

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government Committee February 6, 2019

BREWER: Good afternoon, ladies and gentlemen. Welcome to the Government, Military, and Veterans Affairs Committee. My name is Tom Brewer. I am from Gordon representing the 43rd Legislative District and I'm the Chair of this committee. I will have committee members introduce themselves starting on my right.

BLOOD: Hi. I'm Senator Carol Blood, I represent District 3, which is western Bellevue and southeastern Papillion, Nebraska.

LOWE: John Lowe, District 37, Kearney, Gibbon, and Shelton.

HILGERS: Mike Hilgers, District 21, northwest Lincoln and Lancaster County.

La GRONE: Andrew La Grone, I'm District 49, Gretna and northwest Sarpy County.

M. HANSEN: Matt Hansen, District 26, northeast Lincoln.

KOLOWSKI: Rick Kolowski, District 31, southwest Omaha.

BREWER: To my right is Dick Clark. He is my legal counsel for Government. To his right, Senator La Grone will be the Vice Chair. And to my left is Julie Condon is the committee clerk. Just to the rear of Julie as our two pages, Kaci and Preston. Today we are going to be having public hearings on LB212, LB191, LB148, and LB239. With that said, some formalities we need to go through. First off, if you have a electronic device, please be sure it is muted. Understand that senators will be using their electronic devices, whether it be laptops or iPhones, phones to determine when they have to leave for other hearings, so just be aware of the fact they'll be monitoring that. And they also use laptops for bill referencing because we have gone to, as much as we can, paper-free environment here. Let's see. If you wish to testify you'll need to fill out one of the green sheets there on the table. Also there is a white sheet there that you can fill out. And on that you can identify the bill number, whether you support or oppose it, and those are available to you. If you wish to pass out materials, we ask that you have 12 copies. If you do not, please let one of the committee pages know and they will make copies for you. As we're addressing the different bills I would ask those that are going to testify to come forward into one of the first rows here so we have some idea of how many testifiers we're going to have and that gives us kind of a barometer used for time. The sequence we're going to have is

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that the Senator will do the opening statement, then followed by the proponents, the opponents, and then those speaking in a neutral position. When you come forward we'd ask that you would state your name and then spell your name. Because we're thinking that we won't have enough testifiers to justify the shorter rules were going to go with the five minutes. One minute to go, it'll go from green to amber. And then at the five-minute mark, it'll turn to red. We ask that you wrap it up when it turns red for the completion of your statement. If you should have materials that you wanted to go on the official record, please keep in mind that those have to be submitted by 5:00 the day prior to the committee clerk, being either letters or e-mails, and you need to state in there that you want them for the record. Otherwise, e-mails I cannot release without the statement. With that said, we will begin with our first bill which will be LB212. And with that said, I will hand the gavel over to the Vice Chair and go take a chair.

La GRONE: Senator Brewer, welcome to your Committee on Government, Military, and Veterans Affairs. You're welcome to open on LB212.

BREWER: Thank you, Mr. Vice Chair. My name is Tom Brewer, T-o-m B-r-e-w-e-r, I am the Chairman of the Government, Military, and Veterans Affairs Committee and I'm here to present LB212, which is a committee bill. A committee bill would make some minor changes to the Open Meetings Act. The purpose of this bill is to enable the use of technology to create more efficient and transparent public meetings. This bill would allow longer meetings by phone or by videoconference. It would also allow more meetings to happen remotely. It would allow for a nonvoting designee to represent certain members at such meetings. That will help them to avoid having to cancel a meeting when someone is sick and cannot attend. The bill does not change the public meeting rules for anyone. It is focused on the interlocal agency's risk management pools and-- and other groups that have members scattered across the state. If these folks cannot meet remotely, sometimes these meetings cannot happen and important business is left undone. This bill was brought to me by the Nebraska Municipal Power Pool. It is my understanding that they have representatives who will be testifying after me to explain in more detail. With that, thank you. I'm hesitant to ask for questions because you may ask me something I don't know, but we'll ask for questions anyway.

La GRONE: Thank you, Senator Brewer. Are there any questions? Seeing none, thanks for opening.

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BREWER: Thank you.

