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Transportation and Telecommunications Committee
January 18, 2011

[LB67 LB135 LB158 LB170]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, January 18, 2011, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB135, LB67, LB170, and LB158. Senators present: Deb Fischer, Chairperson; Galen Hadley, Vice Chairperson; Kathy Campbell; Annette Dubas; Charlie Janssen; Scott Lautenbaugh; LeRoy Louden; and Scott Price. Senators absent: None.

SENATOR FISCHER: Good afternoon, welcome to the Transportation and Telecommunications Committee. My name is Deb Fischer. I am the Senator representing the 43rd District in the Nebraska Unicameral and I am Chair of the committee. At this time I would like to introduce to you the members of our committee. On my far right we have a new member of the committee this year, Senator Scott Price from Bellevue. Next we have Senator Kathy Campbell from Lincoln. Next is the Vice Chair of the Committee, Senator Galen Hadley from Kearney. To my immediate right is our committee counsel, Mr. Dustin Vaughan. To my immediate left is our committee clerk, Miss Laurie Vollertsen. And on my far left is another new committee member this year, Senator Annette Dubas who is from Fullerton. We have three members who are not currently here at this time. When they come I will introduce them to you. Since we are beginning hearings in the Legislature, today is the first day, we do have members that may be introducing bills in other committees, and so please do not be offended if we come and go. We are just trying to do our work. I do have some housekeeping details to go over. Our page this year, we have Kyle Johnson who is from Sutton, he is with us today. If you have any materials that you would like to distribute to the committee, please hold them up when you come up to testify and the page will take those from you and distribute them to the committee. We will be hearing the bills in the order that they are listed on the agenda. Those wishing to testify on a bill need to come to the front of the room and be ready to testify as soon as someone else finishes testifying so we can move the hearing along. I ask that you do sign the yellow on-deck...the yellow sign-in sheet at the on-deck table and hand that in when you testify to our committee clerk. We have a computerized transcription program and so we do have to have those sign-in sheets. It is important that we have that information available. For the record at the beginning of your testimony I ask that you state and spell your last name at least, and your first name if it can be spelled in several different ways. I would also ask that you keep your testimony concise. I don't believe we'll be needing to use the lights today, but I would ask that you try to keep your testimony between three and five minutes and I reserve the right as Chair to limit that testimony if need be. If you don't want to testify, but you do want to voice your support or your opposition to a bill, you can indicate so at that on-deck table, there's a sheet that's provided there. That will become part of the official record of this hearing. If you want to be listed on our committee statement however, you do need to sign in on the yellow sheet, you do need to come forward and state your name for the record and your

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position on the bill. If you don't choose to testify, you can submit written comments and have them read into the official record and the committee clerk will take those from you. At this time I would ask that you please turn off your cell phones. We don't allow cell phones on in this committee and that includes texting. So at this time I would open the hearing on LB135. I see Senator Smith is here to open on his bill and I would like to welcome you, Senator Smith, to the Transportation and Telecommunications Committee. Senator Smith is a new senator this year, so we welcome him to the committee process. As a new senator, first time up, first day of hearings, you get the first bill, so welcome.

SENATOR SMITH: Thank you and good afternoon, Senator Fischer and members of the Transportation and Telecommunications Committee. My name is Jim Smith and I represent the 14th Legislative District. I'm here today to introduce LB135. LB135 was brought to me by the Nebraska Association of County Officials and it is a very straightforward bill. The measure simply would change the date a county clerk is required to remit monthly title fees to the State Treasurer. The remittance date would change from the 5th of each month to the 15th of each month. Currently, motor vehicle sales taxes are required to be remitted on the 15th and LB135 would provide that title fees be sent at the same time to allow for greater efficiency in county government. We weren't able to determine why the two fees are filed at different times, but we are assuming it would have something to do with the fact that when these statutes were first enacted, payments were likely made by check. And now everything is done electronically. It is my understanding that the Department of Motor Vehicles does not have any problems with this bill. And again, LB135 is a simple bill that provides for greater efficiency and I would urge the committee to vote for its advancement. I believe there is somebody from NACO that will be following me and can answer any questions you may have. Thank you for your time and I will waive closing. Thank you. [LB135]

SENATOR FISCHER: Thank you, Senator Smith. Are there questions for Senator Smith? I see none. Senator, did you say you were waiving closing? [LB135]

SENATOR SMITH: Yes. [LB135]

SENATOR FISCHER: Okay, thank you very much. At this time I would ask for proponents to the bill to step forward please. Good afternoon. [LB135]

LARRY DIX: Good afternoon. Good afternoon, Senator Fischer and members of the Transportation Committee. For the record my name is Larry Dix, L-a-r-r-y D-i-x. I'm the executive director of the Nebraska Association of County Officials appearing in support of LB135. I think Senator Smith really, sort of, laid it out, it's very straightforward. It is really moving one date in a slight amount. And to help with a little bit of the history, years and years ago titling used to be always conducted in the county clerk's office. You go back clear to my beginning of time in county government you would go the clerk's

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office to get the title; you would go to the assessor's office to get the vehicle assessed; you'd go to the treasurer's office to pay the registration fee. And over the years through some of the action of this committee, we've gone to what we now refer to as a one stop where all of those functions really are housed under the county treasurer's office. And I think it just...in our minds and our county treasurers' minds, it certainly made sense to just have that one reporting, one deadline, one time go in, gain the efficiency, move on from there. So I'd be happy to answer any questions that anybody has in regards to that. [LB135]

SENATOR FISCHER: Okay, thank you, Mr. Dix. Are there questions? I see none. Thank you very much. [LB135]

LARRY DIX: Thank you. [LB135]

SENATOR FISCHER: Are there other proponents for the bill? Any other proponents? Are there any opponents to the bill? Anyone wishing to testify in the neutral capacity? I see none. Senator Smith did waive closing. With that I will close the hearing on LB135 and open the hearing on LB67. Good afternoon, Mr. Vaughan. [LB135]

DUSTY VAUGHAN: Good afternoon, Senator Fischer, members of the Transportation and Telecommunications Committee. For the record my name is Dusty Vaughan spelled V-a-u-g-h-a-n and I'm the legal counsel for the committee. LB67 is an attempt at a clarification of statute regarding violations to the child seat requirements for children up to age six. Last summer a question from local law enforcement was referred to the committee on how these violations should be enforced, mainly whether they were a primary or secondary offense. At that time it was learned there has been some confusion between local law enforcement on how it should be enforced. Counsel went through the legislative history of the statute and found that enforcement of the child safety and booster seats was never intended to be a secondary action; it was always intended to be primary. LB67 makes no substantive changes to the current law, but rather attempts to clarify to state and local law enforcement that enforcement for child safety and booster seats is meant to be accomplished as a primary action. This will allow a violator to be stopped upon witness of a violation with no other violation required to be witnessed by the law enforcement officer. And with that, Senator Fischer, I'll turn it back to you. [LB67]

SENATOR FISCHER: Thank you, Mr. Vaughan. Are there questions? I see none. Thank you very much. Are there proponents for the bill? Any proponents? Good afternoon. [LB67]

AMY PRENDA: Good afternoon. Senator Fischer and members of the Transportation Committee, my name is Amy Prenda, A-m-y P-r-e-n-d-a, and I'm the registered lobbyist for the Nebraska Sheriffs' Association and I did speak with Dusty, the legal counsel, this

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summer about this issue and I even got confused about whether it was primary or secondary. And I did a...sort of a cursory inquisition into the sheriffs and there was some confusion on this issue. So we wanted to come testify in support of this legislation today. And I'd be happy to try to answer any questions you might have, not being a seat belt expert in this. [LB67]

SENATOR FISCHER: (Exhibit 1) Thank you, Miss Prenda. Are there any questions? I see none. Thank you very much. Are there other proponents for the bill? I do have a letter in support of LB67 from Colonel Bryan Tuma with the Nebraska State Patrol that will be entered into the record. Are there opponents to the issue? Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB67, open the hearing on LB170. Good afternoon. [LB67]

DUSTY VAUGHAN: Good afternoon again, Senator Fischer and members of the committee. For the record my name is Dusty Vaughan, once again spelled V-a-u-g-h-a-n, and I'm the legal counsel for the committee. LB170 eliminates a state subsidy provided to the Motorcycle Safety Education Act and updates requirement for motorcycle safety classes and certification of training instructors. Since 1993 the Highway Trust Fund has transferred every \$3 per motorcycle registration in the state to the Motorcycle Safety Education Fund. Likewise the DMV Cash Fund has transferred \$3.50 per Class M license issued to the education fund. These funds have been used to provide a subsidy to providers of motorcycle training classes for the development of courses and the training of instructors. LB170 would eliminate the Motorcycle Safety Education Fund. The remaining balance would be transferred over to the Roads Operation Cash Fund to be used for highway projects and things over at the Department of Roads. The bill also updates requirements for motorcycle safety classes and certification of instructors and trainers. DMV is granted wide latitude in its rule and regulation authority to develop an appropriate process for ensuring that instructors and trainers are properly educated and that training classes are appropriate. And I believe Director Neth is here to testify on how this will be implemented at the DMV. So with that, Senator Fischer, I'll turn it back to you. [LB170]

