Kyle can expand on that as well.

SLAMA: No worries.

AGUILAR: Senator Vargas.

VARGAS: Thank you very much, Chairman. Thank you very much for being here, introducing the bill. So my understanding is that there are some fiscal notes-- and Chairman Clements will correct me on this maybe afterwards-- there's some fiscal notes that do include language on regards to the fiscal impact to political subdivisions. It's not that we don't have anything in regards to that. Sometimes it's, you know, we can't quantify or we don't know what the impact or we assume there's, because we really only know what the fiscal impact is going to be directly for the agencies, because we can work directly with their fiscal-- their fiscal side within, like DHHS, DED, you know, DAS and so on. My concern is that we don't have an independent party that can quantify what an economic impact is. I don't know if you've thought about what that might be. I haven't talked to Keisha about this. I'll follow up with her. But we run into this when we try to, to identify the impact for different, like, subgroups, you know. And I just don't know if you have an idea on it. Yeah, I was surprised by the fiscal note too. I assumed it'd be like, we're going to contract out and we're going to hire somebody to do it, but that would cost money--

WALZ: Right.

VARGAS: --and-- to do it right. So, yeah.

WALZ: Yeah. Again that-- it's something that, you know, we're, we're still working on. And I would expect that we'll have plenty of conversations over the interim how best to, to make this or to implement this.

VARGAS: OK. I would just love to have more structure on, like, we talking about jobs, we talking about--

WALZ: Right.

VARGAS: --lost revenue for, you know, municipalities, political subdivision, you know, indirect, you know, revenue lost from sales tax or I don't-- I don't know [INAUDIBLE] that'll be helpful as a follow-up.

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WALZ: OK.

AGUILAR: Senator Bostar.

BOSTAR: Thank you, Chair Aguilar.

WALZ: You guys are tough.

BOSTAR: Thank you, Senator Walz. So this is for all political subdivisions.

WALZ: This is specifically I'm talking about education.

BOSTAR: So this is just for school districts?

WALZ: I would say it is for all political subdivisions, yes, or political subdivisions. I was mainly focused when I brought this bill on, on education.

BOSTAR: OK. Is the idea that the number generated would-- so if, if we were to have a bill introduced and in the fiscal note it was determined that it would have some sort of quantifiable monetary impact on political subdivisions, is the idea that that would trigger an A bill for what we were doing? Would we issue an appropriation corresponding to the cost?

WALZ: I would hope so. I mean, I would think that there would be a direct correlation to that. I'm just going to give you an example so you understand why I brought the bill. A couple years ago, Senator McKinney, I don't know if Senator Slama was a cosigner on this or not, brought the computer science and technology graduation requirement. Great bill. Something that we absolutely have to have. The businesses in Nebraska need kids who, who know about that. As a teacher, I know that there was some I don't want to say resistance, but maybe a little bit of fear of how we were going to implement that. And as a past teacher, I know for me, going back into the classroom and trying to just pick up computer technology and science and teach it to my kids would not-- it would not go well because I don't have the training in it. So over the past couple of years, I've worked with schools and the business community to try to figure out the best way to implement that graduation requirement so it's really effective. We're not just checking a box. We're really making sure that we're teaching computer technology effectively. That comes along with training. It, it will include technology that those are things that we didn't really think through when we implemented that, that new policy of the graduation

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requirement. So I just want to make sure, first of all, first and foremost, that when we are creating new policy that we have a full understanding of what the costs will be with that policy or with it, whatever, the policy so that we are implementing it effectively. And, and I think it's also important that everybody knows the cost to implementing a new mandate.

BOSTAR: Yeah.

WALZ: Does that make sense?

BOSTAR: It does if I may continue. I think I generally like the idea. My concern is and we see it on our fiscal notes now. Right? If, if we have a bill that has a fiscal impact on the state, depending on the level of support that that bill has, the agencies will send Fiscal varying costs. And so-- and that, you know, that's something that we have to deal with now. And so what I would be-- I think a concern would be is how do we get to a place where our fiscal notes are consistent? We're mitigating some of the potential, you know, if, if a political subdivision just doesn't like a particular kind of policy, could they just inflate a number; if they kind of want something but it might have a cost, could they reduce it? I mean, you know, we already have this problem. And so I'm thinking through what would-- how would the current problem that we have extend into a broader realm of, of this kind of activity? We should try to think about how to address it.

