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Government, Military and Veterans Affairs Committee
February 15, 2017

[LB340 LB497 LB652]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Wednesday, February 15, 2017, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB652, LB497, and LB340. Senators present: John Murante, Chairperson; Tom Brewer, Vice Chairperson; Carol Blood; Joni Craighead; Mike Hilgers; John Lowe; and Justin Wayne. Senators absent: Tom Briese.

SENATOR MURANTE: (Recorder malfunction)...Military and Veterans Affairs Committee. My name is John Murante. I'm the State Senator for District 49, which includes Gretna and northwest Sarpy County, and I'm the Chairman of this committee. We are here today for the purposes of conducting public hearings on three pieces of legislation. We will be taking those bills up in the order on which they appear outside of this room. If you wish to testify on any of the matters before us, we ask that you fill out one of these green sheets of paper. The green sheets are located on either side of this room. If you're here and do not wish to testify but do want to express your support or opposition for any of the matters before us, we ask that you fill out this sign-in sheet. Again, the sheet is located on either side of the room. If you fill out the sign-in sheet indicating your support or opposition for the matters before us, I can assure you that your opinion will be taken into account just as much as if you had testified. If you do testify, we ask that you begin by stating and spelling your name for the record, which is very important for our transcribers' office. The order of proceedings is that the introducer of legislation will be given an opportunity to open. We'll then proceed to proponent testimony and then listen to opponent testimony, followed by neutral testimony, and then the introducer will be given an opportunity to close. We ask that you listen very carefully and try not to be repetitive. If someone has already articulated a point which you wish to convey, again we ask that you fill out the sign-in sheet and let us know your support or opposition for the matters before us. In the Government Committee we do use the light system. Each testifier is permitted four minutes to testify. When the yellow light comes on, you have one minute remaining and we ask that you begin concluding your remarks. When the red light comes on, your time has expired. We ask that you conclude your remarks and we will open the committee up to any questions they may have of you. At this time I'd like to request that everyone turn off or silence any cell phones or other electronic devices, anything that makes noise. If you have a prepared exhibit, a statement, or anything you want distributed to the committee, we ask that you provide 12 copies to our page who will distribute them to us. If you don't have 12 copies, don't worry about it. Again, just give it to the page and he will make copies for you. Our page for the day is Joe Gruber. Joe is from Omaha, Nebraska. And I will proceed to the introduction of members. To the far left is Sherry Shaffer, Sherry is the committee clerk for the Government Committee; to her right, State Senator Carol Blood, Senator Blood represents Bellevue; to her right, Senator Joni Craighead, Senator Craighead represents Omaha; to my immediate left, State Senator Justin Wayne, Senator Wayne also represents Omaha; to my immediate right is Andrew La Grone, Mr. La Grone is the

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Government Committee's legal counsel; to his right, Senator Tom Brewer from Gordon, Nebraska, Senator Brewer is the Vice Chairman of this committee; to his right is Senator Mike Hilgers from Lincoln, Nebraska; to his right, Senator Tom Briese, Senator Briese is away at a family funeral and will not be with us today; and on the far right, Senator John Lowe of Kearney. With that, we have dispensed with our formalities. And Senator Kolowski, welcome back to your committee on Government, Military and Veterans Affairs.

SENATOR KOLOWSKI: Thank you, Chairman Murante, and members of the committee. It's a pleasure to be here today. Good afternoon, Chairman Murante, and members of the Government, Military and Veterans Affairs Committee. My name is Senator Rick Kolowski, R-i-c-k K-o-l-o-w-s-k-i, representing District 31. Also I'd like to add U.S. Marine Corps Reserve, early 1964 through late 1967, and also serial number 2048784. Just to add that for emphasis because it's important why I'm doing this and why I believe in what we're doing today. I think it's extremely important to anchor yourself in what you come from and what you believe. I'm here today to introduce LB652 which adopts the Honor and Remember Flag which represents all members of the Armed Forces of the United States who lost their lives while serving or as a result of their service. Some background on the Honor and Remember Flag. The Honor and Remember Flag was created by George Lutz after his son Tony was killed in action on December 29, 2005, in Fallujah, Iraq. Mr. Lutz is here today to explain how he founded the Honor and Remember Flag. The All Volunteer Nebraska Honor and Remember Flag Chapter has existed since 2012. Through funds it raises, the chapter fills requests from a flag...for a flag from families of the fallen from all wars. As of May 2016, 98 flags have been presented by the Nebraska Chapter recognizing those who gave their lives in the war on terror, the Vietnam War, the Korean War, and World War II. There's no cost to the state related to passing LB652. This bill will make the flag an officially recognized symbol in the state of Nebraska and allow it to fly above a government building on specific days. This is something we can do to honor and remember those who gave their lives in defense of our country. Thank you. [LB652]

SENATOR MURANTE: Thank you. Senator Blood. [LB652]

SENATOR BLOOD: Thank you, Chairman Murante, and thank you for doing this, Senator Kolowski. My dad was also a Marine, by the way. [LB652]

SENATOR KOLOWSKI: Semper Fi. [LB652]

SENATOR BLOOD: So one of the things I didn't hear that I thought was part of this program and maybe you can help me so I know and understand it completely, but it's not just a tribute to all military lives lost while serving on active duty but also as a result...things that have happened as a result of serving, for instance, Agent Orange, or...is that true? [LB652]

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SENATOR KOLOWSKI: I believe that's correct. Any...some of those following me would be able to answer that in more depth or reality. Thank you. [LB652]

SENATOR BLOOD: Because it was my understanding that all these lives need to be honored, all have value, all have intrinsic value, and I would agree with that. [LB652]

SENATOR KOLTERMAN: Just like wounds incurred in battle, the same kind of thing that would exist. [LB652]

SENATOR BLOOD: And then this is a national program, how many other states are participating right now? [LB652]

SENATOR KOLOWSKI: I don't have that in my notes but I did read it at an earlier time. Again, I'm sorry. Someone else could... [LB652]

SENATOR BLOOD: I'm sorry to ask questions. [LB652]

SENATOR KOLOWSKI: That's fine. Those are great. [LB652]

SENATOR BLOOD: And then one of the goals of this program is also to educate people on the importance of remembering, especially when it comes to our Gold Star families, is that true? [LB652]

SENATOR KOLOWSKI: Correct. That's correct. [LB652]

SENATOR BLOOD: All right. Thank you, sir. [LB652]

SENATOR KOLOWSKI: Thank you. [LB652]

SENATOR MURANTE: Thank you. Any additional questions? Seeing none, thank you for your testimony and thank you for your service, Senator Kolowski. [LB652]

SENATOR KOLOWSKI: Thank you, sir. [LB652]

SENATOR MURANTE: And we'll proceed to proponent testimony to LB652, proponents. Welcome. [LB652]

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PAT MRACEK: (Exhibit 1) Thank you. My name is Pat Mracek, P-a-t M-r-a-c-e-k. Good afternoon and thank you for giving this opportunity to speak to you today. I am from Alliance and I'm co-chair of Honor and Remember Nebraska Chapter and a Gold Star mom. I started working with George Lutz, founder of Honor and Remember, in 2009. On July 7, 2010, George came to the Capitol in the Rotunda with Governor Heineman and numerous veterans in attendance. We presented eight flags to families of the fallen. One was a Vietnam sister who just cried and cried because she had thought everyone had forgotten her brother. The next ceremony was held at Bellevue Campus in Omaha where eight more flags were presented by General Lemke, another veteran, and myself. Our chapter officially began in 2012. Since 2009, with the flags we have on hand, we have given out 134 flags to families from World War II, Korea, Vietnam, Iraq, and Afghanistan. Our chapter receives donations so the families do not have to pay for the flags. They're beautiful flags embroidered with the name of the fallen, their angel date, and where they died. When our chapter began, our chair was a veteran and our Gold Star family coordinator was a veteran. Now our chapter consists of five veterans, three Gold Star moms, and one dear man who has a heart for the fallen. On September 11, 2016, we held an event called 1.3 Million Steps for all those who have fallen since the inception of our country. We almost achieved the goal of 1.3 Million Steps thanks to numerous veterans and Gold Star families making that journey. We stopped at three fire stations and a police station to tell these folks, thanks for their service, and presented them roses. We began early in the morning and walked until late afternoon 26 miles. We carried many American flags and many Honor and Remember Flags. Most families who have lost a loved one will tell you that the most important thing for them is that their hero not be forgotten. That is one of the reasons I work so hard is so that does not happen. My son, Sgt. Corey Mracek, was killed in Iraq on January 27, 2004. The Honor and Remember Flag was designed so heroes like my son, and all the 1.3 million, will never be forgotten. I know we have some opposition to this flag because they say we only need the American flag. We're not trying to replace the American flag. None of us would want that. When I see Old Glory, I see a great country I take pride in. I see a flag that is draped over caskets of those that have served their country. My folded flag is in a glass case in my home for all to see. We are only going to salute that flag. And not everyone sees that flag the same way I do. Unless you've been handed a folded flag, you're first thought when you see it is not necessarily to remember those who have fallen. The Honor and Remember Flag will be much like the POW MIA flag. When I see that flag, I think of all those who are still missing and those who endured the torture to defend our country. The Honor and Remember Flag will remind us of the sacrifices of those who have given their all for us. This is a beautiful flag with meaning to each and every aspect of it and I put that into those fliers you have. Families cry when they receive their flags because they think they've been forgotten. When they fly that flag, people will ask them what it means and in turn they have an opportunity to talk about the one they lost. Those asking will then learn the fallen was a person with a name, a family, and a story. No words, no ceremony, no plaques, and no flags. No amount of tears will every replace our losses. This flag also cannot do this, but what it can do is provide all of us a daily reminder to take nothing for granted, count