SENATOR FISCHER: Okay, thank you, Mr. Vaughan. Are there any questions? I see none. Thank you very much. First proponent please. Director. Good afternoon. [LB170]

BEVERLY NETH: (Exhibit 3) Good afternoon. Chairwoman Fischer and members of the committee, I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles. I'm appearing today to offer testimony in support of LB170. I want to thank Senator Fischer for introducing this bill on behalf of the Department of Motor Vehicles. LB170 encompasses four objectives: elimination of Nebraska's only state subsidized driver training program; providing for basic regulatory uniformity among all Nebraska driver training programs; providing for the authority and process to adopt the most recent version of the nationally recognized and accepted rules and curriculum; and for

providing for the transfer of the balance of the Motorcycle Safety Education Fund to the Department of Roads Operation Cash Fund. The current Motorcycle Safety Education Act provides for the reimbursement payments from the education fund to providers for each person who successfully completes a motorcycle safety course. Typically, the reimbursement is \$75 per rider. The education fund is funded through diversion of revenue from the Highway Trust Fund in the amount of \$3 times the number of motorcycles titled each month and the diversion of revenue from the DMV Cash Fund in the amount of \$3.50 from the cost of each motorcycle or Class M or endorsed license issued. I have provided a handout with this testimony that shows the reimbursement paid to the motorcycle safety course providers in the last three fiscal years and a handout that reflects the total revenue diverted from the two state funds. I think that's for a six-year period. This method of subsidizing motorcycle rider training has been in place since the Motorcycle Safety Education Act was adopted in 1986. There have been no substantial changes to the act since that time. The Motorcycle Safety Education Act is unlike any other driver-training programs administered by the Department of Motor Vehicles in that there are no other driver-training programs that receive a state subsidy. Providers of all other kinds of driver-training courses in Nebraska charge a fee from each individual student. Through LB170 the department seeks to structure the regulatory oversight of the Motorcycle Safety Education Act in a manner similar to other driver-training programs. The department used the driver-safety schools that provide driver training to drivers under age 18 as our model. The motorcycle safety education and driver safety school statutes both provide that successful students are issued a certificate of completion that acts as a waiver of all DMV driver license testing requirements. The department plans to keep the provisions of the Motorcycle Safety Education Act that allows successful course students to be issued a waiver for testing at licensing stations. Because of the testing waiver, the department and the public have a strong interest in ensuring how motorcycle safety courses meet certain standards that teach drivers how to safely and legally operate motorcycles on the highways of this state. Under LB170, providers of safety courses will file an application for a permit with the department every two years and pay a \$100 fee. LB170 provides the department with the authority to audit motorcycle safety courses to ensure compliance with curriculum standards. Other provisions include amendments to change the period of validity of the waiver issued to successful students from a 4-year period to a 12 months. Other provisions in LB170 clean up the statutes to remove language made obsolete by new laws. One provision of LB170 allows the department to reimburse up to two motorcycle trainers in the state for documented expenses connected with education needed to qualify as a motorcycle trainer. These trainers are required by national motorcycle training standards and are key to maintaining a strong motorcycle safety program in Nebraska. The motorcycle trainers will, in turn, train motorcycle safety instructors who, in turn, will instruct people who want to obtain a Class M license to operate a motorcycle and who will receive a testing waiver upon successful passage of the motorcycle course. Our current trainers have been providing their services to Nebraska since 1991 and 2001. The DMV plans to update the training standards for

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motorcycle safety courses, for motorcycle trainers, and for motorcycle safety instructors by revising the existing rules and regulations using nationally available curriculums as a model for the motorcycle training standards. To allow for transition from the current reimbursement program to a training model based on the free market like the other driver-training programs in the state, the department will grandfather current trainers and instructors until no later than January 1, 2014. This will allow the people...said persons time to apply for a new permit under the revised rules and regulations. The DMV will continue to test all applicants for a Class M license who have not successfully completed a motorcycle safety course. In 2010 the department granted 1,875 testing waivers and the DMV staff tested 2,468 Class M license or M endorsement applicants. Finally, LB170 provides that the balance of the Motorcycle Safety Education Fund, which is currently just over \$750,000 be transferred to the Roads...Department of Roads Operations Cash Fund within 60 days of January 1, 2012, which is the effective date of LB170. Again Senator Fischer, I want to thank you for sponsoring this bill. I'll be happy to answer any questions that the committee might have. [LB170]

SENATOR FISCHER: Thank you, Director. Are there questions? Senator Dubas. [LB170]

SENATOR DUBAS: Thank you, Senator Fischer. Thank you, Director Neth. Is there a reason why this was funded the way it was initially since there's no other training that is state subsidized? [LB170]

BEVERLY NETH: I really don't have any legislative history on why this program was created in this method. I think in the '80s some of the driver-safety schools, which are the younger driver-training schools, may have still been in some of the schools so it could have been provided by the schools as part of a curriculum at that level, so part of that would have been considered, I guess, subsidized training. So when that went away and became a function outside of the schools or paid for by the individual students, maybe this program just wasn't looked at in that context. [LB170]

SENATOR DUBAS: Thank you. It seems to me like there is still a strong incentive to go ahead and take the motorcycle training because, if I'm understanding correctly, you do receive the waiver then on the licensing. So, in your opinion, would that still be a good enough incentive so that we don't lose participation in these programs? [LB170]

BEVERLY NETH: I think it is incentive. I've heard from a number of riders that taking the motorcycle in traffic testing with the DMV or the course that we provide is actually a little bit...it's more difficult. We don't have the courses that are set up the way the provider courses are. The providers, I think, invest quite a lot of money in the course to make sure that it does meet all the national standards and that they can train people to be able to handle a motorcycle in all kinds of different environments and handle that bike safely. So when we look at our testing, first of all you're making an appointment with us,

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you're sitting in...you're, you know, hanging out in line with us, you're...either you're doing it in traffic which means you're being talked to through your...through a radio by examiners who are following you or you're doing it on a course. And I've heard that course is difficult because it...certainly we don't have the space. So I think there is a desire by riders to continue to take the course; particularly if you're a new rider, you've purchased a bike, spent tens of thousands of dollars to purchase some of the bikes that are out there, I think you're going to want to learn how to ride that bike safely. [LB170]

SENATOR DUBAS: And finally, I don't know if you'll be able to answer this question, but I know as a parent when my kids were getting ready to drive, I was going to receive a discount on my insurance if I sent them through driver's ed course. So that was an incentive for me as a parent to make sure that my kids were getting some extra. Do you know if there's any insurance discounts or incentives? [LB170]

BEVERLY NETH: My understanding is that there are. If you have completed an approved rider-safety course that there are some insurance companies that will provide a discount for that. [LB170]

SENATOR DUBAS: Great. Thank you very much. [LB170]

BEVERLY NETH: Um-hum. [LB170]

SENATOR FISCHER: Are there other questions? Senator Louden. [LB170]

SENATOR LOUDEN: Yes. Thank you, Senator Fischer. Thank you, Director Neth, for being here today. I guess then these trainers, or whatever, they would be private people. This would be a private operation then? The state wouldn't be doing that in order to train these people? [LB170]

BEVERLY NETH: Right now both the providers and the instructors who are contracted with the providers are really private. They're not state employees; they don't work for the Department of Motor Vehicles. They're private entities. You'll see in the list that I handed out, the providers that have received the subsidies over the years. Some of them are community colleges, a couple of them are safety councils. A couple of them are actually private companies, Dillon Brothers Harley-Davidson. So it runs the gamut if you talk about it in terms of private or a public entity. But in any case, none of those individuals are employed by the state of Nebraska. [LB170]

SENATOR LOUDEN: Okay now if I read this correctly, there would be just two in the state, is that? [LB170]

BEVERLY NETH: No, what there are is there is really a tier of trainers that exist in the state. There are two what are currently called chief instructors and those individuals

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instruct other motorcycle safety instructors. Then those instructors, and there are a group of them, actually provide the course services, provide the training to the individuals who want to learn how to do... [LB170]

SENATOR LOUDEN: Okay, then if I was in this second tier level, I would have to go see one of those two...I'd have to see the king of the hill in order to get my certificate to train motorcyclists? [LB170]

BEVERLY NETH: You go through a training process with those individuals, yes, yes, um-hum. [LB170]

SENATOR LOUDEN: With those two? No other way to do it? [LB170]

BEVERLY NETH: No, not at this point. You're trained by those individuals. [LB170]