La GRONE: First proponent. Welcome.

CHRIS DIBBERN: Good afternoon, Senators, members of the committee. My name is Chris Dibbern, C-h-r-i-s D-i-b-b-e-r-n, and I'm the general counsel and registered lobbyist for the Nebraska Municipal Power Pool. We serve over 200 small towns in, in the region and we'd like to thank Senator Brewer and the committee for consideration of this bill which I do really think is a simple amendment to the Open Meetings Act. I'm testifying also on behalf of MEAN, the Municipal Energy Agency of Nebraska. Mean as a political subdivision of the state, so MEAN is under the Open Meetings Act, so we have open meetings and public records. MEAN is also the wholesale public power supplier to 69 communities. One of our larger communities is Alliance. But we also serve most of our towns are under 5,000. So very small municipalities in the region. So we provide a power supply transmission and our niche is utility-related services, anything to do with utilities. I'm also testifying on behalf of the Nebraska Power Association and the-- the Power Association is a voluntary association formed to address industrywide concerns and interests, and it includes every member of the Power Association: 160 power entities, power districts, rural public power districts, co-ops, public power, irrigation districts, and municipalities. This includes NPPD, OPPD, LES, which are engaged in generation transmission or distribution. But going back to the political subdivision, the purpose of LB212 is to make three minor changes in the act and it, it only applies to telephone and videoconference. So we're not talking about in-person meetings. That portion of the act is found under 84-1411. The League of-- I'm going to testify on two pieces of it. Two real simple ones, going from two hours to five hours and striking the 50 percent of the meetings. Only 50 percent can be video conferencing. The League's going to follow me and testify on the third piece of the bill. Under the current law, telephone conference calls are limited to two hours with no exceptions. So we are proposing to increase the time limit to five hours. And this is for everyone under the Open Meetings Act. Given the diversity of topics we need to talk about in a meeting, and we have 69 voting members, our meetings often run more than two hours. So I'm often telling if one or two members call in to a face-to-face meeting that we have to, move it along, they have two hours to vote on this topic. So to fully vet the items and to better address their concerns, trying to fit it into a two-hour time frame is fairly tight. So we would-- are asking to a-- to change this to five hours and apply this

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to all organizations in the Open Meetings Act. The other part of the bill is the current law requires political subdivisions that no more than one-half of their meetings can be by telephone conference call or video conferencing. This was problematic for me because we only meet four times a year. So two of our meetings could be done this way. And most of the time our group-- it's a large board, 69, 70 people, often with more visitors and guests, so about 100 people in a room. We are facing that. We are often meeting face to face with one or two calling in, but I tell them we can only do two meetings like that. So I actually think this is a safety concern, too. If you look at that map, people travelling from Delta, Colorado, or Indianola, Iowa, and we usually meet in Kearney, Nebraska. That's a long trip and weather. I heard many of you talking about the weather today and tonight and tomorrow morning. They face those same concerns, too, and they want to attend. So MEAN is not all, is not-- what we faced, too, is recently we've not had a quorum in our January meetings because of weather. So we faced that two years in a row where we couldn't lower rates at a meeting because we didn't have a quorum. One of our groups does have an executive committee, but the other one doesn't. So we had a few meetings with media and we are proposing that only entities like MEAN have it-- and we do have in-person meetings, but that this provision would only apply if you were multistate. So the one-half limitation is only if you're a multistate group. And we do have a gas group that the National Public Gas Agency-- and it also has a few out-of-state members. So interlocals that sell electricity or natural gas at wholesale multistate, very narrow after we met with media of Nebraska. So because of these factors we'd ask the committee to support the limited changes to the Open Meetings Act, and I think it's good use of technology and also as a safety issue. Any questions?

La GRONE: Thank you for your testimony. Are there any questions?
Senator Kolowski.

KOLOWSKI: Thank you, Mr. Chairman. Just, just one on the-- half the meetings being on-line. What are you asking for now? How many--

CHRIS DIBBERN: We are asking for relief. That's a strike the one-half, but that at least one of our meetings a year would be face-to-face and in person. So we are striking the one-half only for interlocals or MEAN at wholesale multistate.