WALZ: I completely agree with you, I can-- I, I completely agree with you. And I think that again, that's something that maybe we can have conversations on how we strengthen that process so that's not happening.

AGUILAR: Any other questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Senator Walz, for being here. So you're not sure whether this applies to just schools, this bill?

WALZ: All political subdivisions.

CLEMENTS: Oh, it does. OK. That's how I read it too. And working with Fiscal, we're up to 1,413 bills in this 2-year cycle and I've seen Fiscal already struggles getting out their reports timely. It does surprise me that we're not talking about any extra cost. On the

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computer technology bill, did schools testify in opposition or have a position on that bill?

WALZ: Yeah, they did.

CLEMENTS: What did they say?

WALZ: Again, it was just, you know, what I had said earlier, there was a fear that they don't have the number of teachers that are adequately trained in computer technology to be able to meet the graduation requirement. So there would have to be some-- there would have to be some training. There would have to be some hiring of teachers. We're in a teacher shortage--

CLEMENTS: Right.

WALZ: --at that LR. So there are a lot of factors that were concerning.

CLEMENTS: Well, I have spoken with my local superintendent. He also talked about not having the resources or people that teach the computer requirement and wasn't sure yet how he was going to do that. We have about 240 school districts and they're small, medium and large.

WALZ: Um-hum.

CLEMENTS: I would think it would affect different sizes differently, wouldn't it?

WALZ: Yes, it will.

CLEMENTS: And we might need at least 3 different numbers depending on what the district is. And with counties, we have small, medium and large also. But I-- well, I'm wondering, does the Department of Education have a finance person that would be able to estimate some cost to schools or?

WALZ: I'm going to let--

CLEMENTS: OK.

WALZ: --Kyle answer that. I-- I'm-- I, I know that they do. I don't know how it would-- I honestly don't know what the process looks like right now.

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CLEMENTS: I'm not sure if they get into individual school effects. All right. Well, we'll wait to hear from them. Thank you.

WALZ: Thank you.

AGUILAR: Further questions? Seeing none, thank you, Senator Walz.

WALZ: Thank you.

AGUILAR: Are there any proponents for LB1286? Go ahead.

KYLE MCGOWAN: Good afternoon, Chairman Aguilar and esteemed members of the Executive Board. My name is Kyle McGowan, K-y-l-e M-c-G-o-w-a-n. Today I'm representing the Nebraska Council of School Administrators, as well as the Nebraska Rural Community Schools Association, NRCSA, and the Nebraska Association of School Boards. We wholeheartedly support LB1286. NCSA, NRCSA, NASB greatly respect the Legislative Fiscal Office and the complexity of the work that they complete. The purpose of LB1286 is to attempt to project economic impacts or added costs for legislation, as it pertains to all political subdivisions. We are obviously most familiar with bills related to educational topics. Our respectful request is for the Legislative Fiscal Office to reach out to organizations which may have information regarding implementation costs. The Fiscal Office could even reference their source of information if they so chose-- choose. I believe the schools and organizations like NCSA would be happy to assist with gathering data. So for instance, if a bill mandates an hour of training for all the teachers, I just went to the NDE website. And so these are kind of rough numbers. But according to the website, there's approximately 24,000 teachers. The average salary, according to the website, is \$59,000 per teacher. The average contract day is 185 days. A school requires a minimum of 7.5 hours usually. So that rate of pay is approximately \$43 an hour. So if you multiply 24,000 teachers times \$43, you get over \$1 million an hour in cost to taxpayers in Nebraska. Some educational related bills may have little to no fiscal impact. However, there are other bills which will drama-- dramatically affect budgets. We believe lawmakers would be better informed if they could quickly reference within a fiscal note the economic impact on school districts. We'd like to thank Senator Walz for bringing this proposal, and I'm happy to attempt to answer your questions.

AGUILAR: Questions for our testifier? Seeing none, thank you very much. Any further proponents? Seeing none, are there any opponents? Anyone in a neutral position? Whenever you're ready.