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your blessings, and cherish our freedom because of those who sacrificed their tomorrows for our todays. We hope this flag will serve as a reminder of the spirit of those who have gone before us. Thank you for this opportunity you have given us today. God bless you and thank you for your consideration of this bill. [LB652]

SENATOR MURANTE: And thank you for your testimony. Are there any questions? Senator Craighead. [LB652]

SENATOR CRAIGHEAD: I just want to say thank you to you. Thank you, Chairman. And I will eventually be receiving one of these flags. [LB652]

PAT MRACEK: Yes, you will. [LB652]

SENATOR MURANTE: All right. Thank you. Senator Blood. [LB652]

SENATOR BLOOD: Thank you, Chairman Murante. I just want to say, I'm sorry for your loss. Thank you for your child's service and thank you for your testimony today. [LB652]

PAT MRACEK: Thank you. [LB652]

SENATOR MURANTE: Senator Brewer. [LB652]

SENATOR BREWER: Yeah, I guess I'd just echo the same. I mean, it's one of these where, you know, you see way too many names of guys you know in here, so thanks for what you do. [LB652]

PAT MRACEK: Thank you. [LB652]

SENATOR MURANTE: Other comments? Seeing none, thank you very much for your testimony today. [LB652]

PAT MRACEK: Thank you. [LB652]

SENATOR MURANTE: Continuing on proponent testimony. Welcome. [LB652]

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AARON CUBRICH: Thank you. My name is Aaron Cubrich, that's A-a-r-o-n C-u-b-r-i-c-h. When I was 24, November 19, 2003, I joined the Army. Like many others, I did so to fight those who attacked us on 9/11. On December 11, 2005, I was deployed to Iraq serving with the 4th Infantry Division, 710 Calvary. After being in a country about eight months, on August 21, 2006, I was on patrol in an armored Humvee when my vehicle was hit by an IED. Had it gone off one second earlier, I would not be here testifying for the Honor and Remember Flag. Although all three of us in the Humvee were injured, we survived. In two other separate IED attacks during that year, eight members of my platoon were KIA. Although I'm not a Gold Star family member, I did lose eight brothers while I was deployed. My goal is to raise money for them so they can...all eight of those families will have an Honor and Remember Flag of their own. I first learned about the Honor and Remember Flag in 2013 when I attended an annual dinner for the families of the fallen where six families were presented with this flag. I also attended the 2015 dinner where five other families also received a flag, so I've seen firsthand how this very special flag has personal meaning and value to these families. I can see it in their faces. I saw it when a Gold Star mother clutched her flag to her heart. The fact that these flags honor the individual fallen soldier with his or her rank, name, date, country of death, is uniquely special. Passing LB652 would allow the flag to be flown from the Nebraska government building. This would be a very good and special act. More and more Nebraskans would see, ask, and learn about what the flag actually means. This flag would be a wonderful statement by our state when it says, as Nebraskans, we honor and remember our nations and states fallen. I can only imagine how heartwarming that would be for the families to see knowing their loved ones, who gave all, is not forgotten. I'd like to thank you all for this opportunity to speak. [LB652]

SENATOR MURANTE: And thank you for coming down and thank you for your service. Are there any questions? Seeing none, thank you very much for your testimony. [LB652]

AARON CUBRICH: Thank you. [LB652]

SENATOR MURANTE: Welcome. [LB652]

MARK MUSICK: Thank you. My name is Mark Musick, M-a-r-k M-u-s-i-c-k. I'm retired Major General from the Nebraska National Guard. And thank you for doing this today. I appreciate it very much. This Honor and Remember Flag fills a need and it's for individuals. It's for individuals who served the country and they gave their lives for the country. As I think of this, the acquaintances that I knew, the classmates that I knew, in the military the people that I knew, the members of my units that gave their lives who passed away in the service of our country, they're pretty special to me. And for many people it includes family members. I'm lucky that it doesn't include a family member, but many people it does. I think that most people in Nebraska know someone who would be honored by this flag. They know someone who has given their life

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for the country and service under the flag. Now there's many flags out there. The national flag, obviously, is one of them, and it represents the country. It represents the nation. That doesn't represent an individual, I don't think. And that's why this is so important. The state flag represents the state, POW flag represents POW, but there's no flag that represents individuals. And that's the niche that this takes care of is those people...those individual people that we need to remember and not forget. So please consider approving of this, a Remembrance and Honor Flag for Nebraska. Flying this flag below the nation's flag or below the state flag on flag poles will give everyone that constant reminder of those who have been important to them and those people that have also been important to the country. Thank you very much. [LB652]

SENATOR MURANTE: And thank you for your testimony. Are there any questions? Senator Brewer. [LB652]

SENATOR BREWER: Thank you, Chairman. Sir, actually just wanted to thank you for doing this, but also thank you for your service. Just in all transparency here, the General and I served together even overseas. We were in Germany. He was one of the few Air Force Generals who was probably respected every bit by the Army as he was by the Air Force, which...(laughter) and I mean that in the best of ways. I mean if you're an Air Force General and the Army soldiers think as much of you as their Army Generals, you've done some good things to earn their respect, so thank you for your service. [LB652]

MARK MUSICK: Thank you, Senator. [LB652]

SENATOR MURANTE: Okay. Additional questions? Seeing none, thank you very much for your testimony. [LB652]

MARK MUSICK: Thank you. [LB652]

SENATOR MURANTE: Still on proponent testimony. Welcome. [LB652]

BARBARA YLLESCAS VORTHMANN: Good afternoon. And I have a name that you'll hate me for. Barbara Yllescas Vorthmann. The last name, Y-l-l-e-s-c-a-s, Vorthmann, V-o-r-t-h-m-a-n-n. Okay. I am a Gold Star mother of Captain Robert Yllescas, Army Ranger, Afghanistan, 2008, third tour of duty. I would like to share with you my feelings about the Honor and Remember Flag. I have always been so proud of the American flag and being an American. I flew an American flag all the time at my house while I and my children were living in Guatemala. I brought my children up outside the U.S. so I felt the need to make sure that they were brought up as proud Americans and to respect and remember everyone who had fought for and under the

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flag. Three of my four children served in the U.S. military. When I received my Honor and Remember Flag it was with mixed feelings. I really didn't want to be a Gold Star mother receiving one, but also proud that I now had something concrete to show people of the sacrifice that our heroes were making for their freedom. When I put my flag out on special days--I live out in the country on a farm on a gravel road--I have had people stop their cars and ask me, what does that flag symbolize? It starts a dialog about remembering and honoring everyone that has lost their lives defending this country. While I was attending the Gold Star mothers convention, I went over and sat by a couple of Gold Star mothers from the Vietnam area who had just received their Honor and Remember Flags. We were crying and I said, this doesn't get any easier, does it? One of the ladies said, no, and my worst fear now is that I'm old and I won't be long here on this earth and that my son will be forgotten and all our pain will be for naught. We then spoke that we had hoped that the Honor and Remember Flag would be a symbol to everyone that there was an ultimate sacrifice made for this country and that people don't forget. I've presented many Honor and Remember Flags now in Iowa and Nebraska and when I read the life story of each lost soldier, I feel like I get to know them and their memory stays with me. I call my children and my friends and tell them about the flag presentation and that soldier's life story. I think of how the parents must have felt and then I tell God, thank you for helping us not forget one of His. I've had several families of World War II and Korean War veterans tell me that they were so glad that they had gotten the Honor and Remember Flag because it made them look into the story of their cousin, uncle, or family member, and to remember him and then pass that story on to their families. That soldier's memory will never die. The Honor and Remember Flag has meant and is meant to honor everyone who has died in war from the beginning of our country. I, like every other mother and parent of a soldier lost to war doesn't want our child's memory and sacrifice to be forgotten. Thank you. [LB652]