SENATOR LOUDEN: By those two individuals. [LB170]

BEVERLY NETH: Um-hum. [LB170]

SENATOR LOUDEN: And who decides who those two individuals would be? [LB170]

BEVERLY NETH: Right now those are certified by the Department of Motor Vehicles. And I said, those two people have been in place for a number of years with the department and we would hope to keep them on. They're both two individuals who provide, I think, a great service to the state and to other trainers who want to learn how to... [LB170]

SENATOR LOUDEN: But you don't have anybody else but those two? [LB170]

BEVERLY NETH: Those two, those are it. [LB170]

SENATOR LOUDEN: If they...one of them killed himself on a motorcycle, you'd only have one. [LB170]

BEVERLY NETH: God forbid that would happen, yes. We would only have one. [LB170]

SENATOR LOUDEN: And how would you fill that other slot then? [LB170]

BEVERLY NETH: We would recruit, I think, from within the group of instructors, motorcycle safety instructors who exist out there, to see if they'd be interested in stepping up to that chief instructor level. [LB170]

SENATOR LOUDEN: Okay. Then your department has the authority to appoint

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somebody to that other post? [LB170]

BEVERLY NETH: What we would do, really, is recruit them to seek the additional training. That additional training that you need to become a chief instructor is a considerable amount of training. I think the last time we sent someone through that, we reimbursed that training somewhere in the neighborhood of \$4,500 for that person to participate. So they go to the...I think it is...wherever it would be held, the Motorcycle Safety Foundation, I think, engages in that training. And I believe at least one of those instructors is here today; he could probably give you a little more information about... [LB170]

SENATOR LOUDEN: Okay. But there's nothing that community colleges could do, or something like that, to train those people? [LB170]

BEVERLY NETH: No, they have to go through the process, really, that would be outlined that currently we use and that we would continue to outline within our rules and regs that says this is the person who gives you, as a motorcycle instructor, the training to provide to the ultimate students. [LB170]

SENATOR LOUDEN: Now at the present time if you have a motorcycle, what do you have to do to get a license to drive a motorcycle? [LB170]

BEVERLY NETH: Currently there's a couple of different ways. Either you can go through this course and complete this course and receive the certificate from the course or you can come to the Department of Motor Vehicles and if you have...if you're not renewing an existing Class M or endorsement, then we would give you one of two tests. We would either give you a motorcycle in traffic test or a motorcycle on a course test. We only provide those course tests in, I think, 11 locations around Nebraska. We don't have courses at all of our DMV testing facilities. So most motorcycle tests that are given by the DMV are done in traffic. [LB170]

SENATOR LOUDEN: But that would do away with that system if we introduced your legislation? [LB170]

BEVERLY NETH: No, we intend to keep both systems in place. What we're intending to do with this legislation is remove the \$75 subsidy that goes to the course providers. [LB170]

SENATOR LOUDEN: Okay. And now when...in that...this list that you have back here, the money transferred, is that how much money you get each year to do this with or is that how much you transfer out? [LB170]

BEVERLY NETH: That's what has been transferred over the years. If you take a look

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there, there are really two handouts there, Senator Louden, I think, that are instructive. One is the amount that has been transferred and the other is the amount that goes into the funds that are diverted. And there's more money that goes into the fund than we pay out and that's just a function of budget authority and appropriation. These funds have been capped for a while and as we continue to cut our budget, this is a fund that is also cut. [LB170]

SENATOR LOUDEN: Oh, this was transferred out. [LB170]

BEVERLY NETH: Yes. [LB170]

SENATOR LOUDEN: Then when you talk about \$750,000 you have there now, how much do you get a year on these fees that you receive? [LB170]

BEVERLY NETH: Well, the Highway Trust Fund, the total that goes into the Safety Education Fund on average is about \$225,000. And we're paying out...we're currently budgeted, I think, to reimburse up to \$163,000. So you see, there will be a balance in the fund at the end of this year as there has been every previous year. That's why the fund continues to grow. Our appropriation authority receive doesn't match the amount of money that goes into the fund. There's also another nuance that plays into this is that logistically giving our geographic location and the fact that we're a four-season state, you can only train about 2,500 riders through the course-provider program, through this Motorcycle Safety Education Program. There are so many weekends and so many slots that can go into each class, so 2,500 historically has been the maximum number of riders that can go through these provider courses, every one outside of that. And there have been a couple of years they have come pretty close to meeting that 2,500 rider threshold. Anyone else then would be then left testing with the DMV. That's where we get the numbers of the DMV testing about...also about 2,500 riders a year. [LB170]

SENATOR LOUDEN: And one last question, does this include three-wheeler motorcycles or just two-wheel motorcycles? [LB170]

BEVERLY NETH: That's a good question. I think there is some three-wheel course that is included in this, but I honestly don't know the answer to that. I suspect there are a couple of individuals following me who might be able to tell you that whether these providers provide that kind of training. We will test a three-wheel rider, the DMV will. But I'm not sure whether that kind of a structured course is provided as a part of this or if it is a separate course. [LB170]

SENATOR LOUDEN: Okay, thank you. [LB170]

SENATOR FISCHER: Other questions? Senator Price. [LB170]

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SENATOR PRICE: Thank you, Senator Fischer. Director Neth, my question, you talked about a free-market model that you're moving to, do you know right now do those course providers charge participants right now or is that free? [LB170]

BEVERLY NETH: Yes, they charge participants. [LB170]

SENATOR PRICE: So they charge and they get a \$75 per student. [LB170]

BEVERLY NETH: That's right. [LB170]

SENATOR PRICE: Okay, thank you. [LB170]

BEVERLY NETH: Um-hum. [LB170]

SENATOR FISCHER: Other questions? I see none. Thank you very much for being here. [LB170]

BEVERLY NETH: Thank you. [LB170]

SENATOR FISCHER: Are there other proponents for the bill? Other proponents? Are there opponents to the bill? Please step forward. Good afternoon. [LB170]

DAVID HALEN: Hi, Senator Fischer, nice to see you again. Members of the committee, my name is David Halen, first name is spelled D-a-v-i-d, last name H-a-l-e-n. Thought I'd maybe try and answer the questions over here. Senator Loudon, I'm one of the chief instructors, so I can answer some questions you asked about...let's see, the three-wheel course. There is, in fact, a three-wheel course; the state does not reimburse for that class. It is provided by a gentleman who is going to testify after me. The only courses that are reimbursed for are the beginning rider course. There are a number of other courses that we offer to the citizens of the state, but all those are paid for, Senator Price, by the student. The director talked about reimbursing expenses for going to training. I'm the 1991 guy, the chief instructor, and I was reimbursed about \$2,500 because I had to go to California for that expense. Insurance discounts, absolutely, some insurance companies do give insurance discounts for successful completion of this course. And you asked a little bit about the history of funding. Some states still, in fact, provide training for free. The state of Pennsylvania, Senator Price, collects similar funds and they collect enough money that the students taking the class are asked to pay nothing for the course and the instructors are paid by the state. The history of Nebraska, when I first started working here, the state of Nebraska actually did run the training program and I'm pretty sure the reason for the funds is the expenses were higher when the state was running the course. It was longer; they had to purchase motorcycles; maintain motorcycles; move motorcycles around the state; that could be one of the reasons why there's this excess of money. And of course, in these trying

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economic times, I think we understand part of the reason of the reason this money may be going elsewhere. Let's see, I think there were some other questions. You actually asked why it was funded that way. There's a gentleman out on the west coast who did a study commissioned by the federal government to discover why motorcyclists were crashing and dying. His name was Harry Hurt, the report is referred to as the Hurt Report and a lot of today's training programs are based on the findings. One of the findings was people weren't trained; people weren't licensed; people weren't wearing helmets; people didn't learn the proper evasive and skill techniques. And it kind of developed the curriculum that we teach now from the organization that Ms. Neth talked about, the Motorcycle Safety Foundation. Now I'm also the administrator of the program at Dillon Brothers Harley-Davidson that the director referred to. We are a private entity; we receive the \$75 reimbursement for people who successfully complete the class...not successfully, they need to complete the class. We train 400 people a year approximately, and about three-quarters of those actually complete the class. So that's the order of magnitude of funds that come back to us to help pay instructors, pay insurance, pay for motorcycles, pay for fuel, pay for repairs. One of the reasons that the motorcycle safety training is different than automobile and tractor-trailer training programs is motorcycles fall down, they crash. I'm pretty sure we don't want those out on the public highways and roads of our state. So we scurry around trying to find a big enough parking lot in order to conduct this training. And we do it at some unusual times, because as the director said, we're about a 7-month long training season. Our capacity is about 2,500 people. And in the good years we train between 2,000 and 2,500 people. And, like for instance, at the business I work at, we train people from the state of Iowa. The state of Nebraska does not reimburse us for those people because they're not citizens of the state. If they do not complete the course we do not get reimbursed. So we get some of the money, but not all of it. Can we raise prices? Perhaps. You asked about incentives. The folks in the western part of the state that are not as populous as Omaha and Lincoln are ringing their hands over this. Western Nebraska Motorcycle Training, they train maybe a hundred people a year, 120 people a year. They believe they're going not be able to conduct business any longer if their \$75 subsidy goes away. Community colleges are already subsidized so they're kind of collecting a little on both ends. I'm not sure what the answer is in these economic times. We're going to live with whatever happens from a legislative standpoint. My main concern is the wording of the bill, takes away all the funding. I think it's going to be difficult to train new instructors. We lose people to retirement; they drift away; they move away from the state. There is no provision in the bill as currently written to help with that. There's no provision for quality assurance that I can see unless the DMV is going to do that themselves. The two motorcycle trainers...and you all received an e-mail from me about my suggestion on maybe how to change the bill a little bit. I'd like to see some level of funding to...at a minimum preserve the quality aspects of this. I do not believe that's in there, at least not how I interpret the bill. That's pretty much what I prepared to talk about. Do you have any questions? [LB170]