KEISHA PATENT: Thank you, Chairman Aguilar. My name is Keisha Patent, and that's K-e-i-s-h-a P-a-t-e-n-t. And I'm the Legislative Fiscal Analyst. As the director of the Fiscal Office, obviously, this would codify some of the responsibilities of my office. I do have some handouts for the committee members today. The first one is from the rules. It's Legislative Rules Section-- Legislative Rule 5, Section 7. And the second handout I'll get to in a little bit. But the first handout, the reason I brought a copy of this is because the entire fiscal note process currently is contained in the Legislative Rules. And there is no statutory provision necessarily that accounts for how the fiscal note process shall be administered by my office. So I just want to refer you to this rule in the first paragraph, point out a couple of sentences. It says: The Legislative Fiscal Analyst shall review each bill and make an estimate of the anticipated change in state, county, or municipal expenditures or revenue under the provisions of the bill. Later in that paragraph, the rule says the fiscal note shall set forth the fiscal impact of the bill and the governmental subdivision affected by the fiscal impact, as determined by the Legislative Fiscal Analyst. In subsection (b) it says: The Fiscal Analyst shall request the appropriate department or other entity of state government or subdivision thereof or appropriate association which will be affected by the bill to prepare the fiscal note within 5 calendar days. So I just wanted to point out that these are the, the guidelines that we follow in our office relative to the fiscal note process, the input that we request. I did look up some statistics relative to the last couple of years. One of the committee members, I think, mentioned that, that there are currently responses from political subdivisions on fiscal notes and, and there are. How we go through the process is when an analyst in our office is assigned a bill, they go through the bill to see who may be impacted by the bill. This could be any state agency or political subdivision. And then they decide which, which request we should send out to agencies or political subdivisions. And then we-- we'd wait for them to respond pursuant to the, the deadlines that are imposed. The second handout that I provided the committee is our fiscal note instructions. And those are actually the instructions that we provide to any agency or political subdivision that we send a request to. So it goes through the nature of what information we're looking for, when it should be completed, what, what provisions they should look at, those sorts of things. So I wanted you to have a copy of that so you see what we are requesting from agencies and political subdivisions. In just about the last-- I looked at-- back at the last 3 sessions, we've had about 30% of all of our requests go to a political subdivision or an association

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related to a political subdivision. So it's not the majority, but it is about 30% of the total requests. In 2023, that was about 509 requests sent to political subdivisions. In a short session, it was fewer. In 2022, it was only 371. But it, it tracks that it's about 30% of all requests that are sent out relative to bills that, that we analyze. One thing that I do want to point out that was mentioned, if I may continue. I think I'm out of time.

AGUILAR: Sorry.

KEISHA PATENT: May I continue? I think I hit the red.

AGUILAR: Would you finish your thoughts?

KEISHA PATENT: OK. Yes. So sorry. I had a lot of notes here. For state agencies, the state does appropriate money directly for those expenses, but it is actually not allowed to appropriate money directly to a political subdivision. Those funds would have to be administered by a state agency. We see this in terms of state aid to schools that is administered by the Department of Education. There is even aid to community colleges that's, that's administered by the Coordinating Commission for Postsecondary Education. So there is a direct link to appropriation for state agencies, but there is not the same direct link relative to appropriating for political subdivisions. I also do just want to point out one small thing in terms of response rate. For our process, we have about 95% response rate from state agencies, and our response rate for political subdivisions is closer to about 40%. So we, we send out the request. We may or may not get an answer. So-- and I have more information if you-- if, but I'll leave it at that and let the committee ask any questions.

AGUILAR: Senator Jacobson.

JACOBSON: Thank you, Mr. Chairman. Keisha, thank you for giving that clarifications. I-- my sense of your testimony is, number one, I'm hearing you say we're already doing this. We're not always getting responses when we reach out to political subdivisions. And we really don't have the ability to directly appropriate to the political subdivisions unless they're affiliated with a state agency. Did I miss something here?

KEISHA PATENT: No, I'd say that's, that's accurate. We do-- we have-- we try to send out requests whenever a political subdivision might be implicated. We do have on our list of political subdivisions that we

contact. It is not all of them. But we have a smattering of political subdivisions that includes-- I actually have-- we have about 18 counties that are on our list. We reach out to cities, specific county departments like, sheriff's departments, assessors, health departments, those sorts of entities. We have school districts, natural resources districts, an airport authority. We also have a few associations that we contact, like NACO and the League of Municipalities and the ESU Coordinating Council. I, I will say just--

JACOBSON: I'm guessing there's times when you really don't need to reach out to them. They're already reaching out to you.