SENATOR MURANTE: And thank you. Senator Brewer. [LB652]

SENATOR BREWER: Sorry to be back at it again here. I was there for your son's graduation from Ranger school, so thank you. There is the Ranger Walk at Fort Benning. If he doesn't have a brick there, you let me know and I will get one for him. [LB652]

BARBARA YLLESCAS VORTHMANN: He doesn't, so thank you. [LB652]

SENATOR BREWER: Thank you. [LB652]

BARBARA YLLESCAS VORTHMANN: Thank you. I'm sorry, I still cry over everything. [LB652]

SENATOR MURANTE: Understandable. [LB652]

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BARBARA YLLESCAS VORTHMANN: Thank you very much. [LB652]

SENATOR MURANTE: Any additional questions? Seeing none, thank you very much for your testimony. [LB652]

BARBARA YLLESCAS VORTHMANN: Thank you. [LB652]

SENATOR MURANTE: Additional proponent testimony. Welcome. [LB652]

MIKE LaBELLE: (Exhibit 2) Thank you, Mr. Speaker, and the committee here for hearing this bill. I'm the director out of Minnesota, honorary member director, and last year the bill finally went through 100 percent. I could talk a lot because I've been doing it, so I'm going to cut it short. I know there's organizations that are opposed to this flag. I'm not going to mention names because I'm a member, or lifetime member of both. I'm a Vietnam combat vet, wounded vet. This flag, when I met George Lutz in Ogden, Utah, at a Patriot Guard National Meet and Greet, he blew me away. I couldn't say no to him and I've been with those since 2008. Minnesota, we gave out over 250 flags so far. The whole state just came together, VFWs, American Legions. They were flying the Honor and Remember Flag at a lot of VFWs, American Legions, for the last five years. Total support. There's organizations said they represent 60,000 veterans in the state of Nebraska. That's not even close. If you remember, it took 18 and a half years to pass the POW and MI flag. The reason for it was, never forget the men and women that were either captive or missing in action. And when you see that flag anywhere, any citizen across the United States is going to think about that. Patriotism in the United States goes up and down. It depends on the situation. The Honor and Remember Flag is the symbol that in the history of this country never had. These are men and women that gave their lives for our Constitution, a way of life, and our freedoms. I can't think of anybody that could oppose this. It's needed, not just for the families, for every citizen here in the United States. It's just remembrance and as one of the family members, their biggest two worries are, they died in vain, and they'll be forgotten. The Northeast Minneapolis Alliance Club wanted to sponsor a flag for the district. Edison High School graduate was killed in Vietnam in 1967. Just so happens, I graduated with him. The mother was 87 years old and she had no idea we were going to present her with this flag. The place was packed with people in a bowling alley. She didn't really know what was going on until we opened up that flag and she looked at that and it was unbelievable. And the first thing she said to me was, I didn't think anybody would remember. Right there it tells it all. Thank you for your time. Hopefully, this bill is going to pass. It's very important. [LB652]

SENATOR MURANTE: Thank you very much for your testimony. I have one question of clarification. On the map that you sent out it looks like seven of the states are colored blue and

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it's represented as endorsed. What's the difference between a state that has endorsed the flag and has adopted the flag? [LB652]

MIKE LaBELLE: It's not...they endorse the flag but they don't have to fly it. I think they're just...the states that were involved in that are waiting to see what's going to happen elsewhere. [LB652]

SENATOR MURANTE: Okay. Fair enough. Senator Lowe. [LB652]

SENATOR LOWE: Thank you, Senator. Just for clarification, I think my ears might have been sleeping, I didn't catch your name. [LB652]

MIKE LaBELLE: Mike LaBelle. L-a-B-e-l-l-e. [LB652]

SENATOR LOWE: Thank you very much. Thank you for your service. [LB652]

MIKE LaBELLE: Thank you. [LB652]

SENATOR MURANTE: Senator Blood. [LB652]

SENATOR BLOOD: Thank you, Chairman Murante. You had mentioned...I'm going to open a can of worms here, that there might be some opposition. Can you address that, what you think the opposition might be to something like this? [LB652]

MIKE LaBELLE: Well, I hear it all. One was a trademark. Why do you need a trademark? To protect the flag. What happens in POW MIA flag? They're made all over the world. [LB652]

SENATOR BLOOD: Oh. [LB652]

MIKE LaBELLE: Including Vietnam and that's a slap in my face. But what Honor and Remember did, they gave all rights to the End of The Flight Company and any other flag company here in the United States. They have to be made here in the United States and they can't be owed. [LB652]

SENATOR BLOOD: So, not huge opposition as much as people questioning certain things, so that's the problem. I mean, I hear what you're saying, those...and I certainly understand why you should stick to your guns on that, but I'm not hearing anything that's super negative. [LB652]

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MIKE LaBELLE: Oh, no. [LB652]

SENATOR BLOOD: And that's good. [LB652]

MIKE LaBELLE: That's what we fight for, the freedom of speech. They can do this. I'm not going to...you know, that's their opinion to me. But what I don't like is when they say things that are untrue. The profit. We're making money off of this. Twenty-fourteen, Honor and Remember was the number one 501(c)(3) in the nation and I think it was 99 percent went to take care of business. So that's what, 91 percent went right back to the families and the flags. I can't think of any volunteer or director in any state that wrote anything off because we travel, motels, hotels, mileage, they can't do it because every time you look at it, well, we could buy a flag instead. You know, it's that important to us. [LB652]

SENATOR BLOOD: Doing wonderful work. I read a lot about the program before the meeting. I'm very impressed. Me being from Bellevue, you can't...yeah, you can't walk down the street without bumping into somebody who is either serving or has served, so, thank you for what you do. [LB652]

MIKE LaBELLE: Yes, ma'am. [LB652]

SENATOR MURANTE: Any final questions? Seeing none, thank you for your testimony. [LB652]

MIKE LaBELLE: Thank you. [LB652]

SENATOR MURANTE: Welcome. [LB652]

RON MACKEDANZ: Good afternoon, Chairman, and the committee. My name is Ron Mackedanz. That's M-a-c-k-e-d-a-n-z. I'm a combat wounded veteran. I don't say these things to pat myself on the back or put myself up to be something, but I have received the CIB for combat. It's a Combat Infantry Badge, and also four years ago I received the Silver Star for actions on August 12, 1969, for some things that some people thought that I had done over and above. I feel I was just doing my job. I was fortunate enough to meet George Lutz when he first came to St. Paul to introduce the flag to us. At that time we had gone ahead and ordered a flag for my cousin, Lyle, who is still missing in Vietnam. Never has been returned, never anything positive on whether he was taken prisoner or what. I wear his bracelet. I gave his flag to his daughter at that meeting down in St. Paul. I don't remember the year anymore, but I believe it was like '08. I've been fortunate enough, if you will call it that, I guess I don't know if it's fortunate or not, but

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I have been involved in presenting flags to families in Minnesota, South and North Dakota, and also as a snowbird down in Arizona, I presented some flags down there. I run into family members that I presented flags to two and three years ago at different functions that I attend and they always come up to me and say, Ron, I remember you, you gave my folks a flag for my brother. This happens frequently. I've been working with Mike LaBelle and his wife, Pat, on this thing for several years now. I'm also a life member of the VFW and the American Legion and several other veterans organizations and I would just like you to know that I'm behind this thing 110 percent and I would be honored if you folks pass this legislation this year. Thank you very much. I appreciate your time. [LB652]

SENATOR MURANTE: Thank you for your testimony and thank you for your service. Are there any questions? Seeing none, thank you very much for coming down today. Much appreciated. [LB652]

GEORGE LUTZ: Senators, I was told I could do this, so don't slap my hands. [LB652]

SENATOR MURANTE: Pass them out. Just give them to the page, they'll do it. Welcome. [LB652]