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SENATOR FISCHER: Are there any questions for Mr. Halen? Senator Campbell.
[LB170]

SENATOR CAMPBELL: Thank you, Senator Fischer. Sir, when you get ready to teach the class to folks, am I making the correct assumption that you pretty much teach them what they're going to need to know on the test? [LB170]

DAVID HALEN: Well, we talk about teaching basic skills in the first level of the class on how to actually operate the machine. In the second level of the class we teach what are called street-riding skills, more aggressive braking, cornering, swerving. Basically the curriculum addresses the things that Professor Hurt's study found were causative in the accidents they actually went out and observed. It's probably fair to say that the exercises that the students do in the lab on the motorcycle they see later in the test. But the folks who work for me anyway, in the state, and there's about 90 to 95 instructors, they're specifically taught to not refer to these as you're going to see this later on the test, etcetera, etcetera. But to be truthful, they are going to see those things later on in the test. So I don't know if that answers your question or not. [LB170]

SENATOR CAMPBELL: Just as a follow-up. But if I said I'm going to put my son or daughter through driver's ed, which now a lot of parents have to pay for, and go through that course, would that be similar to what you're doing preparing the motorcycle rider though? And they're paying you. [LB170]

DAVID HALEN: I'd say that's similar, yes. [LB170]

SENATOR CAMPBELL: Okay. [LB170]

DAVID HALEN: That's a fair question. [LB170]

SENATOR CAMPBELL: Thank you. [LB170]

SENATOR FISCHER: Other questions? Senator Dubas. [LB170]

SENATOR DUBAS: Thank you, Senator Fischer. Thank you for being here today. What would be the cost to a participant if this subsidy is removed? [LB170]

DAVID HALEN: Well it varies; the community colleges charge a lower tuition in my experience. I think the lowest in the state is around \$150 for the basic rider course. If they just added the \$75 it would be, of course, \$225. I actually think I am the most expensive in the...or my company that I work for is the most expensive in the state at \$275. We teach a curriculum that has stuff added to it though. Harley-Davidson, you know, they're into that; we're better than the standard class. [LB170]

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SENATOR DUBAS: So if I'm going to come and take one of these classes then, I'm going to pay anywhere from \$150 to \$275 out of my own pocket. [LB170]

DAVID HALEN: Yes, here... [LB170]

SENATOR DUBAS: And that's with your subsidy. [LB170]

DAVID HALEN: Yes, ma'am. Here in Lincoln you have two providers. You have the Nebraska Safety Council and Southeast Community College and I believe they're in the \$175 to \$200 range right now. You would have to ask them what their plans are, of course. I would guess they're going to increase prices somewhat. And if the act doesn't change and they need to have more instructors which could happen, of course, then someone is going to have to pay for that. I do some things on my own on...because I'm a good volunteer, but I have to take time off from work like this afternoon. This is not my primary job. So if I have to stay in a hotel, I have some expenses; and if I have to commute...typically we do the training course for the instructors once a year out in the central part of the state to try and help everyone throughout the state instead of concentrating it towards the east. So a couple of weekends, it's eight days, the class. It's about 80 hours of training. [LB170]

SENATOR DUBAS: Thank you. [LB170]

SENATOR FISCHER: Other questions? Senator Louden. [LB170]

SENATOR LOUDEN: Yes, thank you, Senator Fischer. You mentioned you have a different training for three-wheelers. [LB170]

DAVID HALEN: Yes, sir. [LB170]

SENATOR LOUDEN: In my district out there I have some of these older people that are buying these little scooters with wheels about that big around. Now do they have to take this training course for a hundred and some bucks or what...how did they get their license so they can drive that thing? [LB170]

DAVID HALEN: People who ride a scooter, depending on the size of the engine, are required to have a Class M endorsement and it is restricted. Depending on displacement, depending on the size of the engine, they get a Z on their license. So they need a M endorsement and then they get a Z if the engine is too small. And in fact, this past Labor Day weekend at Offutt Air Force Base I got the MSF to come in and there is a scooter basic rider course that a number of the providers are planning on providing and there will be no state subsidy from that so it will be priced accordingly and they'll be able to take a course, and in fact, get a license waiver if they complete the course successfully, just like the three-wheel course. [LB170]

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SENATOR LOUDEN: In order to get the license they got to complete this course and do all of this? [LB170]

DAVID HALEN: Or as Director Neth told you, they would have to take a road test. [LB170]

SENATOR LOUDEN: Okay, now when you say a road test, is that similar to when you get a driver's license they used to require you to go out and drive for the...whoever was giving the test or patrolman or whoever, is this what you're talking about? [LB170]

DAVID HALEN: Yes, sir. I'm not a DMV examiner, but I would imagine the test is very similar, it's a motor vehicle. [LB170]

SENATOR LOUDEN: Okay thank you. [LB170]

DAVID HALEN: You're welcome. [LB170]

SENATOR FISCHER: Other questions? Senator Price. [LB170]

SENATOR PRICE: Senator Fischer, thank you. And I believe Senator Louden alluded to it, but I'm going to try to tie that up. Twenty-five years old or 45 years old, I want to get a license for the bike I'm going to buy, or I just bought a bike, is it possible I take my bike, I go down to DMV, I take my written test that I have to take, I take a course test, and we're done. If I pass it, I pass it. [LB170]

DAVID HALEN: Yes. [LB170]

SENATOR PRICE: There's no requirement in statute that every rider take a safety course. [LB170]

DAVID HALEN: Not in this state. [LB170]

SENATOR PRICE: Thank you. [LB170]

SENATOR FISCHER: Mr. Halen, I was wondering if I could go back... [LB170]

DAVID HALEN: Sure. [LB170]

SENATOR FISCHER: ...maybe to the history that's involved with this. I was a school board member for years and school districts, from the time I was in high school to when I was in my early years as a school board member, we provided driver's training. That doesn't happen any more. [LB170]

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DAVID HALEN: Correct. [LB170]

SENATOR FISCHER: So there are no...I guess I can say there are no local subsidies for students to learn to drive a car. There are no state subsidies for students to learn to drive a car. Why is this state subsidy still in place for students to learn to ride a motorcycle? [LB170]

DAVID HALEN: In my opinion... [LB170]

SENATOR FISCHER: In your opinion. [LB170]

DAVID HALEN: ...it's in place because learning how to ride a motorcycle is far more complex than learning how to drive a car or truck. They fall over. They probably do not belong in traffic. If I took a driver's ed class when I was a young man, as well, and a nice woman in a Ford dealership in Kansas taught me how to drive and I drove out on public highways and roads, after going through the classroom part of things, with her sitting right next to me with a brake pedal, there wasn't a second steering wheel, but it's a far less complicated task. And I don't think you have to invest quite as much money, although I could be wrong, in a driver ed class than you do in a motorcycle safety class. It's fairly specialized. [LB170]

SENATOR FISCHER: So you don't know what driving schools are charging the students to learn to drive a car? [LB170]

DAVID HALEN: I paid, in Nebraska, \$250, \$300 to send my daughter to the National Safety Council in Omaha to learn how to drive. [LB170]

SENATOR FISCHER: With no state subsidy. [LB170]

DAVID HALEN: I believe that is correct. [LB170]

SENATOR FISCHER: So that would be comparable if we removed the state subsidy for the motorcycle schools, correct? [LB170]

DAVID HALEN: Yes, ma'am, it could be. [LB170]

SENATOR FISCHER: Okay. You are a chief instructor. [LB170]

DAVID HALEN: Yes, ma'am. [LB170]

SENATOR FISCHER: Do you work for the state of Nebraska? [LB170]

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DAVID HALEN: I do not. [LB170]

SENATOR FISCHER: Oh, okay. [LB170]