KEISHA PATENT: Sometimes. Any agency or political subdivision is allowed to submit a response, even if we didn't request one. It is less common. I think one of the issues that arises, perhaps, is that in most state agencies, especially the larger ones, they have a person dedicated to following the legislative process, responding to fiscal note requests. Sometimes it's a whole team of people who do this analysis. And when we send a request to a political subdivision, they may or may not have somebody who's following the legislative process that closely or may have the time in their regular duties to respond to. I mean, it could be hundreds of fiscal note requests if we sent, you know, every bill to every county kind of process. So I think that staffing can potentially be an issue with our short deadlines and the timing involved in the-- in the process.

JACOBSON: Thank you.

AGUILAR: Any other questions? Seeing none--

TREVOR FITZGERALD: Senator Vargas.

AGUILAR: Senator Vargas, I'm sorry.

VARGAS: The list of individuals that you contact, how is that list created?

KEISHA PATENT: It's created internally in our office. And I will say that we do have some school districts on the list. It is not a very high percentage of the overall number of school districts. And we do not have an association related to school districts like we do with some of the other political subdivisions like counties. So this is actually a conversation we had had internally right before the session that, that perhaps additional contacts could be added relative to that type of political subdivision.

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VARGAS: And that's why I ask. Part of this can be-- part of the solution might be getting more voices that are able to contact and share when you reach out to them on a bill. Knowing that, I still think that the language here in the fiscal note that if a proposed legislation would result in an increase or decrease in your expenditures or revenues, that the economic impact wouldn't qualify. We wouldn't put an opinion on if there's a cost, like for more teacher salaries at the expenditure because this is-- we're usually talking about an expenditure of staff at Department of Ed, or if we're losing revenue as a result of collecting less tax receipts. So I think it's part of the solution will be getting more of their voices, but it still might not [INAUDIBLE] the fiscal note that there's still determination. They can come in opposition for a bill and state their perceived economic impact. But I'm still worried that economic impact is such a broad term that do we start including the number of jobs created? You know, do we start including, like, when does it end? But it's, it's helpful to hear that there's a list internally. Maybe we can solve it.

KEISHA PATENT: Yeah. And just to comment on that, we do have-- we traditionally have not included any kind of dynamic modeling relative to fiscal notes in terms of if this were to be enacted, what subsequent changes in behavior would take place or what following economic activity could be increased? And part of the reason for that is (a) time and, (b) one of the concerns is that the, the more we're trying to model, the more we're trying to estimate, the more assumptions we have to make. And relative to getting data to have veracity of those assumptions, I suppose, is it can be challenging. And so we do more of a static assumption, a static estimate of what the fiscal impact would be. And, and that has traditionally been the case. So that is one thing to take into account. The timing of the process is one of the limiting, limiting factors there so.

VARGAS: Thank you.

AGUILAR: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Keisha. I had asked whether the Department of Education finance department provides information. Do you work with them?

KEISHA PATENT: We do. And they do have a finance department and they provide fiscal notes for numerous bills every session. And they do generally provide an estimate that it will have an impact to school

districts, that it could cost them additional funds or it could save them money, depending upon what the provision might be. They have traditionally not responded to, to that piece of information with a firm number. So it's more just a comment that this will have a cost to school districts, but they don't estimate exactly what that cost could be unless it's a Department of Education program. And I think that the, just to go, expand a little bit relative to political subdivisions, I think sometimes it is difficult to get a comprehensive response enough to say statewide this may cost this much to, to this particular type of political subdivision.

CLEMENTS: And that's why I brought up small, medium or large counties or schools being a different dollar amount. Wouldn't that be true?

KEISHA PATENT: Yes. Potentially so. And we see that, for instance, I think we just published a fiscal note last week or maybe it was this week-- it's hard to keep track-- that had an impact specifically to Omaha Public Schools discussed in the-- in the fiscal note. And that bill only applied to Omaha Public Schools. But had it applied statewide, the cost would have been significantly different for Omaha Public Schools versus different school districts that are smaller.

CLEMENTS: Thank you.

AGUILAR: Any other questions? Seeing none, thank you, Keisha.

KEISHA PATENT: OK. Thank you.

AGUILAR: Any other neutral testimony? Senator Walz, would you like to close?