GEORGE LUTZ: Thank you. My name is George Lutz, G-e-o-r-g-e L-u-t-z, and I'm going to try to get through this without emotion, but it's tough as you already have witnessed. I am the founder of the Honor and Remember organization and also a Gold Star dad because on the morning of December 29th of 2005, I got a knock on the door and two uniformed officers brought me five very simple words, we regret to inform you. I will tell you that that's the most devastating news that any parent could receive knowing that they're never going to see their child again, they're never going to hear his voice. He's never going to walk through that door. My son was married and had two children, but yet he chose to serve and he knew exactly what he was doing because each one of these men and women will tell you to a person that they're proud to serve their country. But as a grieving dad, we talk about the American flag. I consider myself a typical American. My son said he joined the Army, I said that's great. I was...I didn't encourage him, didn't discourage him, I was just proud of him. But it was just a job. He just took the job, he was serving in the Army, that was, you know, I was fine with that. But when those two uniformed soldiers came to my door, something happened inside me. I needed to know that somebody gave a damn, just as bluntly as that. I needed to know that. So my search at that point became, how does America remember? How do we remember as a nation? What do we do for our men and women? And not only that, we tend to forget that there's still a family unit behind who will be grieving for the rest of their lives. And so I went on a search and I searched. The Internet is a great tool, right? I went on a search to find out how do we remember as Americans? And sadly, I found that in the case of our fallen, we do very little. We do a great job

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remembering our veterans, we do a great job remembering our wounded, we do a great job remembering our active duty, but when it comes to those who gave their lives, we fall way, way short. And some might say, well, we have Memorial Day. I will tell you that everyone of these men and women or these parents that came up here, to them Memorial Day is every day. It's not something that they need a day to be reminded of. In a recent survey I found that 80 percent of Americans do not know why Memorial Day exists. That's really a sad state on our country. And so the Honor and Remember Flag became nothing more than a symbol of appreciation, a way to show our nation that we do care with something so visible and so symbolic that it only says one thing, thank you. Because we fly our American flag. I got the biggest American flag that I could fly on the biggest pole I could find and put it in my yard. But no one here would know why I put that American flag up. You would have no clue why I put that up. Should I stop? [LB652]

SENATOR MURANTE: Finish up what you had to say. [LB652]

GEORGE LUTZ: But the Honor and Remember Flag takes it to a whole different place and what it enables us to do is to say a message to these families and to the friends and to the loved ones that we do remember, that we care. Without this flag there is no other way of saying that and I'll close with this and take questions. When my son came to me and said, Dad, I joined the Army. I said, son, don't you know there's a war going on? There's people dying. He said, I know. He says, but I think I can make a difference. I hugged him and off he went. But you see, everyone in America who is a parent would rather someone else's son or daughter died for their country besides their own. That's a natural inclination. And I will tell you here today that men and women, other children, people's children, are dying for their country so that yours doesn't have to. What is the very least that we can do is say thank you. How else can you say thank you to this population of grief without this flag. Thank you. [LB652]

SENATOR MURANTE: Thank you very much for your testimony. I think I can speak for the entire committee. We say we're very sorry for your loss and thank you for your service. Are there any questions? Seeing none, thank you very much for coming down today. [LB652]

GEORGE LUTZ: Senator, 21 states. [LB652]

SENATOR BLOOD: Thank you. [LB652]

SENATOR MURANTE: Additional proponent testimony to LB652. Are there any additional proponents? Opposition testimony to LB652? Welcome back. [LB652]

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GREG HOLLOWAY: Thank you, Senator Murante, members of the committee. My name is Greg Holloway, G-r-e-g H-o-l-l-o-w-a-y. I am here representing the Nebraska Veterans Council and the Disabled American Veterans, Vietnam Veterans of America. I'm their legislative chairman. What I have to say is no way diminishes the importance of honoring our fallen soldiers. I'm a 1968 combat veteran with the 7th Calvary. In five months and 17 days, wounded twice and in three major campaigns. And trust me, right now, speaking in opposition I'd rather be back in one of those major campaigns because it was probably safer. But the Nebraska Veterans Council feels that is not necessary and would not diminish what this flag means, is to put it in state statutes. And that having it as a state statute is...because I have a First Calvary Division flag that I would love to be flown everywhere because that's the unit I fought for and I fought for our United States flag. The United States flag is actually not even in state statute except for that it's to be flown with the Nebraska state flag and there is a desecration of the flag bill that's in statute and it falls under that too. So the Nebraska Veterans Council feels that it should not be within state statute. Now, not all states have them in state statute. Some you understand are by resolution. I believe the Nebraska Veterans Council has no opposition that it be recognized by resolution. We wouldn't have much to say about that anyway because that's up to everybody on the floor to adopt the resolution. I know there's no hearing on resolutions, so. But we would not be opposed to that, but to have it in state statute is not necessary and would not diminish the importance to the families and them that they want to represent. And it's tough. It's tough to come up here and say that, but that's what I've been directed to do by our Nebraska Veterans Council which is all the recognized veterans and representatives, of all the recognized veterans organizations in the state of Nebraska. I'm going to be real personal too. The first time I looked at the flag it resembled...in April of 1968, my platoon captured a north Vietnamese flag in the A Chau Valley and that's the first time I was wounded. We captured a north Vietnamese flag and this flag reminds me of the north Vietnamese flag a lot and a lot of the Vietnam veterans think that too. I was asked at one time to actually design a poster and after researching a little bit, I decided--because I'm a pretty fair artist--decided not to do that, so. Thank you for allowing me my testimony. If you have any questions, I'll try to answer them. [LB652]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions? Seeing none, thank you for coming down today. [LB652]

GREG HOLLOWAY: And just one note, just because it's just me up here opposing it doesn't mean there's a lot of others because I'm representing...I'm the representative of those. All right. [LB652]

SENATOR MURANTE: Additional opposition testimony to LB652. Are there any additional opponents? Are there any neutral testifiers to LB652? Seeing none, Senator Kolowski. [LB652]

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SENATOR KOLOWSKI: I want to thank the committee for their time and energy today to hear this bill out and for all those who came to testify today. I appreciate their dedication to this task and, hopefully, we'll be able to be successful this year. There's a side of this whole testimony with war on care that some of you I know and have known for a while, but you may not know within the ranks of my own family what kind of experiences some of my family has had. My son was working in New York City when the towers went down. He's a DNA specialist...he was a DNA specialist with the New York City medical examiner's office. The day the towers went down changed his life because the next two-plus years he and his...as a DNA specialist in the offices of chief medical examiners, they were putting enough body parts together to have funerals. Three thousand souls lost their lives in those towers. And that impact on him, and those he worked with, was powerful. That's something you don't hear about very much and don't understand the ramifications upon so many that gave so much as we lost almost 3,000 people that day in New York City with the devastation. My wife and I were there shortly after that happened. We went through the OCME and saw the working area that they were still bringing in body bags five months after the towers went down. With all the digging, they found more and more body parts and pieces of remembrance of those who were lost that day. That was a pretty tumultuous time in his life and he's now in the DC area working in his chosen field of forensic science. But there's many stories that spin off of this war on terror that impact all of us in different ways. And I just wanted to relay that one within the realm of all those that were lost on that day in multiple situations around our country, Washington, D.C., a plane in Pennsylvania and the D.C...or excuse me, the New York City towers that went down. But we know that was the start of a whole change in all of our lives when that happened and we sit here today still embattled by the issues that are before us. I hope you will...and I know you'll give this your complete consideration. I thank those again who were testifying today and I hope we'll be able to make the correct decision and move ahead to bring this out and be successful as a bill. Thank you very much. [LB652]

SENATOR MURANTE: (Exhibit 3-12) Thank you for your closing. Seeing no final questions, thank you very much. I do have letters of support of LB652 from Susan Avery, Debbie Chandler, Barb, Mark, Steve and Gregg Smith, David Peterson and family, Jarrod Allen, Harold Mowry, Charlotte Cummings, Vicky Cerino, Sandra Bock, and John Walters. And that closes the hearing on LB652. We'll head to the next item on the agenda, LB497. Colonel Brewer, welcome to your committee on Government, Military and Veterans Affairs. [LB652]

SENATOR BREWER: Thank you, Chairman Murante, and good afternoon, fellow senators and members of the Government, Military and Veterans Affairs Committee. [LB497]

SENATOR MURANTE: Colonel, let me stop you for a second. Let's let the room clear out for just a few seconds. [LB497]