KOLOWSKI: And how many meetings usually is [INAUDIBLE]?

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CHRIS DIBBERN: Four. And I really do think we will have face-to-face meetings all the time. Members want to see each other, they want to talk about rates, they want to talk about wind, they want to talk about whatever the issue is. But for those that want to call in, we can provide more flexibility for them.

KOLOWSKI: Absolutely. I support what you're doing. It's something in education that we're trying to do a better job with this use of technology and maybe kids in populations that are very sparse might be able to do some things differently than kids in the metro area because of the technology available and, and how they can do that. And then you get into the safety factor on the roads. If you're putting kids on a bus 90 miles one way, that's a long haul on a day's time, so.

CHRIS DIBBERN: Absolutely.

KOLOWSKI: Thank you very much.

La GRONE: Any further questions? Senator Lowe.

LOWE: Thank you, Vice Chair, and thank you for coming today to testify. Do you see this coming to a problem where everybody stays home and nobody's at the meeting except for the chairman?

CHRIS DIBBERN: I don't, because they really like the camaraderie of the meetings. They like to talk about things. They want to-- they want to know more about utilities. They want to engage us-- the staff on utilities. So I don't see it as even a majority that would want to call in. I see it as the-- the ones that are coming long distances. I mean, Delta, Colorado, that's a day and a half drive over the mountains, so. And they come and Delta comes to most of our meetings. Aspen comes to most of our meetings. Glenwood Springs, but they also tell me about some really bad winter weather that they travel through to get there. So I see most of them. They want to meet face to face and definitely when we're talking about rates. So I just think-- I think it's a tool that allows a couple of them to call, and we still have to notice it properly so they can't call in the day before. They've got call in at least 10 days before the meeting to tell us how to notice that medium for them.

LOWE: Thank you.

La GRONE: Any additional questions? Seeing none, thanks for coming down.

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CHRIS DIBBERN: Thank you.

La GRONE: Take the next proponent. Welcome back to the Government Committee.

LYNN REX: Thank you very much. Senator, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. First, we'd like to thank Senator Brewer and the committee for introducing this important measure. It's a very narrowly drafted bill. I'd like to thank Chris Dibbern from the Power Pool, as well as Christy Abraham from the League staff and your committee counsel and Senator Brewer for working on this measure. We think it is a very limited proposition, and the main purpose is to make sure that organizations like the League Association Risk Management, which is a risk management pool, are able to represent members all across the state. There are 163 members, they come from all across the state of Nebraska. And how do you really engage those folks and also make sure that it's not just folks in eastern Nebraska that get to participate in something like this that would be on board, but people from all over the state that get to do this. And many times you're dealing sometimes with meetings that are long, as Chris has noted. If you turn to page 5 of the bill, line 22, this is where it indicates that it would-- it's an amendment 84-1311(3)(g). Page 5, line 22, this would increase it from two to five hours for the length of the telephone conference call. That's really important when you really have some significant business that you need to conduct, as opposed to having what is happening now which is then you have more than one two-hour meeting. Not the same day, but you have more than one two-hour meeting. The other side of it is, sometimes these meetings last 20 minutes and that's all. And so the, the necessity of being able to have an unlimited number of telephone conference calls and for risk management pool, as you will know at the bottom of page 5, you can only do that if you have face-to-face quarterly meetings. So the risk management pool can have unlimited telephone conference calls, but you have to hold face-to-face meetings every calendar quarter. That being said, one of the other significant elements of this bill for us deals with the issue of having a board member which is what current law says in Chapter 84, Article 14, having a board member present at each designated location when we're dealing with a telephone conference call. And we've had the situation occur, when on very short notice, a mayor who's on the League Association Risk Management board finds out that they can't participate. And at that point if it's-- if you don't have 24 hours to change-- to send out notice again and change up the