WALZ: I really don't have-- thank you-- I really don't have a lot to add to that. I do want to say that prior to the bill even being introduced, we went and talked with Keisha just to explain to her, you know, what our thoughts were. And, you know, honestly, I think it's, it's a matter of just strengthening that relationship between the Fiscal Office and political subdivisions. And just allowing us as legislators to have a larger awareness of, of fiscal impacts or possible fiscal impacts on political subdivisions so.

AGUILAR: Any follow-up questions? Seeing none, thank you, Senator Walz.

WALZ: Thank you.

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AGUILAR: That closes the hearing on LB1286.

TREVOR FITZGERALD: You need to read in the ADA.

AGUILAR: ADA accommodation testimony. Written position: proponents 2; opponents 0. I'll now turn the Chair over to Senator Lowe.

LOWE: Welcome.

AGUILAR: Good afternoon, Vice Chairman Lowe and members of the Exec Board. My name is Senator Ray Aguilar, spelled R-a-y A-g-u-i-l-a-r. And I represent the 35th Legislative District. I introduce LB1104 in my capacity as Chair of the Exec Board at the request of the Clerk of the Legislature. Under the Nebraska Accountability and Disclosure Act, every person employed, retained, or authorized as a lobbyist must file an annual registration with the Clerk of the Legislature. Currently, paid lobbyists pay an annual registration fee of \$200, while unpaid lobbyists pay a registration fee of \$15. Any unpaid lobbyists who become paid lobbyists must file an amended registration form along with the remaining registration fee for paid lobbyists. LB1104 would increase the annual paid lobbyist registration fee from \$200 to \$300. This registration fee has not been increased since 2005, when it was increased from \$100 to the current amount of \$200. Lobbyist registration fees are currently split between the NA-- Nebraska Accountability and Disclosure Commission and the Clerk's Office, with 3/4 of the fee going to NADC and the remaining 1/4 going to the Clerk's Office. The current amount going to the Clerk's Office is insufficient to pay the cost of maintaining the lobbyist registration system in their office, so the Clerk is currently using General Fund dollars to supplement registration fees. Under LB1104, lobbyist registration fees would be split evenly between NADC and the Clerk's Office. Combined with the overall increase in fees, this would maintain the amount of fees directed to NADC at the same level while increa-- increasing the amount of fees directed to the Clerk's Office. The Clerk of the Legislature plans to testify behind me in a neutral capacity, but I would be happy to try to answer any questions at this time.

LOWE: Thank you very much, Senator Aguilar. Are there any questions? Seeing none. Thank you very much. Will you stay for close?

AGUILAR: I'll be here. I'll probably stay to waive.

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LOWE: Do we have our first proponents? Semi-new face. Welcome to the Executive Board.

DAVID HUNTER: Thank you. Chairman Aguilar and members of the Executive Board of the Legislative Council, my name is David Hunter, D-a-v-i-d H-u-n-t-e-r. I serve as the executive director of the Nebraska Accountability and Disclosure Commission. I'm appearing on behalf of the commission in support of LB1104. The bill decreases from 75% to 50% the amount of lobbyist registration fees, which the Nebraska Accountability and Disclosure Commission would receive. However, this loss to the commission would be offset by the increase in the lobbyist registration fee, from \$200 to \$300. Therefore, even though the share of the lobbyist registration fees received by the commission would be decreased, there would be no net loss if the lobbyist registration fee were increased as provided in the bill. Consequently, the bill as written, with the increase in the lobbyist registration fee, would have virtually no effect on our office while at the same time assisting the Clerk of the Legislature in meeting their budgetary requirements. However, if the lobbyist registration fee is not increased as provided in the bill, it would result in a significant loss of funding for the Nebraska Accountability and Disclosure Commission. Therefore, we do support all changes to the amount and distribution of the lobbyist registration fees specified in LB1104. I would like to make one suggestion. During the discussion with the Clerk of the Legislature, it was mentioned they would be responsible for the online transaction costs. I would request that it be added into the bill that the Clerk of the Legislature would be responsible for the online transaction costs. Thank you for the opportunity to testify today. And thank you, Senator Aguilar, for introducing LB1104.

LOWE: Thank you, Director Hunter. Are there any questions? Senator Arch.

ARCH: That, that last comment on online, on online-- what is it?

DAVID HUNTER: So every transaction--

ARCH: Transaction. Right.

DAVID HUNTER: Yeah.

ARCH: The cost?

DAVID HUNTER: Yeah. There's a small cost for every transaction.

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ARCH: OK. So-- approximate?