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SENATOR BREWER: (Exhibit 1) All right, I'll try that again. Thank you, Chairman Murante, and good afternoon, fellow Senators and members of the Government, Military and Veterans Affairs Committee. As you know, I am Senator Tom Brewer. For the record, that's spelled T-o-m B-r-e-w-e-r, and I represent the 43rd District which is 13 counties of western Nebraska. My remarks will be brief this morning because the subject of this bill is very simple. Its merits are largely self-evident. The bottom line, here is a bill...this bill is nothing more than Nebraska keeping up with the advances in information technology. As this bill concerns the veterans, I've been happy to introduce it on behalf of Nebraska Department of Military Affairs. The bill updates current Nebraska law so that our veterans are able to utilize an electronic version of the Department of Defense Form 214, commonly known as a DD214. This is one of the most important pieces of paper in a veteran's life. The original ink signature, raised seal version of this form is the authorized artifact that legally establishes the fact someone is a veteran. Everyone who serves in our military receives one of these forms when they separate from the military, whether it means the end of their enlistment contract, or the end of their career upon retirement. If you have ever served, you will have a DD214. LB497 will make Nebraska the third state to take advantage of a new Department of Defense program that makes this form accessible in an electronic format. In order for Nebraska veterans to utilize the benefit of this new capability, Nebraska law needs to be updated. You'll note the words "or other form" sprinkled throughout the bill. This is the operative language in the law that needs to change for this new capability to be made possible. You'll hear more about this in greater detail from individuals who will testify after myself. As always, it is an honor for me to introduce this legislation on behalf of Nebraska's veterans. I urge you to vote for LB497 out of committee, and thank you for your time. Subject to questions. [LB497]

SENATOR MURANTE: All right. Thank you very much for your opening. Are there any questions? Senator Hilgers. [LB497]

SENATOR HILGERS: Thank you, Mr. Chairman. Thank you, Senator Brewer. So this will make it easier for veterans here in Nebraska? [LB497]

SENATOR BREWER: Yes, I should have brought a DD214, but it does have confidential information on it. But just imagine a piece of paper that has all of your awards, honors, things of this nature along with the dates of your service, and that then is what you use...and there will be indications on that. For example, if you have been wounded or injured, indicators that helps the VA to know what category you fit into and this just gives us ability electronically to send that information without you having to physically have that original copy. [LB497]

SENATOR HILGERS: Right. Thank you. And in the spirit of...or in the formal spirit of the Government Affairs Committee, Senator Brewer, I'd indicate a score on here. [LB497]

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SENATOR BREWER: Thank you very much. (Laughter) [LB497]

SENATOR MURANTE: Senator Craighead. [LB497]

SENATOR CRAIGHEAD: Thank you, Chairman. Will this apply to just the veterans that are getting out now receiving DD214s, or will this go back? [LB497]

SENATOR BREWER: Well, it'll be able to go back for a ways because there actually is, you know, the system has...the ones that are more old school that receive the originals, theirs would probably have to be entered in the system, but most of those are going to have probably some that are already recorded and are official. But it would give us ability from here on out to make sure that that is a much quicker, simpler way for them to be validated as a veteran. [LB497]

SENATOR CRAIGHEAD: So one could have an old DD214 and send it somewhere to have it put into the system? [LB497]

SENATOR BREWER: Yeah, I would imagine that anywhere that has ability to process like ID cards and things like that could then enter that into the system and make it official for the record. [LB497]

SENATOR CRAIGHEAD: Thank you. [LB497]

SENATOR MURANTE: Thank you. Any final questions? Seeing none, thank you for your testimony. [LB497]

SENATOR BREWER: Thank you, and I'll stick around. (Laughter) [LB497]

SENATOR MURANTE: All right. Don't go anywhere. Very generous of you, Colonel Brewer. (Laughter) Director Hilgert. [LB497]

JOHN HILGERT: (Exhibit 2) Good afternoon, Chairman Murante, members of the Government, Military and Veterans Affairs Committee. My name is John Hilgert, J-o-h-n H-i-l-g-e-r-t. I'm the director of the Nebraska Department of Veterans Affairs. I'm here today to testify in support of LB497. First of all, I would like to thank Senator Brewer for sponsoring this bill and for his support of the state's veterans and, of course, for his service. LB497, as the Senator said, it's a fairly straightforward bill that seeks to upgrade the language allowing a transition from paper form to a successor form which is generated from electronic data. The form one referenced

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above is a...I referenced above is the Department of Defense DD214. This is the first page on your handout is a conventional certificate release discharge from active duty referred to as the DD214. The DD214 is used to determine benefits, eligibility for many things such as educational assistance, disability compensation, and burial benefits. The Department of Defense has utilized the DD214 since the end of World War II. However, there has been a...however there have been discharged documents for most American wars and conflicts. The agency that I'm proud to serve, the Department of Veterans Affairs, has over 700,000 discharges on file dating back to the Spanish-American War. Updating the language pertaining to the DD214 has become more important as the Department of Defense begins phasing out paper copies and is now issuing verified data through electronic systems. This electronic format is being available...is being made available to veterans, states, and territories in other federal agencies. One of the side effects of this change is that each state must create a process to transfer the electronic data into a usable format that may be handed to any veteran affected by the change. In response, the Nebraska Department of Veterans Affairs has created a form that includes security features and closely mirrors the current format of the DD214. Handed out as samples, the second, page two of your handout reflects electronic data that is currently on the report that we receive. Very different from the first page. The third page of your handout is what we've created in the Nebraska Department of Veterans Affairs that utilizes the electronic information through that record, places it on a certificate made by the state of Nebraska with some security measures, you might notice. Don't want to have to describe them all, they're security measures. And on the reverse of the document it also explains what it is and what it isn't so that the agency that's looking at it can understand what this is and how it's made and why it's being made, and references back to the DOD regulations and so forth. So that basically concludes my testimony and we have many places in statute that calls for this paper and it's becoming quickly obsolete. But we do want to create something for Nebraska veterans so that they can have them in physical possession. And I might add that according to our research, although other states are working on it, this may be one of the first certificates that are published. Nebraska leads the way. Thank you. [LB497]

SENATOR MURANTE: That's great. Are there any questions? [LB497]

SENATOR BREWER: Just a quick one. So this document is what you've originated, made? [LB497]

JOHN HILGERT: Yes, sir. We've designed this to capture the electronic information on page 2. We capture the relevant data points that are used by Nebraska and other agencies within Nebraska for their benefits and we have included those data points on that state generated certificate. [LB497]

SENATOR BREWER: If we're already retired, can we get one of these? [LB497]

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JOHN HILGERT: We can make that happen. [LB497]

SENATOR BREWER: Appreciate your working with me on that. Thank you. [LB497]

JOHN HILGERT: Thank you, Senator. (Laughter) [LB497]

SENATOR MURANTE: Additional questions? Seeing none...excuse me, Senator Lowe. [LB497]

SENATOR LOWE: Yes, can you take the DD214 and scan this and pull the information out electronically so it simplifies things so this will make...just send you this? [LB497]

JOHN HILGERT: Well, Senator, we get the DD214s from the Department of Defense on those Nebraskans...on those identified as Nebraskans. Those Nebraskans are home of record. We get those electronically currently. We put them on the Nebraska registry that the Legislature had passed that supports our license plate and driver's license bill. That allowed us to already begin the electronic processing of it. So those are being captured. Now there was a question about going back. The...I think I wrote this down. The Defense...let's see. Anyway the organization that is in charge of...the Defense Manpower Data Center is trying to go back to the mid-1990s and they're also, interestingly enough, trying to add more data points. So there may be up to several hundred data points associated with a veteran. So, and we hope that the Department of Defense, this becomes even a more effective tool to get some of the information our service officers need for compensation, disability benefits. So it promises to be a great thing. [LB497]

SENATOR LOWE: Okay. Thank you. [LB497]

SENATOR MURANTE: Seeing no additional questions, thank you very much for your testimony. [LB497]

JOHN HILGERT: Thank you, Mr. Chairman. [LB497]

SENATOR MURANTE: Welcome back. [LB497]

GREG HOLLOWAY: Thank you, Senator Murante. I am Greg Holloway. G-r-e-g H-o-l-l-o-w-a-y, representing the Nebraska Veterans Council and I was a county veteran service officer, so I know how important it is to be able to obtain these documents. And I've got a feeling that once the Department of Defense goes to all electronic, it's going to be very difficult for the county

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veteran service officers to be able to just go out and reach out and get that information right away, so it's going to be very important that the Nebraska Department of Veterans Affairs is going to be able to reach out and grab that information and take care of it to discern it to the county veteran service officers. We've got a pretty good system in the state of Nebraska taking care of veterans. The Nebraska Veterans Council approves of this bill and it's common sense. You fix it before you have to start worrying about it. Still they're getting a lot of the DD214s, but sooner or later, you're going to have to do it, so let's fix it now so he can have everything in progress, everything in good working order, and he's got it under control. Thank you. [LB497]