DAVID HALEN: As Director Neth told you, I work as a contractor to teach instructors once a year to do an update so they stay current, professional development workshop; we usually do two of those a year. And I also am paid as a contractor to do quality assurance visits of the various sites throughout the state to assure that these sites are providing the training as it should be, following the book. [LB170]

SENATOR FISCHER: Right, and a contractor with the DMV, is that correct? [LB170]

DAVID HALEN: Yes, ma'am. [LB170]

SENATOR FISCHER: And then your other employment, I think you said you worked for Dillon Brothers Harley-Davidson, is that correct? [LB170]

DAVID HALEN: That's right. [LB170]

SENATOR FISCHER: And I think we have that information in the packet that the director gave us on that. You said that people come from Iowa... [LB170]

DAVID HALEN: Yes, ma'am. [LB170]

SENATOR FISCHER: ...and that you teach them. Does Iowa have a subsidy? [LB170]

DAVID HALEN: They do, ma'am. [LB170]

SENATOR FISCHER: Do you know what theirs is? [LB170]

DAVID HALEN: They do things a little differently. They apportion funds similar to the way Nebraska does from vehicle, motorcycle registrations, and Class M licenses that goes into a fund that at the end of the year they basically disburse according to the number of people that were trained. And unlike Nebraska it doesn't...there's not an excess, it doesn't grow, it doesn't get larger every year; they basically take that money and they disburse it, I believe twice a year. I also work for the state of Iowa in a fairly similar role. [LB170]

SENATOR FISCHER: Do you know what that dollar amount is for the subsidy in Iowa? [LB170]

DAVID HALEN: It depends on the amount of money they collect. They literally... [LB170]

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SENATOR FISCHER: Ballpark figure? [LB170]

DAVID HALEN: I'm going to say it's in the \$50 to \$60 range. [LB170]

SENATOR FISCHER: Okay. On the students that you get from Iowa that come to Nebraska... [LB170]

DAVID HALEN: Yes, ma'am. [LB170]

SENATOR FISCHER: ...what do you charge them? [LB170]

DAVID HALEN: I charge them exactly the same price. We basically absorb the \$75 loss. [LB170]

SENATOR FISCHER: So they're willing to come to Nebraska and pay \$275... [LB170]

DAVID HALEN: Yes, ma'am. [LB170]

SENATOR FISCHER: ...instead of taking a course in Iowa where, I'm just guessing, the cost wouldn't be that high because they would get that, maybe, \$50 subsidy? [LB170]

DAVID HALEN: It's similar to Nebraska, it's in the \$200 plus- or minus-something range. Community colleges, ABATE, and a couple of Harley-Davidson dealers in Iowa do the same thing we do here in Nebraska. [LB170]

SENATOR FISCHER: You mentioned that you're concerned that you're going to lose instructors. [LB170]

DAVID HALEN: Well it's...we typically lose five or six a year to old age. [LB170]

SENATOR FISCHER: Oh now, come on. [LB170]

DAVID HALEN: They retire. They are ill. They get disgusted. They move. It's a part-time job for all of us. We get a job in a different state, we move. [LB170]

SENATOR FISCHER: Driving schools, for car driving schools, how do they recruit instructors? Wouldn't they face the same issues that you're concerned about if you lose this subsidy? [LB170]

DAVID HALEN: Yes. The... [LB170]

SENATOR FISCHER: But how...I mean, I don't...I haven't heard there's a shortage. [LB170]

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DAVID HALEN: I think the gentleman after me can probably answer that better than I. [LB170]

SENATOR FISCHER: Okay. [LB170]

DAVID HALEN: But I believe their instructors can take a class that is available out in the Kearney area and they can take an on-line course. That's hearsay, I don't know that for a fact because I'm not a driver's ed instructor. But it's much more available. This thing we do annually, it's not available; it's not a commercially available course. Hence my real interest in, I want to see a little bit of money left over if we have to take it to fix a budget deficit so be it, but I don't want to kill the program totally, ma'am. [LB170]

SENATOR FISCHER: You know I would say I'm...I didn't necessarily introduce this bill to fix a budget deficit, but it's a nice secondary benefit from it, but when I learned about this, I view it as a question of equity that a subsidy is being provided to one segment, one business, and not to others in the state. [LB170]

DAVID HALEN: I understand that perspective. [LB170]

SENATOR FISCHER: So that's how I view it. [LB170]

DAVID HALEN: I view the vehicles as distinctly different where one is...you know, it's a little more challenging to train people how to ride a motorcycle. [LB170]

SENATOR FISCHER: I don't know. I had to learn to drive a stick shift, so you know that... [LB170]

DAVID HALEN: Yes, yes. [LB170]

SENATOR FISCHER: Plus I...I can ride a motorcycle too, but, yeah, the stick shift thing was interesting when I was younger. [LB170]

DAVID HALEN: A little challenging. [LB170]

SENATOR FISCHER: Yeah, especially on hills. But I think that's all my questions. Any other questions? I see none. Thank you for coming, David, appreciate it. [LB170]

DAVID HALEN: You're welcome. [LB170]

SENATOR FISCHER: Other opponents to the bill, please. Good afternoon. [LB170]

WILLIAM MULHERIN: Well good afternoon, Senator Fischer and members of the

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committee. My name is Bill Mulherin, that's...last name is M-u-l-h-e-r-i-n, B-i-l-l, and I'm here today on behalf of the National Safety Council, Greater Omaha Chapter, I'm their employee and I administer their driver's education and motorcycle safety programs and we're testifying as a not-for-profit, nongovernmental community-based organization and an accredited chapter of the National Safety Council and it's good to be back in front of the committee. We're also a Nebraska DMV-approved third party tester for both the driver's education and the motorcycle programs to help people who want to get their driver's license or their motorcycle endorsement on their driver's licenses. Our unique mission is to promote safety and health by providing programs and resources and education to prevent and reduce both the personal and economical loss associated with unintentional injuries. In other words, we're in the business of saving lives, preventing injuries, and saving money and we do it on the private sector. Our organizations have been making progress towards this goal since the National Safety Council was first formed back in 1909 and first chartered in Omaha in 1924 and I'm proud to have been with this program now for about 14 years. And we're going to urge you to defeat this bill here in the committee. From a safety standpoint we know several things about motorcycles and their riders. We know that motorcycles are riskier method of transportation than automobiles. I mean the statistics are there. We know that they are more popular than ever and the specter of higher gas prices is going to continue to fuel their popularity. Riders want to ride safely because nobody wants to get injured; but oftentimes they lack the proper knowledge in how to do that, particularly when they first start out. And Mr. Halen alluded to what is commonly known throughout motorcycle safety advocates as the Hurt Study. And it is the Rosetta Stone of motorcycle safety programs. We also know that education works to reduce risky riding behaviors and that when risky behavior is reduced among motorcycle riders, the entire motoring public benefits. We don't have these...as many of these collisions between cars and motorcycles. And finally we know that the program, as it exists in Nebraska and has existed since 1986, works. To tinker with it now, perhaps, is going to serve to be to the detriment of all of the roadway users, not just motorcycle riders, and for years to come. I'll be honest with you, we seek the \$75 reimbursement. We recognize that if it goes away, the programs around the state, we're not going to shut our doors, we're going to continue to serve the public, but we're going to do it with a sudden jump in price. We know that, as when alcohol and cigarette taxes are raised, that is done to make the product more expensive and to get a reduction in the use of that product. We expect to see the same decline in enrollment. The question was asked earlier, what's the difference between driver's ed and motorcycle. Well, in driver's ed you typically are dealing with teenagers who are going to get a driver's license no matter what. Statistically, 20 percent of eligible teens today take a driver's education program, 20 out of 100, and it shows up in the stats in teen drivers. Using the numbers that Director Neth brought forward, 2,800 persons testing at DMV and about 1,875 coming through the program last year, that equates to about a 65 percent...excuse me, 45 percent to 50 percent are taking the program, taking advantage of the program. And so to increase the price by \$75, which is what we would have to do to pass on our costs, as a