DAVID HUNTER: 6%, I'd say.

ARCH: And what does that, what does that amount to? Do you know?

DAVID HUNTER: So right now, maybe \$12,000 a year.

ARCH: OK. Per year. So--

DAVID HUNTER: Correct.

ARCH: OK.

DAVID HUNTER: So that would, that would increase to 8-- about \$18,000 a year, roughly.

ARCH: OK. All right. So have-- this is probably an off question here, but Senator Clements might resonate to it. Has-- in, in, in cash funds, are you, are, are you contributing to the Governor's, to the Governor's proposal on, on cash funds? Is that, is that something I guess-- do you have a cash fund?

DAVID HUNTER: We do have a cash fund.

ARCH: Yeah. OK.

DAVID HUNTER: And this does go into our cash fund.

ARCH: OK. OK. All right. Thank you.

AGUILAR: Senator Vargas.

VARGAS: Thank you. Do you know how many registered lobbyists there are currently? I know I can look this up, but I figured I'd ask you. Nope?

DAVID HUNTER: I do not.

VARGAS: OK.

DAVID HUNTER: I'd have to get back to you on that.

VARGAS: Appreciate it.

DAVID HUNTER: You bet.

VARGAS: Thank you very much.

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

DAVID HUNTER: Thank you.

AGUILAR: Any other proponents? Opponents? Neutral testimony?

_____: You're a proponent?

KORBY GILBERTSON: No. I'm, I'm neutral.

_____: Oh.

KORBY GILBERTSON: Didn't, didn't you go to neutral? OK. [INAUDIBLE]. Good afternoon, Chairman Aguilar and members of the committee. For the record, my name is Korby Gilbertson, spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. And I guess I'm the den mother of the lobby now, so. So here I am. So this is my 35th year. Yes, I started when I was 12. I've been around the Cap-- actually longer. My mother worked for the Legislature in the late '70s, and so I kind of grew up in the building. But things have changed, obviously, a lot. When I first started lobbying, we had camping chairs out in the lobby so that people could sit down. Finally, Patrick got sick of us doing that and said, OK. I'll bring you some benches if you'll leave your chairs at home. So we did that. But we kind of all agreed we're not going to fight this even though my phone literally blew up when this bill went in, saying, this is ridiculous. Why would we be required to pay this much? What services do we get for this? Nobody ever reads anything that we file with Accountability and Disclosure. So the, the vast variety of comments about it. But one thing I thought might be helpful for you is to look at what other states do. So since I don't like sleeping, I just stayed up one night and looked all of these up and tried to find the ones that weren't in statute where the rules were. And I gave up after a while because I had other things to do. But when this is instituted, I just wanted you all to know that we will be among four states that have fees over \$300. The vast majority of fees is-- are below \$100. There are a number of states that have zero fees. A couple states will charge a fee just for the-- to get an ID badge. Otherwise, they don't have a fee because they do everything online. Then there are other fees that are established where, if you are in a firm, the firm pays one fee, and then everyone that works for the firm pays a much smaller fee. And in some states, it's only the lobbyist. The lobbyist pays a registration fee, but it's not per principle. It's just a lobbyist register. So you have a \$1,000 lobby fee, but that covers you for your entire group of principles that you have. So just

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to kind of show that-- point that out to you. And then I wanted to add one anecdotal story is, my son turned ten and I started taking him to all the 50 states. And part of our rule is that we spend a few days in each state and we try to tour every capitol. And he has remarked a few times asking me why I don't lobby in other states because they have very nice lobbyist lounges. They have actual seating on the floor of the Legislature for lobbyists. Not kidding. But I think that-- and I've talked to the Clerk about this a little bit. You know, it-- I know that annoys everyone that all of our bags are sitting out in the Rotunda. It annoys everybody that we have coats in the winter and need a coat rack. And I'm sure all of you would prefer that you don't have people coming into your office to borrow a coat rack. I would appreciate it-- and I, I know I speak for everyone else-- if there would be some way we could get space to hang our coats or a room where we could put our belongings where they would be safe. Things like that I don't think are a step too far, considering the size of the registration fees we pay. And obviously, we're kind of a known quantity around here, so we don't think we pose much of a risk as far as trying to get to the Clerk's Office in the back hallway as long as we agree we won't stand there and wait for all of you to come out of the Senators' Lounge. But we would appreciate being, being able to continue discussions about some things that could be done so that perhaps we could make all of our lives easier over here. Thank you.