SENATOR MURANTE: Thank you. Are there any questions? Seeing none, thank you for your testimony. [LB497]

GREG HOLLOWAY: Thank you. [LB497]

SENATOR MURANTE: Additional proponents wishing to speak on LB497. Are there additional proponents? Is there any opposition testimony to LB497? Is there any neutral testimony? Seeing none, Senator Brewer. [LB497]

SENATOR BREWER: I'll waive close. [LB497]

SENATOR MURANTE: He waives closing. We'll proceed to the next item on the agenda. Colonel, you have the conn. [LB497]

SENATOR BREWER: I have the conn. Welcome to your committee, literally. (Laughter) [LB497]

SENATOR MURANTE: (Exhibit 1) Thank you, Mr. Vice Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. For the record, my name is John Murante, J-o-h-n M-u-r-a-n-t-e, and I am here today to introduce LB340. I introduce LB340 on behalf of the Governor because it works towards our shared goal of continuing to find ways to better serve Nebraska's veterans. LB340 transfers all authority from the Division of Veterans' Homes of the Department of Health and Human Services to the Department of Veterans' Affairs. This administrative change will increase service efficiency resulting in better care for veterans living in one of these homes. After our veterans have sacrificed so much to serve our country, it is the least we can do to ensure that we serve them to the best of our ability. LB340 seeks to do just that. There is an amendment to the bill, AM287, which makes a technical change to address the concerns of the Department of Health and Human Services regarding employment thresholds. I think this is a good bill. The veterans that I have spoken with, especially subsequent

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to the introduction of this bill, have tremendous confidence in the Department of Veterans Affairs under the leadership of Director Hilgert. I don't think this is an attempt to cast dispersions on the Department of Health and Human Services, however, the Department of Health and Human Services is an enormous organization which has many different priorities, many different goals, many different objectives, and we have placed a lot of burden on the Department of Health and Human Services over the years. They have a tremendous job to do over there. It seems to me that when it comes to veterans' homes, to the extent that we can give the veterans more of the attention that they need under the Department of Veterans' Affairs, which is singularly focused on making sure that those veterans are taken care of in the best way possible. That seems to me to be the best public policy and I encourage your support of this bill. And would be welcome...the Director is behind me who can answer all sorts of details and the intricacies of the ins and outs of the program itself, but I'd be happy to answer any questions that you may have. [LB340]

SENATOR BREWER: All right. Questions? Questions? Seeing none, you'll stick around. [LB340]

SENATOR MURANTE: Thank you. I'll stick around. I'm not going anywhere. I never leave the Government. (Laughter) [LB340]

SENATOR BREWER: Please come on up. [LB340]

JOHN HILGERT: Thank you. [LB340]

SENATOR BREWER: Welcome. [LB340]

JOHN HILGERT: (Exhibit 2) Thank you, Senator. Hello again, members of the Government, Military and Veterans Affairs Committee. My name is John Hilgert, J-o-h-n H-i-l-g-e-r-t. I am the Director of the Nebraska Department of Veterans Affairs as well as the Division Director of the Veterans' Home Division of the Nebraska Department of Health and Human Services, and I am here in support of LB340. First, let me begin by thanking Senator Murante for introducing this bill. LB340 has the potential for transformational improvement in our service to veterans within the state of Nebraska. Here's what the bill does. The bill would transfer from the Nebraska Department of Health and Human Services the Veterans' Home Division which consists of the Western Nebraska Veterans' Home, the Norfolk Veterans' Home, the Grand Island Veterans' Home, and the Eastern Nebraska Veterans' Home as well as 37 operational administrative positions to the Nebraska Department of Veterans Affairs on July 1, 2017. Currently, the Veterans' Home Division is among...one among six divisions, not including operations, within the Nebraska Department of Health and Human Services. The six divisions

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are supported by the operations' component of DHHS. Operations consist of human resources, legal, payroll services, among other important functions that support the services of each division. Some of the operational personnel work within and are stationed within the facilities themselves. Some are located in Lincoln. Of the 37 operations positions that are transferred from DHHS to NDVA through LB340, 31 are located in the facilities and six are located in Lincoln. Here's why it's a good idea. Our mission as state employees is to create an opportunity through more effective and more efficient and customer-focused state government. Our customer is the veteran. This will allow the focus to be consolidated in an agency that has the veteran as the focus. The Nebraska Department of Veterans Affairs will benefit greatly by incorporating the efficiencies that only can be realized by partnering with a larger entity. The merger will allow the simple and mundane task such as purchasing, payroll, and other processes that are now done manually to be dispatched with greater ease and efficiency at a larger agency utilizing an electronic environment, thereby freeing up team members time and department resources to be more responsive, to consider additional services and activities that will better serve our veterans. The result will be a more streamlined experience for the veteran. The result will be a more flattened pyramid of bureaucracy for the employee. This will be exciting. This will be transformational and I hope that you will act favorably upon this bill. We do have...I do have with me, John McNally, the deputy director of the Nebraska Department of Veterans Affairs; Beth Wewel, the chief financial officer of our division; Pat Moeller, our systems clinician for the division; as well as Jerry Eisenhauer, administrator of Norfolk Veterans' Home; Lonnie Starke, Western Nebraska Veterans' Home; Alex Willford, administrator of the Grand Island Veterans' Home; and Tammy Weston, the administrator of the Eastern Nebraska Veterans' Home. Finally, I have submitted to my testimony, a letter of support for this legislation from Courtney Phillips, the Department of Health and Human Services chief executive officer, of which there is a reference to the amendment. Any of us are prepared and will be happy to answer any questions that you might have. Thank you for your time and I please ask you to advance LB340. I did have one question prior to the committee hearing concerning the application process. I'll be brief. There is some concern from one of the county veteran service officers in the state about an application going forward for admission to the home. The applications currently go from the county or the facility to the Nebraska Department of Veterans Affairs that establishes eligibility. Those eligible go then to the Veterans' Home Board or there's...can I continue, sir? [LB340]

SENATOR BREWER: You can keep on. [LB340]

JOHN HILGERT: Thank you. ...through the Nebraska Veterans' Home Board who have to approve every application for admission. Obviously, there's a mechanism by which we can admit early. There is...there was a concern about the statutory definition of what eligibility is. For example, we used to...we...the two services offered at the Veterans' Homes are basically skilled care and assisted living. We are not independent living. We are not independ...so you have to have some need that we need to provide for. The individual sighted had a medical report of

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where there was perfect health, was good health, on no activities of daily living and need, we did not deem that person eligible for the service. The county service officer maintained that that was an inappropriate action, that we should have at least gone to the Veterans' Home Board. I did not feel that the Veterans' Home Board can trump statute, so there was no need for that. Just like when we used to say, you're not eligible...the day's long ago when we wouldn't allow peacetime veterans access to the home. That being said, we work very closely and we respect our county partners. So, therefore, I am turning that entire packet and question for our legal counsel to look at and I will certainly abide by whatever advice that legal counsel has come up to. I will share that, the termination with that county in question, and all our county partners as well as Veterans' Home Board and we'll abide by that advice. [LB340]

SENATOR BREWER: All right. Very good. Thank you. Now, just so I have this clear. You're going to slice this piece out of DHHS... [LB340]

JOHN HILGERT: Right. [LB340]

SENATOR BREWER: ...and you're going to shift it over and you feel confident that there will be enough staffing come with that to meet all the requirements that you need? [LB340]

JOHN HILGERT: Yes. The 37 operational, that's on top of the approximately 1,200 positions. We run a lean machine. [LB340]

SENATOR BREWER: I have a vested interest in this because I may end up in one of those homes someday, so. (Laughter) [LB340]

JOHN HILGERT: We'll take your application, sir. [LB340]

SENATOR BREWER: Thank you. Questions? Yes, go ahead. [LB340]

SENATOR HILGERS: Thank you, Mr. Vice Chairman. Thank you, Mr. Hilgert. [LB340]

JOHN HILGERT: Yes, Senator Hilgers. [LB340]

SENATOR HILGERS: Well, Hilgert, Hilgers? [LB340]

JOHN HILGERT: Well, it used to be Hilger, but when we came to America they made it a hard "G". [LB340]