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agenda and the notice provisions, then your meeting is done. And in this case there was just no way to get the notice out in enough time. So then everyone who's cleared their calendar to participate in a board meeting no longer will be doing that because one member, for whatever reason it may be, whether it's health, another commitment, no matter what it is, they couldn't be there. So we thought that perhaps the best way to address that, if you'd be kind enough to turn on page 4 and this is on lines 19 through 27 on page 4. This is an amendment to chapter 84-1411(3)(b), and so right now what we're talking about is instead of having to have a board member present, if you will, that you'll note in line 26 a nonvoting designee designated under (3)(f) and one of the other provisions here that I think is, is very important, is on page 5 and again starting on line 18, page 5, line 18, for a governing body of a risk management pool or an advisory committee of such organization or pool, may designate a nonvoting designee who shall not be included as part of the quorum to be present at any site. So in the event that someone literally can't be there, they're able to designate someone so that when members of the public show up, whether it is Norfolk, Nebraska, or Gering, Nebraska, both of whom are represented on boards, that they're able then to go ahead with the meeting. And the public is able to get the information, the Open Meetings Act is posted and all the other requirements of Chapter 84, Article 14, are in compliance. With that, I'd be happy to answer any questions that you might have. And I appreciate your willingness to advance the bill forward.

La GRONE: Thank you for your testimony. Are there any questions? Seeing none, thanks for coming down.

LYNN REX: Thank you very much and thanks to Senator Brewer and the committee. Thank you.

La GRONE: Next proponent. Seeing none, we'll move to opposition testimony. Seeing none, any neutral testimony? Seeing none, Senator Brewer, you're welcome to close.

BREWER: I guess the other thing that should be noted with any bill is there is no A bill with this, so another factor. And we have no letters of opposition. With that, any questions?

La GRONE: Are there any questions? Seeing none.

BREWER: Thank you.

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La GRONE: Thank you. And do we have any letters? That closes our hearing on LB212.

BREWER: All right. I have the baton. Welcome to Government, Military and Veterans Affairs Committee.

La GRONE: Thank you, Chairman Brewer and members of the committee. My name is Andrew La Grone, State Senator from Gretna representing District 49, which is Gretna and northwest Sarpy County, here today to introduce LB191 on behalf of the State Auditor's Office. The bill accomplishes three main goals. First, the bill adds the words "for a period of one year in the statutes dealing with the allowable growth of restricted funds for governmental units." This change will reaffirm the intent of the voter approval requirement for governmental units to increase their budget by more than the allowable growth mark. Some governmental units have begun to pass biennial budgets, and wish to count the voter approval of their additional funding for both years that their budget covers, increasing their budget over the allowable growth amount by double with only a single vote. This bill-- bill will not stop government units from passing biennial budgets, but will simply require another vote to approve the second increase over the allowable growth mark, which was the original intent when the original statute was passed when they were dealing with one-year budgets. Second, the bill will harmonize the definition of bonds to read the same in Section 13-520 and Section 10-134, so there's no longer any confusion from the two separate and different definitions of bond in state statute and will eliminate a subsection dedicated to financial instruments approved and agreed to before July 1, 1999, because these 20-year-old instruments have all expired. Finally, the bill eliminates confusion by changing the time frame for budget hearing public notice requirement to four days, clearly defined as including the day of publication, but not the day of the hearing, instead of the current five-day or five-day requirement with no definition. By adding this context we will be eliminated some confusion with local governments in regard to this public notice requirement without actually changing the required time for public notice to be released to the public. And generally on that, that was-- the local governments this has been an issue with, is smaller towns who don't have access to legal advice as to what exactly that requirement means, so it's just a clarifying provision. And Legislative Liaison, Russ Karpisek, with the State Auditor's Office is here to testify in greater detail about aspects of

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the bill. I would be more than happy to answer any questions you may have.

BREWER: Are there any questions? All right. Seeing none, you'll stick around to close?

La GRONE: No. I have a bill in Revenue.

BREWER: All right. Thank you.

La GRONE: Thanks.

BREWER: Russ, welcome to the Government, Military and Veterans Affairs Committee. Good to see your smiling face again.