not-for-profit, we have to pay our costs, we're not in it to make a huge profit at it. So we would have to pass that on. We're going to see a decline in enrollment. But more importantly, even more importantly than that is the instructor course. Now I'm a motorcycle instructor, which we would call a rider coach and Mr. Halen is the chief instructor, he would be one of the persons who taught me to become an instructor. If we are not continuing to subsidize the cost of other instructors coming through, I mean, they're already coming through at an incredible expense of their own in terms of time and money and effort, it is an 80-hour course spread over two weeks, eight days, ten-hour days. The programs around the state may not be able to afford to also absorb the cost of training those instructors as well. It is a short season. There is a lot of cost involved in running a motorcycle safety program. We don't currently hire instructors until they've come through the course and they have their certification. If we had to hire them in advance and now pay their wages on top of tuition, on top of travel expenses, you can see where that would become prohibitive. Our chief instructors, the two that we have in the state, are also serving the state in immeasurable fashion and they conduct these courses. They conduct the rider-trainer course on an annual basis. And, really, that's an...I have to say, that's an incredible bargain to the state in terms of what it costs, especially once you account for all the precourse work and the postcourse work they do. And if any of you...I don't know your backgrounds, if any of you have done any teaching, you know that you don't just roll into a classroom, open your book and teach. There's probably as much work before and half as much work again afterwards. So we break down their hourly rate, they're really not in it for the money, it's a labor of love. And they give that time up willingly for a couple of weeks a year to support motorcycle safety across the state and we're glad that they're doing that. I want to bring out one point. In 2010, it was in the paper New Years Day, Nebraska celebrated the second lowest traffic fatality count in the state history. And what is commonly known among traffic safety advocates is the four Es played a critical role in this. And those four Es are, of course, education, enforcement, engineering, and EMS. Driver choices when they're behind the wheel or on a bike are another linchpin toward the continued reduction in accidents, injuries, and fatalities, all of which bring a tremendous cost to a small state such as Nebraska. If we remove one of the Es, we remove the incentive to maximize driver participation in one of the Es. That means that those drivers are going to have that much less information or incentive to make the right choice at the right time. So again, and I'm going to open this up for questions, this program has worked for years now, 25 years, to mitigate the inherent risks of motorcycling and those risks are there. It provides the students with a powerful incentive. And I believe in this state, the programs that are offering this, have done their part in keeping the price as low as possible given the high cost of offering the program to encourage students to take the course. And that is, in fact, the goal. We want the students to come through. We know that they will do well as riders and they will not be involved in those accidents. And there's a...it's a critical element to the state. And we also provide a cadre of instructors who introduce new riders to a strong role model for safety and fun when they're out on two wheels. And it's doing this, if you take the \$3.50 licensing fee, for about 70 cents per year per

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rider, figuring it's a five-year renewal on the driver's license. I understand the state is on the look out for ways to reduce the budget deficit and balance the budget and nobody wants to see decreased services, nobody wants to see increased taxes. We also recognize that somewhere something has got to give. But we urge you to strongly consider when you're casting your vote on this what the cost of that something is in terms of a long-standing program that has proven to reduce injuries and fatalities, proven to reduce the long-term costs to the state and really has no negative fiscal impact on the state's budget while returning so much back to, not just motorcycle riders, but everybody who rides or walks across our state. With that I'm going to open the floor to questions or comments. [LB170]

SENATOR FISCHER: Thank you very much. Are there questions? Senator Campbell. [LB170]

SENATOR CAMPBELL: Thank you, Senator Fischer. Sir, what is the average age of the students that take your classes? [LB170]

WILLIAM MULHERIN: You know, I don't have any stats compiled on that, but anecdotally through our program I would say probably looking at a 30- to 40-something-year-old coming through to take the class. We get some younger riders; we get them as young as 17. We've had them as old as senior citizens. But probably they meet the demographic of riders. [LB170]

SENATOR CAMPBELL: And part of the reason for the question is, obviously, those students that are coming to that are taking your class most of them are probably employed, have full-time employment and have the wherewithal to pay for the class. [LB170]

WILLIAM MULHERIN: Yeah, a lot of them have purchased a motorcycle or about to purchase a motorcycle. We get a lot of people who want just to get the license and learn how to ride, so, yeah, I would say they're probably employed. [LB170]

SENATOR CAMPBELL: Some of the articles have alluded to the fact that the aging baby boomers, and I will say that I'm a part of that group, is really taking an interest in motorcycles. [LB170]

WILLIAM MULHERIN: We're seeing the baby boomers. I think that the stat that was out a few years ago was the number one fatality on a motorcycle was a 40-something-year-old college educated male on a 1000cc bike or greater. You know, we age well; we don't crash very well. [LB170]

SENATOR CAMPBELL: Thank you. [LB170]

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WILLIAM MULHERIN: Yes. [LB170]

SENATOR FISCHER: Other questions? Thank you very much, appreciate you coming. [LB170]

WILLIAM MULHERIN: You're welcome. [LB170]

SENATOR FISCHER: Other opponents, please. Do you need a page? Good afternoon. [LB170]

CARSON FITZGERALD: (Exhibit 4) Good afternoon, Senator Fischer and other senators, appreciate the opportunity to be here and visit with you a little bit. My name is Carson Fitzgerald, C-a-r-s-o-n, Fitzgerald is F-i-t-z-g-e-r-a-l-d. I'm from Kearney representing the Nebraska Safety Center and I appreciate the opportunity to speak about this issue for just a little bit. I would like to take a minute just to read the comments that I've written down. We are in a unique position at the safety center. Our mission at the safety center is mandated by the Nebraska Legislature 1978 is to conserve human and economic resources through safety education and accident prevention. So that's what we try to do and we're mandated to this. Of course funding is always a problem. We continue to see an increasing need for safety classes for motorcycle riders. We do provide classes now, we have...I think in our...next year will be our third full year of providing motorcycle classes. We started that because we started to see the need. I think the furthest point west, I think, was approximately Hastings, there was a need and a call for us to provide motorcycle training basically in western Nebraska. We don't get that far, however, we do get out to Scottsbluff, Gering, and have requests for us to bring our services out there if possible. But anyway, we are mandated to do that kind of thing. So we did start motorcycle training and I just want to stop and say one thing that when we do start this and we talk about driver's ed, I'm the traffic safety manager for the center and so I get to deal with the money problems associated with driver's ed, with motorcycle, with van driver, with all of the things that they want us to do and our programs have to, basically, stand on their own. A famous saying we have is, if they don't break even, we don't care about making money, but if they don't break even they shoot them in the head and they're gone. And so we were given that mandate at the time we started our motorcycle classes. Yes, you can do it, but if it doesn't break even it's going to be a goner. And so we face that in the situation that we have, even though we're mandated to provide the things that we showed there. So we do provide classes. So, I go on to say, as pointed out in the '09 NDOR annual report of traffic crashes, motorcycle registrations have risen from 23,000 to 50,000 in the past ten years. So we're seeing a definitely strong increase in motorcycle use. Motorcycle crashes increase from 279 up to 538 and in '08...and '09 was the last numbers I got, in '08 they spiked to 624. These crashes resulted in 20 deaths. This trend follows gas prices. And we're probably going to see an increase again in motorcycle use increases because they're talking about gas prices going up drastically again. And we see that.

They get on...they decide to change their mode of transportation because they feel that the motorcycle is a little less expensive to operate. Experts tell us that a single crash can cost the state of Nebraska millions of dollars. You see that from the report given by the state of Nebraska when they talk about motor vehicle crashes, when we talk about downtime, we talk about medical cost, we talk about the dependence that some people injured for life they can't pay for that. They end up...that falls back on the taxpayers. So these crashes can be very expensive to the state of Nebraska. So I said, well, with this in mind, is it wise economically to eliminate a motorcycle safety as a way to save money? And we probably need to do some serious research and I think it has to be done...been done and I think we can find those numbers as they did in the driver's ed area and see what a...what is a crash cost us as taxpayers if we have to maintain somebody's life for a period time, because that comes back to the state. Motorcycle riders themselves are recognizing the need for safety education. We have a very strong demand for our motorcycle safety classes. Our classes begin in March, they end in October, most are filled up. I feel strongly that cutting the \$75 reimbursement would have to be passed on. We would have to pass it on to our students and I'm sure that this would probably reduce our class sizes. Is this economically justifiable when you compare the reimbursement costs versus the cost of crashes and death of Nebraska citizens, if we consider the real value of one saved life? Traffic safety staff and the instructors at the safety center encourage you to vote against LB170. And the point that I want to make is I think we need to look at the cost...what is the cost of a crash? I know that we're talking about education here, but when we talk about that education, and I do quite a bit of driver's ed teaching, the thing that we push sometimes is not so much the mechanical part, but the mental part. That these people need to understand the risk that's involved, and especially given the motorcycle safety, they have to understand where they fit in the hierarchy of vehicles, trucks, cars, motorcycles, bicycles, they do take on a lot more danger. So there are some things inherent to motorcycle safety that are probably...even the more important, as far as education is concerned, because if we can save a life, if we can save a couple of lives, we don't know that, it's hard to measure, if we do save lives in driver's education, do we save lives then? We know that parents are appreciating the things we do. They come and say Sally was very...has learned to be very careful in certain situations. If we can eliminate negative behaviors, we need to eliminate negative behaviors. We all have some negative behaviors that we do when we drive, and of course it's things like that that we need to be educated on. And if we can save a life, I think it can save us money. [LB170]

SENATOR FISCHER: Thank you, Mr. Fitzgerald. [LB170]

CARSON FITZGERALD: Yeah. Any questions? [LB170]