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SENATOR HILGERS: So my question is, I just want to know how this...and maybe the details haven't been ironed out yet, not directly related to statute, but from a transition perspective, will there be...are all the logistical issues handled for the transition for current veterans being serviced. So even things as minuet as the telephone number...the employees are coming over, but are the telephone numbers, the addresses, all that, is there a plan in place to make sure that that transition occurs, that there's a seamless transition on services for our veterans? [LB340]

JOHN HILGERT: I am not concerned because of the professionalism of the staff behind me, the leadership team that we have, and the staff that they work with, their teams back at their facilities, I'm not concerned about the actual cares. I think that will be done and I think that that will be fairly seamless. What does deserve all of my attention is to make sure all, you know, our vacation hours are transferred properly. The Kronos works on July 2, all of that. I have already begun prior to the hearing, discussions with the Department of Administrative Services. They are working with me to make sure that that support for the staff is well...that is so important for the service, gets transferred and they will carry us. If there are open positions in the operational capacity for the overhead of this new agency, frankly, it's a merger, they, meaning the Department of Administrative Services will support that. They will help me hire and as we hire and train, they will then withdraw their support and assistance until we can be free-standing. We've already done some preliminary work that I don't want to bore you with and...but that has certainly got 110 percent of our attention. The care is extremely important in job one. And frankly, my entire team knows that, the entire team that works with America's heroes knows that. So that's why I'm least concerned with that. They're very mission-orientated. What I am worried about, and I want to make sure that it's done smoothly, and worry is probably too big of a term, but is the logistics. We want to make sure that our employees and all the transitions happen as seamlessly as possible. [LB340]

SENATOR HILGERS: Okay. Thank you. [LB340]

JOHN HILGERT: Thank you, Senator. [LB340]

SENATOR BREWER: Any other questions? Go ahead. [LB340]

SENATOR LOWE: So this will streamline everything, it will make it easier for the veterans as far as getting into the homes, getting into everything that they need? [LB340]

JOHN HILGERT: You know, as far as the application process, it doesn't impact it per se. It does make it...it does shorten the steps in the process. It makes it more streamlined, hopefully, that they would see something more responsive quicker. Hopefully, we would have the resources to bear. Interestingly enough, the same county veteran service officer was having some issues with

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our U.S. VA partners and utilizing our medical form, which is important, for the admission packet. Something as simple as electronically making that fillable data form, Nebraska Department of Veterans Affairs as important that is, that's an orphan task. We don't have an IT department. We don't have people that do that sort of thing. When we want to make that type of reform, we basically have a very tight, small team. And our receptionist helps us out with that. She does several things. In fact, she was the one that helps shorten the process for our tuition waiver. All of our staff have different tasks that we chip in to try to make happen. Combining the resources and depth of the Veterans' Home Division with the highly motivated NDVA, we will have the resources to produce things in a very, very much quicker way, and the resources to get it done. So I plan, and I would anticipate that there's going to be many efficiencies and that there's going to make a lot of processes easier and quicker. Our veteran service officers that assist veterans in the counties for service-connected disability benefits. That has a bearing on our veterans homes. Putting them under one roof, greater coordination. Sharing electronic databases. Our cloud base system that we have for our discharges, that we spoke of earlier, will now be able to be accessed by the Veterans' Home Division because they'll be part of us. A fully integrated electronic environment where we have the resources to apply to whatever need arises, that's what makes it transformational, Senator. [LB340]

SENATOR LOWE: Okay. And number one, I'm sorry I didn't recognize our Vice Chair. Thank you. [LB340]

SENATOR BREWER: Don't ever let it happen again. (Laughter) [LB340]

SENATOR LOWE: No more question. Will we be getting rid of bureaucracy? Reduce it? [LB340]

JOHN HILGERT: I'm not going to...no, not really, in a way. We are going to be avoiding a bureaucracy by merging that division away from the Department of Health and Human Services. The number of programs that our CEO and their records at HHS operates, is staggering. There are hundreds, through every division. Our entire division of HHS, the Veterans' Home Division, is one single program. It will help us flatten that management pyramid. I think it should assist in, maybe a minor way, the attention of DHHS and the operational support. They will have 1,200 less individuals in positions to make sure they get paid on time and vacation tracked and all of those things. So should it be more efficient and effective? You bet. Will it be more customer serviced? Definitely. If I was to pick out a number of administrative positions that evaporate once we leave, that's...I'm not able to do that right now. I think, you know, that would have to be carried on by DHHS and frankly, you can see what type of job they're doing. I mean, the team that is there right now with the Department of Health and Human Services have been able to accomplish some fantastic milestones for the people of Nebraska. It's been a pleasure to work

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with them. We...so this is a positive thing. We just want to disengage, join with NDVA, and make it one focused agency. [LB340]

SENATOR LOWE: Thank you. [LB340]

SENATOR BREWER: All right. Any other questions? Well, let me just give you a parting thought as you're leaving here. We live in a day and age where people tend to avoid change and avoid taking on any extra duties or responsibilities. You've done both here. Now, there's also the, be careful what you ask for because you might just get it, but for the sake of the veterans what you're doing, I think is commendable. It is what we need, so thank you. [LB340]

JOHN HILGERT: Well, I really appreciate that. And I didn't ask my staff to come. I asked Beth to come. She knows all the numbers, okay. I don't...she's never too far from access to Beth. She went on a cruise and I was just lost for a week, you know, but the rest of them asked if they could come and I said, sure, because it's very important to them in Scottsbluff, in Norfolk, Bellevue, Grand Island, soon to be Kearney, it's very important to our management teams. We have some great people working for us in our division and this promises to really enhance the veteran experience. [LB340]

SENATOR BREWER: Well, we're living in exciting times. Thank you. [LB340]

JOHN HILGERT: Thank you. [LB340]

SENATOR BREWER: Next proponent. Welcome. [LB340]

GREG HOLLOWAY: Senator Brewer. Again, I'm Greg Holloway, G-r-e-g H-o-l-l-o-w-a-y, and as you see I wear many hats and I'm a very, very fortunate person to be able to work with veterans and be an advocate for veterans. As a matter of fact, in 1990, so put some age on me, I think there's only three of us left, John Lebsack, Jim Cada, and myself, that actually served on the transformation committee when they put the Nebraska veterans homes into Health and Human Services. It was going to happen. Lt. Governor Robak chaired that committee and we made the transition as smoothly as we possibly could. And at that time she said, if you don't think it works, we'll get it out. So it took, I'm telling you, probably...that's been over 20 years. We have now the administration in the state of Nebraska and we have a Nebraska Department of Veterans Affairs that can do it. I've served under five directors. One of them I don't remember his name because he wasn't there very long. But by far, this Nebraska Department of Veterans Affairs is the most efficient, we have the best leadership. Our Nebraska Veterans Council, I'm the vice chair of the Nebraska Veterans Council...no, I'm not. I was last year, I was the chair, but I'm

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the vice chair of the Nebraska Veterans' Home Board so I'm represented in both of those organizations right now. But the Home Board, I've served on that committee for a long time, off and on. I had to take a little time off to feed myself, but very fortunate to be able to work with the Nebraska Department of Veterans Affairs so closely in taking care of veterans. And our Nebraska Veterans Council, we hold them to the fire. You know, we have a very, very good organization. We have very good members that serve on that committee and we pay attention to what is going on. And like I say, if the time is right, move this back into the Nebraska Department of Veterans Affairs. We have the leadership, we have the organization ability, and all the veterans in the Nebraska Veterans Council have the most confidence of Mr. John Hilgert and his staff. They have a great staff. They keep us well-informed and take care of us, so. [LB340]

SENATOR BREWER: So it's safe to say that you support this. (Laughter) [LB340]

GREG HOLLOWAY: About that much. Yes, I support the Nebraska Department of Veterans Affairs. [LB340]

SENATOR BREWER: And the transition. [LB340]

GREG HOLLOWAY: I would hold them up against any Department of Veterans Affairs in the 50 states, of Nebraska. [LB340]

SENATOR BREWER: Okay. Questions? Just some general information for the committee. The crest that he has on the lapel there at the top, that is of the 7th Calvary, Garryowen. [LB340]

GREG HOLLOWAY: Garryowen. [LB340]

SENATOR BREWER: And I'm partial to it because whether I used the Cavalryman part of me or the Indian part of me, either way, it works out. (Laughter) Thank you. [LB340]

GREG HOLLOWAY: That's Custer's unit, 7th Calvary. [LB340]

SENATOR BREWER: That's right. Sorry, I should explain the Custer part of it in case... (inaudible). (Laughter) [LB340]

GREG HOLLOWAY: We redeemed ourself in Vietnam. Had a couple of close ones when I said there was way too many out there. [LB340]