RUSS KARPISEK: Glad to be seen by you, Chairman Brewer. Members of the Government, Military, and Veterans Affairs Committee, for the record my name is Russ Karpisek, R-u-s-s K-a-r-p-i-s-e-k, and I am the Legislative Liaison for Charlie Janssen, State Auditor. Senator La Grone did a good job of laying this out, maybe because he was legal counsel last year when we introduced this bill, and by Senator Brewer that for some reason was not picked for a priority bill, or a Speaker priority bill or consent bill. We-- I really thought it would be a consent calendar. Anyway, as Senator La Grone said, we are making sure that the words on page 3, line 27 for a period of one year added the State Statute 13-519 talks about allowable growth of restricted funds for governmental units. So, for example, the allowable growth is 2.5 percent and then can be overridden by another 1 percent by a vote of the board or by legal voters. Now these legal voters can be called a special meeting at the meeting of the board and has to be 10 percent of the voters and they can vote to go up actually more than 1 percent. I didn't realize that at the time, but maybe a good analogy of that is a cemetery board that may need a new mower. So they would come in, get their constituents in and vote on 5 percent for-- for a new mower. Because they're small they can't pay for it. We are just making sure that they can only do that for one year and if they intend to do it for more years, they would have to have this vote again every year. Much the same as any council or county board would have to do. They can't pass a budget saying, well, for the next five years we're going to up that by 5 percent. They could agree in theory to do that every year, but not do it so it would be implemented. So this is just saying for that one year they could go up that much with a 10 percent vote of the people in that area. Also, we'll talk about bonded indebtedness and we are changing the definition from one part of statute to the

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other part so it'll read the same as Statute 13-520 and 10-134 and we're striking bonded indebtedness because that is in the definition of the bonds that we put in. I passed around the language in that amendment or that statute. So it's the same. The problem has been in the Auditor's Office that someone reads a different part of statute that doesn't apply to them. Said, well, why doesn't that apply to us? Why is there two different definitions of bonds and bonded indebtedness? Now it's all the same. That's how the Auditor's Office has always gone about doing it. We're just codifying it here. We're also taking out the language from "before July 1, 1999." That would be from 20 years ago and those are all gone now. So that's just, again, a cleanup. The last change on page 5, lines 21-23, a budget hearing must be plugged-- published in a newspaper and, again, this is what the Auditor's Office has always defined five days as. But we changed it to four days and saying it includes the day of publication, not the day of the hearing. We changed that in Statutes 13-506 and 13-511 with LB89 in 2007 and for some reason this section was overlooked. I will take the blame on that one. I must have overlooked this section. So, again, it's what the Auditor's Office has always said and as Senator La Grone said, it's for small, maybe cemetery districts. Again, they don't have a county attorney with them. Oh, heck. We have to have a hearing, a budget hearing next Tuesday. We got the-- here-- we got the notice in on Thursday. What's five days mean? This clears it up for days. The day that it goes in the paper, not the day of the hearing. I'd be glad to take any other questions if you would like. Thank you.

BREWER: Thank you for your testimony. Go ahead, Senator.

KOLOWSKI: Thank you, Mr. Chairman. Russ, thank you for being here today--

RUSS KARPISEK: Thank you, Senator Kolowski.

KOLOWSKI: --for bringing this forward. On the listing of the information in the newspaper, are the notes from the meeting then also published, so I could find out you had a meeting? And then what? I'd want to find out what happened.

RUSS KARPISEK: You know, I'd have to get back to you on this. This is about the budget hearing process. I'm not sure if those have to be reported. But, again, I will get back to you. I am thinking that that would have to be.

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KOLOWSKI: I would hope so. Thank you.

RUSS KARPISEK: Yes, sir.

BREWER: Other questions? Seeing none, thank you for your testimony.

RUSS KARPISEK: Thank you, committee.

BREWER: Welcome to the Government Committee.

CHRISTY ABRAHAM: Thank you so much, Senator Brewer and members of the Government Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. And basically, I am just here to thank people. First, Senator La Grone for introducing this bill and for the State Auditor. This bill was introduced last year, LB825. The League opposed that bill. There was some language in it about sinking funds that raised a lot of concerns for us. The Auditor was kind enough to work with us to take that provision out and this committee advanced the bill. This year, as the bill is introduced, that language is not in the bill, so the League is now happily in support of that bill. And, Senator Kolowski, I'm going to now try to answer your question. Cities-- there is a statute, I believe it's 19-1102, and it requires cities to publish official proceedings of every meeting that they have. Now those are different than minutes. They're something shorter than that, but they are published in the newspaper after every meeting.