SENATOR FISCHER: I would like to make note for the record at this time, Senator Loudon had entered some time ago, Senator Loudon is from Ellsworth and I did not mention that. And we have been joined by Senator Lautenbaugh from Omaha. [LB170]

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CARSON FITZGERALD: Sure. [LB170]

SENATOR FISCHER: I have a question for you. [LB170]

CARSON FITZGERALD: Yeah. [LB170]

SENATOR FISCHER: Committee counsel and I have not heard of the Nebraska Safety Center. You say it was mandated by the Nebraska Legislature in 1978. [LB170]

CARSON FITZGERALD: Yeah. Yes. [LB170]

SENATOR FISCHER: Just looking through statutes here, I don't believe that we found that. Could you give us the history as...what statute is that? [LB170]

CARSON FITZGERALD: I wish Galen was here, he was kind of involved in that. But Ron Cope, Ron and Carol Cope, Senator Ron Cope back in the '70s is the one who initiated it and they did establish and I could find that. We could find that. [LB170]

SENATOR FISCHER: But you're saying that the Nebraska Safety Center is in statute? [LB170]

CARSON FITZGERALD: Yeah, it was established...yeah. [LB170]

SENATOR FISCHER: Are you funded then by the state of Nebraska? [LB170]

CARSON FITZGERALD: We have...the funding...yes, we're funded to a small extent. [LB170]

SENATOR FISCHER: Okay. [LB170]

CARSON FITZGERALD: We are funded by... [LB170]

SENATOR FISCHER: We'll check on that. [LB170]

CARSON FITZGERALD: Uh-huh. Yeah, take a look at that. We are mandated with this...those things and we need to look at...I could...I never thought about bringing that stuff. Back in the...and at that time, if you've ever been to Kearney we established the Ron and Carol Cope Safety Center and some of you may have been there. It is 11 acres; we have a...we do driver... [LB170]

SENATOR FISCHER: Is that connected with the University of Nebraska at Kearney? [LB170]

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CARSON FITZGERALD: Yes, uh-huh, at Kearney, yes. [LB170]

SENATOR FISCHER: So are you...well we'll check on the statutory references to your organization. [LB170]

CARSON FITZGERALD: Sure. Look at...and I think it was established in '78 if that...and take a look at that. [LB170]

SENATOR FISCHER: Okay. You mentioned that most all of your classes fill up; how many students are in your classes? You offer them twice a year and...or once a year, do you just offer it in March? [LB170]

CARSON FITZGERALD: On no, we go about every week from mid-March to October. [LB170]

SENATOR FISCHER: To October. And how many students total do you have then? [LB170]

CARSON FITZGERALD: Yes. We'll run...we'll educate 100 kids a summer. I say kids, 100 people a summer, 8 to a class maximum. [LB170]

SENATOR FISCHER: Is that for motorcycle or for cars? [LB170]

CARSON FITZGERALD: That's motorcycle, that's motorcycle only. [LB170]

SENATOR FISCHER: Okay. You commented that...or I guess you asked is it a wise economic move to eliminate motorcycle safety. I would point out to you that this bill does nothing to eliminate motorcycle safety courses. [LB170]

CARSON FITZGERALD: Right, yeah, to eliminate the subsidy. [LB170]

SENATOR FISCHER: Right, to eliminate a subsidy that only motorcycle safety courses receive. [LB170]

CARSON FITZGERALD: Right, yeah, because we will...we will lose some students...we will lose some students to the cost. The reason being, they see that cost and as someone mentioned, you know, they can go down and...they can just go down and take the test and they can eliminate that. And as we...right now for the cost it seems that the riders themselves feel that it is important enough that they are doing that. And I'm afraid that if we do raise that we will eliminate...and probably eliminate the very people that really need to be taking it. [LB170]

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SENATOR FISCHER: What percentage of your students are 18 or younger and what percentage are adults? Senator Campbell had asked a question of the previous testifier about the age of the students that take motorcycle training, can you give us an idea on that? [LB170]

CARSON FITZGERALD: Ann, who will follow me, probably can answer that better, but I would say...I would say that...maybe 30, 40 percent are under...well I would say under 25. We get quite a lot between probably 25 and 35. And then we are starting to get more of the aged drivers, people who have possibly retired and decided to buy a bike, like my brother, and... [LB170]

SENATOR FISCHER: So the fun group like Senator Campbell and myself, right? [LB170]

CARSON FITZGERALD: The fun group, right. Yeah. [LB170]

SENATOR FISCHER: Okay, thank you. Are there other questions? I see none. Thank you very much. [LB170]

CARSON FITZGERALD: Okay, yeah, thank you. [LB170]

SENATOR FISCHER: Other opponents please. Good afternoon. [LB170]

ANN MADSEN: (Exhibit 5) Good afternoon. Thank you, Senators, for listening. [LB170]

SENATOR FISCHER: Our pleasure, thank you for coming. [LB170]

ANN MADSEN: I wish to speak in opposition to the changes in LB170 concerning motorcycle safety. I am both a motorcycle instructor, as well as a rider. First, I feel that state funding at... [LB170]

SENATOR FISCHER: If you...excuse me, if you could state your name and spell it. [LB170]

ANN MADSEN: Oh, I'm sorry. [LB170]

SENATOR FISCHER: No problem. [LB170]

ANN MADSEN: Madsen, M-a-d-s-e-n; Ann, A-n-n. [LB170]

SENATOR FISCHER: Thank you. [LB170]

ANN MADSEN: First, I feel that the state funding at \$75 per student for the BRC

program is imperative. The cost from the state to support programs like this is minor compared to the costs to Nebraskans in injuries and fatalities from lack of education. No matter what mode of transportation we choose there certainly is risk involved with it. However, the risk is greater with motorcycles, especially when riders are unaware of the hazards they face on the road. Therefore, quality instruction is essential to one's safety and this money institutions receive also helps to insure that we have instructors who are knowledgeable and of high quality. Secondly, without this money to help keep the costs down for participants, this will increase registration costs for the motorcycle safety programs. This in turn will deter individuals from taking a course because of affordability. I know this first hand for several reasons. Although the evaluations from participants in our motorcycle safety classes are positive, they do report the information they attained was valuable and worthwhile. However, they often mention the cost of the class is too high. In addition, as a current driver education teacher, I have seen how the increase in price for this type of instruction has decreased the number of participants. As a rider on the road I have experienced the immaturity and danger of riders who have taught themselves versus those who have been educated through motorcycle safety courses. Whatever mode of transportation one chooses, it is an ongoing learning experience. Please vote against the changes in LB170 and continue funding our motorcycle safety programs. We all want to save lives and education really does make a difference. I would be more than willing to speak with any of you further on this subject. [LB170]

SENATOR FISCHER: Thank you, Miss Madsen. Are there questions? Senator Price. [LB170]

SENATOR PRICE: Thank you, Senator Fischer. Miss Madsen, thank you for testifying. My question would be in teaching the course...and we heard from other testifiers, there are a host of courses and course levels that are taught, not just the introductory one. What percentage of your courses that are taught are introductory to the complete work of them, like 20 percent of all your course work is introductory? [LB170]

ANN MADSEN: Well, we offer several courses. This year we will start a scooter class. We also offer what we call an experienced rider course and we will actually host an advanced rider course. BRC is the class that we have the most participants in. And I know a question was asked earlier what ages come. When we actually started this program, I think we put a limit on the age, they needed to be 18 or older to participate. Well then we had people that were 16 and 17 years of age that wanted to participate in the BRC. We actually allow 15-year-olds to participate now in the BRC program. And our thought behind that is the sooner you know about the risks, the earlier you're trained, hopefully the better rider you'll become. And as far as ages, certainly we have the...we oftentimes have a rider who rode when they were young stop to raise their family and then came back into it and began to ride again. We also have people who have motorcycle licenses and they just want more practice, more experience, that type

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of thing. And we also actually have families. We, at our particular institution, will specifically set up a course. For instance, you mentioned that you ride motorcycles and if your family wanted to come, we had this happen last Memorial weekend, we specifically set up a class for this family to participate because it worked...we worked around their schedule. So we were...I guess we're saying we have all ages. The youngest has been 15, the oldest was 72. [LB170]

SENATOR PRICE: But in the breakdown of classes you'd say about half your classes are the BRC class participants. [LB170]

ANN MADSEN: Oh well over half are the BRC, yeah, well over half. [LB170]

SENATOR PRICE: Thank you. [LB170]

ANN MADSEN: Um-hum. [LB170]

SENATOR FISCHER: Other questions? I see none. Thank you for coming in today, appreciate it. [LB170]

ANN MADSEN: Thanks. [LB170]

SENATOR FISCHER: Are there other opponents to the bill? Any other opponents? I see none. Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB170 and open the hearing on LB158. Good afternoon. (Also Exhibit 2) [LB170]

DUSTY VAUGHAN: Good afternoon again, Senator Fischer and members of the committee. For the record my name is Dusty Vaughan spelled V-a-u-g-h-a-n and I'm the legal counsel for the committee. LB158 authorizes the expansion of the existing on-line driver license renewal process. Currently anyone aged 22 to 65 can renew their driver license or state identification card on-line once over a ten-year period. The bill allows permit holders, and we're talking about teen drivers here, who have completed a driver safety course or passed the required tests to apply for and receive subsequent permits on-line. This change will affect learners permits, school permit, and provisional operator permit holders. The bill also increases the maximum age for on-line renewal from 65 to age 72. LB158 also puts restrictions on retaking a driving test for a Class O or Class M license. The bill would give the option to any person who fails the driver portion of the test three successive times to obtain a learners permit and take an approved driver training course or to wait 90 days after obtaining the permit. And Director Neth is here to speak about how this affects the DMV's process system. I'll turn it over to you, Senator Fischer. [LB158]

SENATOR FISCHER: Okay, thank you, Mr. Vaughan. First proponent for the bill please.