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SENATOR BREWER: Thank you for your service. [LB340]

GREG HOLLOWAY: You're more than welcome. [LB340]

SENATOR BREWER: All right. Next proponent. Welcome. [LB340]

JAMES SHUEY: (Exhibit 3) Welcome. Chairman Murante, it's good to see you outside of our district. Senator Brewer, and distinguished members of this committee, my name is James Shuey, J-a-m-e-s, last name, S-h-u-e-y. In my present capacity I serve as the Benefits Protection Team Leader and legislative chairman for the Disabled American Veterans Department of Nebraska. Over the years I have had the opportunity to attend and participate in numerous Nebraska Veterans' Home Board meetings. I've always come away with an underlying question, why are our veterans homes under the Department of Health and Human Services? To me, it really never made much sense. First and foremost, veterans know how to care for their fellow veterans, probably more so than any other group can. They can relate to their desires, their needs, and their history of service to our great country. Secondly, the Nebraska Department of Veteran Affairs handles all other veterans' issues other than our veterans' homes. State cemeteries, service officers, veterans' aid fund, tuition assistance, education and veteran and military registration, just to name a few. A natural evolution would be that all things veteran should be handled by a department dedicated to veterans. In our present configuration, we do not have that. By and large, the Nebraska Department of Veteran Affairs does the majority of the heavy lifting when it comes to our veterans' homes in partnership with the Veterans' Home Board anyway. We in Nebraska are truly fortunate to have an outstanding Department of Veterans Affairs. I believe comparable to anyone in the nation. It is efficient, effective, well-managed, and staffed with unbelievably dedicated group of employees from top to bottom. And while I hate to be negative, historically, there have been times, in my opinion, when the same has not been said for the Department of Health and Human Services. At a recent press conference on this initiative, it was stated that there could be upwards of a \$1.4 million annual savings by the passage of this bill. With that having been said, I would like to take a moment to address a related issue. When and where the time comes, and before the appropriate committee, I would hope that some of those annual savings can be utilized to assist in the effort to increase the retention of our employees at the veterans' homes. As a 30-year member of the union trades in a prior life and with most of that having been spent as a Chief Steward, I am fully aware of how the collective bargaining process works and know that any benefits will have to be negotiated through the collective bargaining process, but by allocating some of those projected savings for salary increases and benefits for our caregivers to raise them to comparable standards in other local care facilities, we might be able to diminish the revolving door of recruiting, hiring, and training our employees not only to see them seek more gainful employment elsewhere. By lowering the amount of voluntary and mandatory overtime required of our caregivers today, which most certainly has a negative impact on employee morale, I believe we should be able to see a marked increase in a retention

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of our caregivers. I also believe that the turnover in personnel can have a damaging impact on our residents as well. Our veterans become very attached and very close to their caregivers and then to have them suddenly no longer be in their lives can be very difficult emotionally for them. We need to alleviate any such stress when and where we can for our residents. I advance this point only to raise your awareness and make you cognizant of an opportunity to improve the lives of both our caregivers and our veterans and when the appropriate time comes to act upon that subject that you might take these issues into consideration. However, back to the issues at hand. From a business standpoint and a business model, I find it hard to rationalize an organizational structure that apparently requires the director of the Nebraska Department of Veterans Affairs to report to the director of Health and Human Services on veterans' home issues while on all other things related to veterans he or she is a direct report to the Governor's Office. In our present organizational structure, this at some point could present a choke point for the decisions and administration associated with our veterans' homes, especially during personnel, budgetary, and oversight assessments. In the long run in almost every business model and every successful business approach, the fewer levels of bureaucracy when coupled with a strong and well-supported legacy of empowerment will almost always produce the most efficient and productive results. For these reasons, I truly believe we need to make an in-depth assessment of our present organizational chart relative to our veterans' homes. Having done that, I believe that the conclusion and outcome will be to transfer the Nebraska Veterans' Homes from the Health and Human Services reporting structure and place them under the jurisdiction of the Nebraska Department of Veterans Affairs. I would urge you to advance LB340 to the floor and ask for your support for the adoption and passage of it into law. I thank you...thank the committee for your time today and for allowing me to testify in support of LB340, and I will attempt to answer any questions you might have. [LB340]

SENATOR BREWER: All right. Thank you, sir. Questions? Seeing none, thank you for your testimony. Next proponent. Come on up. Welcome. [LB340]

MIKE MARVIN: Thank you. Good afternoon, Senator Brewer, and members of the committee. My name is Mike Marvin, M-i-k-e M-a-r-v-i-n. I'm the executive director of the Nebraska Association of Public Employees, Local 61. We are the union representing the majority of the employees at the Veterans' Homes. When I first heard about this bill, I was against this bill for many of the same reasons that I've heard you guys question here, the wages, and the issues we've had with that, whether there was going to be a seamless transfer of the employees, how the employees were going to transfer over. I sent an e-mail to Director Hilgert. He asked for a meeting with me. I sat down with Director Hilgert, his directors of all the facilities, the Department of Administrative Services, and they changed my opinion. I think it's going to be a very smooth, good transition. In the end, I believe it will be better for employees. I have had great number of concerns about the turnover of employees. The Veterans' Home has the class with the highest turnovers of employees and that was one of my big concerns. I believe that it

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will be easier to address this issue with them as a separate entity. Senator Lowe, you raised the issue of, does it get rid of the bureaucracy? I believe it does. Director Hilgert, probably is not going to come out and say something like that, but I will. (Laughter) I think it will, you know, and if this works, I think maybe you should look at the structure of the HHS altogether as it is. As it was talked about, we brought all these separate little entities in and created this monster agency that Director Phillips has to oversee. And if this works, maybe it's a model to take a look at the rest of the agency to say, should we do this in other places. As I said, I still have great concerns about retention of employees. I think Director Hilgert is taking that to heart and his administrators. I hope that we'll be able to work with ways to retain employees. A great deal of it is related to wages and our comparability that we have, but job satisfaction is not totally wages. There are other things that can be done in-between getting the wages where they need to be that may improve the employee's morale and retention, and I have confidence that working with this administrators and with Director Hilgert we will be able to accomplish some of that. And with that, I would urge you to move this bill out of committee, and I would be happy to answer any questions that any of you may have. [LB340]

SENATOR BREWER: Thank you. Questions? Yes, go ahead. [LB340]

SENATOR HILGERS: Thank you, Mr. Vice Chairman. Thank you, Mr. Marvin. Just a comment. I appreciate your willingness to have an open mind in this process and working with Director Hilgert and his team and, you know, be able to work and get to a place of support, so I do appreciate that very much. [LB340]

MIKE MARVIN: Thank you, Senator Hilgert. We'll get those names down one of these days. [LB340]

SENATOR BREWER: And just for clarification, the director was able to take two organizations and see the world different and come together to make this happen. Is that a good way of describing it? [LB340]

MIKE MARVIN: That's a pretty good way of describing it. [LB340]

SENATOR BREWER: We may need him to come help negotiate the rules for the income. (Laughter) [LB340]

MIKE MARVIN: Senator, I've been watching every day and I'm not sure that's going to happen. [LB340]

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SENATOR BREWER: Okay. Thank you for your testimony. [LB340]

MIKE MARVIN: All right. Thank you very much. [LB340]

SENATOR BREWER: The ball was on the tee, I had to hit it. All right. Any more proponents? Seeing none, opponents? Seeing none, those in the neutral? Sir. [LB340]

SENATOR MURANTE: Thank you, Mr. Vice Chairman. I'll be very brief. I just want to clarify one thing that was reported in, I believe the Omaha World-Herald, but it was reported in the media in the immediate aftermath of this bill's introduction which was to say that we were transferring jurisdiction of the homes of the division of Veterans' Homes to the federal government. I want to be absolutely clear, we are not doing that, okay. (Laughter) So this is, this is just moving it from one state agency to another. We are retaining our power in state government. This has nothing to do with the federal government of Department of Veterans Affairs. I just wanted to make that clear and would be happy to work with everyone to get this bill on the floor as quickly as possible. Thank you. [LB340]

SENATOR BREWER: (Exhibits 4-7) And on LB340, proponent letters, we've got James Cada, chairman of Nebraska Veterans Home Board; we've got Bryon Line, chair of the NDP Veterans Caucus; we've got Courtney Phillips, chief executive officer, Department of Health and Human Services; and Dean Kenkel, just self on that, so. Thank you for your testimony. And that concludes LB340 and concludes the Government Affairs Committee meetings. [LB340]