KOLOWSKI: OK. Is it also on-line anywhere?

CHRISTY ABRAHAM: Oh, Senator Kolowski. My guess is our larger municipalities may also, as a matter of course, put their minutes on their Web site. As you know, we have pretty small, small villages who may not even have a Web site. So I don't want to promise them that their minutes are on the Web site, but certainly in larger communities, they routinely put their minutes of their meetings on their Web site.

KOLOWSKI: Thank you.

CHRISTY ABRAHAM: Thank you.

BREWER: She did ask for questions, so there you go. Any other questions? So do you agree with Russ then that you think this should be a consent calendar item?

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CHRISTY ABRAHAM: You know, I am happiest when Mr. Karpisek, Senator La Grone, and I are all in agreement and that clearly is the case here. So, yes, I, I think consent calendar bill.

BREWER: It just seemed like there was maybe a little undertone that he was throwing out there. It wasn't a demand.

CHRISTY ABRAHAM: So, yeah. No, I couldn't, couldn't be happier with consent calendar. Thank you so much.

BREWER: All right. Thank you for your testimony. Any additional in support of LB191? Any in opposition? Any in the neutral capacity? Seeing none and knowing that Senator La Grone is off, we'll waive closing. Now we will move on. Where's my sheets? Oh, and that concludes the hearing on LB191. My voice reminded me. And next up is LB148, which is Senator Groene and he's not here. So we will stand by for a little bit and see if he's rushing here. So, please, just relax.

[BREAK]

BREWER: Welcome to the Government, Military and Veterans Affairs Committee. You may begin whenever you're ready.

DORN: Thank you, Chairman, I appreciate that. And the Government, Military and Veterans Affairs Committee, thank you for having us this afternoon. My name is Senator Myron Dorn, M-y-r-o-n D-o-r-n, and I represent District 30. LB239 is the cleanup bill that would harmonize provisions between the Nebraska Budget Act and the County Budget Act. Counties are subject to both acts. When the Nebraska Budget Act was revised in 2017, the County Budget Act was not changed. LB239 would revise the conflicting provisions in the County Budget Act to mirror the Nebraska Budget Act. This bill would change requirements for publication of the notice of budget hearings from five days to four day-- four calendar days prior to the date set for the hearing. The court-- the count, excuse me, the count would include the day of publication, but not the day of the hearing. I encourage you to send LB239 to the floor and I'll be glad to take any questions, but I wanted to make a comment. NACO did come to me with this revision. This is something that in 2017, when the Nebraska Budget Act was revised we also have statute in the County Budget Act that was not revised. So one is stating four days, the other one is stating five days. They need to basically coincide, which right now they're not. So this is

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basically a cleanup bill, so lining both up with the four days instead of one four day, one five day.

BREWER: All right. Thank you for your testimony. Are there any questions? Seeing none, thank you for your testimony. If you'll stick around, I think it'll be a short one. Are there any others speaking in support? Come on up. Welcome to the Government, Military, and Veterans Affairs Committee.

BETH BAZYN FERRELL: Good afternoon, Chairman Brewer, members of the committee. For the record my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l, I'm with the Nebraska Association of County Officials and appearing in support of LB239. As Senator Dorn indicated, we brought this bill to him for introduction and we appreciate him doing that for us. This is really the same issue that was in Senator La Grone's bill about the four day, five day situation. This is just another section of statute that was not-- it was just overlooked when the four-day change was made. We have had some questions about why are there two different acts that apply to county budgets, the County Budget Act and the Nebraska Budget Act. From what we can tell the County Budget Act was enacted in 1937. The Nebraska Budget Act was enacted in 1969. Senator Terry Carpenter introduced that and we think-- we did speculate, although we haven't found any history to, to show that, that it was probably the Nebraska Budget Act was enacted because of the changes to the overall tax system in 1968 when the state wasn't allowed it to tax property taxes anymore. That's not relevant in this regard to our issue our, our issue here, but I just want to share that with you. And we would encourage you to advance this bill. I'd be happy to take questions.