Director. Welcome. [LB158]

BEVERLY NETH: (Exhibit 6) Thank you. Chairwoman Fischer, members of the committee, I'm Beverly Neth, B-e-v-e-r-l-y N-e-t-h, director of the Department of Motor Vehicles appearing today to offer testimony in support of LB158. Again, I want to thank Senator Fischer for introducing this bill on behalf of the department. LB158 is part of the department's ongoing efforts to examine its policies and business practices to find efficiencies and save state dollars and to provide better service to the public. The first provision of the bill seeks authority to issue a 3-month learner's permit to any individual who has failed three successive driving skills attempts. The department currently suspends the testing opportunities for any applicant who has failed six successive driving skills test. Those applicants are required to attend a driver training school before they can retest with the DMV. The DMV is proposing to change that process. Issuing a 3-month learner's permit gives the applicant time to practice his or her driving skills legally without the cost of attending a driver training school. Once the three months has elapsed, the DMV will then begin the drive skills testing process again. Alternatively, if the applicant whose testing privilege is suspended enrolls in a driver training school and provides proof of successful course completion, he or she may return to the DMV for drive testing as soon as the course is completed. As a part of our research on this issue, we surveyed other states regarding drive-testing limitations. As expected, those responses varied, but three drive-skills test failures was the most common limit adopted by other states. This bill does not seek to limit the number of attempts an applicant has to pass the written test for a driver license, it's only the drive-skills test portion that we're limiting. Through LB158 the DMV seeks to expand its on-line issuance of driver license and ID cards. Since early last year, DMV has provided an on-line renewal and duplicate process for driver licenses and ID cards. This program is popular with over 25,000 people utilizing the on-line service to date. The DMV is seeking to expand its on-line issuance in two areas. First, DMV proposes to raise the upper age limit for on-line renewal for adults from currently age 65 to age 71 years or less. This allows on-line driver license renewal for qualified persons taking them through age 75, at which age the person will have to appear in person to renew for their driver license every five years thereafter. Current law requires that a driver appear in person at least once every ten years to renew his or her driver license and have a new photo taken. The DMV is not changing this provision. Among other reasons, on-line renewal is not available to people who hold commercial driver licenses or CDLs; those whose license has been impounded, suspended or revoked or cancelled; who have changed their name or moved since the last time the issuance of their document. The second on-line issuance proposal contained in LB158 affects young drivers who are progressing through the various types of driver permits and/or licenses available to individuals less than 21 years of age. A young driver who has a digital photo on file, who has passed both a written and drive test or had those tests waived, and whose license has not been impounded, suspended, revoked, or cancelled can move to the next type of license available to him or her through an on-line process. Currently once an applicant has

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passed initial written and drive testing requirements or had those requirements waived by completing a driver safety course, generally, we do not retest that applicant. However, because young drivers progress through a series of permits, school permits, learner's permits, provisional operators and finally a driver license, they are required to come to a driver licensing station almost annually until age 18. Since there's no additional testing required it makes sense that a qualified young person applies for his or her permit or license through an on-line process. All applicants for an adult driver license at age 21 will still be required to come to the DMV and have a new digital image taken and a new document issued. Lastly, LB158 contains a provision that allows the DMV to adopt requirements and qualifications for on-line issuance of driver license and ID cards. Senator Fischer, at this time I'll be happy to answer any questions the committee might have. [LB158]

SENATOR FISCHER: Thank you, Director. Are there questions? Senator Lautenbaugh. [LB158]

SENATOR LAUTENBAUGH: If your driver's license has expired, can you renew it on-line? [LB158]

BEVERLY NETH: If it has not expired for over a year, you can renew it on-line. [LB158]

SENATOR LAUTENBAUGH: Okay. [LB158]

SENATOR FISCHER: Other questions? Senator Louden. [LB158]

SENATOR LOUDEN: Yes. I see...before when you were 65 you had to reappear every five years and take your test, is that what it is now? [LB158]

BEVERLY NETH: That's currently what it is, yes. [LB158]

SENATOR LOUDEN: Yeah, and you're just now just raising the (inaudible) to 72? [LB158]

BEVERLY NETH: We want to raise that age up to 72, yes. [LB158]

SENATOR LOUDEN: And then after that you have to...why...when you say every five years, how long is your license good for? You can renew it once, is that...my understanding? [LB158]

BEVERLY NETH: Your license is valid for a 5-year period for anyone over age 21, your license is valid for five years. So what we're saying in this process is, at a certain age we want you to come in to see us. We want to be able to judge your cognitive abilities, your physical abilities, just the mere fact of aging has some diminutive effects on those

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kinds of things. So we're capping it off at a certain age to bring those people back to us. [LB158]

SENATOR LOUDEN: And that's at 72 now? [LB158]

BEVERLY NETH: That would be at 72, yes. [LB158]

SENATOR LOUDEN: And then...I guess I quite don't understand why you have the part in there that every five years they have to come in for a test. They have to anyway don't they? [LB158]

BEVERLY NETH: They don't come in for a test. What we're...what we're requiring holders to do is come in every five years...every ten years to have their photo updated. So as long as you aren't...your license hasn't expired for more than a year or it hasn't been suspended or revoked or impounded or cancelled, or a number...a couple of other reasons, you're generally not tested with us. Once you've done your initial testing or you've had that waived either by attending a motorcycle safety course or a driver safety course, we don't test you regularly unless you would evidence some kind of diminished cognitive capacity or have some physical diminishing that would lead us to believe that maybe you can't safely operate an automobile. The examiner always has the discretion to make a person take a test. But as a general rule, we don't test you once you've gone through that process and you're simply coming back to us every five years to renew. [LB158]

SENATOR LOUDEN: Okay, now when you say testing, are you talking about driving testing... [LB158]

BEVERLY NETH: Yes, I'm talking about... [LB158]

SENATOR LOUDEN: ...or are you talking about taking...answering the questions? [LB158]

BEVERLY NETH: Both of those really, written skills testing and drive-skills testing, both of those would be things that we, we, generally, wouldn't do. [LB158]

SENATOR LOUDEN: Well whenever I had to renew my license I always had to go in and answer the questions, I didn't have to drive, but I had to answer the questions. You mean to say I didn't have to be answering those questions all these years? [LB158]

BEVERLY NETH: Well I doubt...you probably haven't for a while. I'm not sure when you renewed your license last, but I suspect the last time you renewed your license you probably didn't have to do that. You probably didn't take a written test. You may have, but I doubt it. I'm not sure when you renewed last. There was a statute that required,

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and it was repealed, I think, maybe five or six years ago, that required if you had a driving offense on your license then you were required to take a test. But that's not true anymore either. So it's really... [LB158]

SENATOR LOUDEN: Okay. But anyway after 72 then you have to take the test every five years? [LB158]

BEVERLY NETH: No, you're not necessarily required to take the test. What you're required to do is come to us so that we can update your photo and we can do, basically, a visual inspection of you to make sure and talk to you to make sure that you're cognitively functioning and that you're physically able to operate an automobile. That's really what we're doing. And we may require you to take a test, but it is still discretionary with the examiner. [LB158]

SENATOR LOUDEN: And that's a driver's license examiner does that? [LB158]

BEVERLY NETH: Yes. [LB158]

SENATOR LOUDEN: Okay, thank you. [LB158]

BEVERLY NETH: You bet. [LB158]

SENATOR FISCHER: Other questions? I see none. Thank you very much. [LB158]

BEVERLY NETH: Thank you. [LB158]

SENATOR FISCHER: Are there other proponents for the bill? Any proponents? Are there any opponents to the bill? Anyone wishing to testify in the neutral capacity? I see none. With that I will close the hearing on LB158 and close the hearings for the day. Thank you very much for attending. (Also Exhibit 7) [LB158]