AGUILAR: Thank you, Korby. Senator Jacobson.

JACOBSON: Does it feel better if we don't assess a sales tax on this?

KORBY GILBERTSON: That would be good.

JACOBSON: All right.

KORBY GILBERTSON: Yeah.

AGUILAR: Further questions? Seeing none, thank you, Korby.

KORBY GILBERTSON: Thank you.

BRANDON METZLER: Mr. Chairman, members of the committee. For the record, my name is Brandon Metzler, B-r-a-n-d-o-n M-e-t-z-l-e-r. As the Chairman indicated, this was brought by our office. Part of the reason is because, as the, the Chair indicated, we are often replenishing this cash fund-- or, the, the better way of saying it is taking the employee that is currently tasked with lobbying and lobby registration and paying them out of our General Fund appropriations

for, for staff. The idea here is, thanks to your gracious 15% raises over two years, that salary has increased significantly. The hope is that can we, instead of always having to pay them out of general funds, switch them back and forth, can we make this individual who does almost exclusive lobbying work, all of their materials, everything that they operate under, can we pay them just straight out of our lobby cash fund? This bill would accomplish that. This, this would allow that to-- where that fund is high enough, that their salary would be paid out exclusively out of this cash fund. As previous testifiers indicated, I do recognize-- and I had several conversations with several lobbyists about this-- that this fund, not only will it pay that individual, but there would be some excess in that fund. My goal is to start to provide some of that for, for the lobbyists through this fund. I mean, it's stuff that they are paying for. They're putting cash into the cash fund. Possibly some of those renovations. We've had conversations with the Capital Commission possibly taking that money and actually, you know, helping with some of the things the lobby is looking to do. So it is not just sit on, let the cash fund to grow. It's to pay the employee that's gotten a significant raise and it's to start to help the lobby with some of the stuff, whether that's identification cards, whether that's Wi-Fi in the building. We've started to explore several different options in terms of, of upgrades.

AGUILAR: Questions for the Clerk? Senator Bostar.

BOSTAR: Thank you, Chair Aguilar. And-- yeah. I'm sorry for-- this bill was brought by the Clerk's Office?

BRANDON METZLER: The, the request was made on it, yeah.

BOSTAR: The-- and the NADC would be-- and would not be impacted at all fiscally except for potentially in a minor way to a negative extent because of additional transaction fees? And the NADC supports the legislation. This would add funding for the Clerk's staffing and everything else. And it was brought by the Clerk's Office. And you-- you're not a proponent of the bill? I sound like Erdman, and I apologize for that. I'm just trying to understand.

BRANDON METZLER: Senator, my position will always be forever, as long as I'm here, that our office is a neutral, nonpartisan office, and we will testify neutral, whether it gives us, you know, funds or whether you're taking it away. It's-- we're here to provide information to you

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all. You're all the senators. You're all elected. You make the decisions.

BOSTAR: Thank you.

BRANDON METZLER: Yes, sir.

AGUILAR: Any other questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Brandon. Would you speak to the transaction fee? Would you be able to absorb that?

BRANDON METZLER: I, I certainly think there can be discussions on that. I will tell you-- the history of it is I reached out to, to NA-- to the Accountability and Disclosure Office in December. I had, I had said we would take on that fee because, originally, we were not going to raise the, the fee at all. We were going to split \$200-- a, a \$200 fee 50/50. Recognizing the burden that that was placing on Accountability and Disclosure, I had made the offer to say, we will take that transaction fee so that-- because you're getting less funds. Instead, we went to the drawing board. We decided that a \$300 fee, we haven't raised it, as the Chair indicated, since 2005. Before that, it had been '95. And before that, it had been 1965. So the goal was instead to just ask for more. We can certainly revisit the, the transaction fee and what that looks like, whether that's a 50/50 split or, you know, how, how we work that out. But it's certainly something to be discussed.

AGUILAR: Any other questions? Seeing none, thank you, Brandon.

BRANDON METZLER: Thank you all.

AGUILAR: Any other neutral testimony? Seeing none, that closes the hearing on LB1104. Written positions, there were none. ADA accommodation testimony, none.

_____ : Motion to adjourn?

AGUILAR: That, that closes the hearing for the day, but I'd ask the Board to stick around. We have one more small piece of business to take care of.