BREWER: Thank you for your testimony. Any questions? It makes sense, too much sense. Thank you. All right. Any others speaking in support? Any speaking in opposition? Any speaking in a neutral position? Seeing none, do you have any closing remarks? Waiving closing. That completes LB239 and we'll be moving to LB148 and Senator Groene. I went a little out of order there, sorry about that, but he was here and available so we just stuffed him in there.

GROENE: Hey, the early bird gets the worm, huh? I wasn't here. You guys want to go?

BREWER: Welcome to the Government Committee.

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GROENE: Thank you, Senator Brewer. I'm going to do-- Mike Groene, M-i-k-e G-r-o-e-n-e. I'm-- back in 19-- in 2017, some of you were on the committee then, I introduced LB127 and LB479. Both of those bills had-- were advanced to the, to the floor on General File. And, of course, with a 60-day session we ran out of time and they were not heard so they died on General File. This year I brought them back, same language. Plus the committee amendment that was involved into one bill, combined them both of them in the one bill, because they both basically would refer to open meetings laws. So the purpose of the legislation is, of course, greater transparency with government bodies. First, the bill makes the provisions of the Nebraska Budget Act applicable to Natural Resource Districts with integral management plans involved in an interlocal agreement. You all know about the N-CORPE interlocal agreement between four NRDs that is located in my county, an augmentation project. It's unique. It has a budget of \$12 to \$14 million passed through-- money through the four NRDs with occupational tax on irrigated land. The way the law is set up on interlocals, they are-- the Auditor might check the NRD's budget, audit it, and it shows \$5 million transferred to the-- to the interlocal agreement. The Auditor says there's \$5 million in, \$5 million out, end of story. It's not followed with the budget, budget requirements and budget hearing requirements that are in the open meetings laws. So I'm applying this unique situation to the present budget requirements that they must have a budget hearing, they must have a budget every year, and they must have a budget hearing. Testifiers behind me of locals who were involved will explain to you how they sought budgets from this entity for two years and couldn't receive one. They didn't have a budget. They had four or five employees, six or seven pickups, a lot of expenses, but no budget. And we are looking for some accountability that a budget needs to be-- and a budget hearing needs to be held. So we're adding them to the list of government entities that must follow those rules. Their board is made up now of one member and an alternate from each of the four NRDs sits on the board and then they make the decisions on their budgets from there. Second-- the second part, which was LB479, I believe, is changes to the, the notification on hearings on budget-- well, on budget hearings that it has to be a separate meeting. And it has to be-- it can be the same day but it has to have a separate meeting and can't be limited by time. I attended a school board meeting where they had the budget hearing at 7:00. The regular meetings started at 7:30. They were people waiting to testify on the budget hearing and at 7:30 they shut it off, closed the meeting and started another one. People need to be heard and it was being abused. It was becoming just a,

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let's get it over with. Let's stick it within another hearing and claim we had a budget hearing. This identifies that they have to have a separate hearing and they must keep it separate from their regular meeting. Also I have it here where you must-- on notification, there's a trend. All the entities out there now basically do it the right way. Historically, traditionally, you put it in a weekly newspaper that you're meeting. You're going to have a hearing. It usually comes out on a Thursday. Four days later you have your meeting, you've got that four to five day span, everybody realized that. There's been a trend with some entities to put it on their Web site. Because the law wasn't clear, they could choose the method, the public method that they announced their hearing dates. Well, who goes to a government entity's Web site on a regular basis? But they read the local paper, especially in rural Nebraska. So we're putting tradition and expectations that we all have come to expect from government entities into statute. It needs to be in the newspaper for the citizens to have a time certain and a documented notice of a meeting. In one instance this N-CORPE that we discussed, somebody asked and they didn't see the meeting date that it was on their Web site. It suddenly appeared on there backdated. When you control your own Web site you can, you can change dates, you can put-- add things later when you made a mistake. But when you're-- when it's in the newspaper, it is there and it's time certain. So, anyway, it's good government. It's based on open government. It's good-- it's good public employees have no complaint on this because they do it already. And I would hope that as two years ago, you advance this to the floor. It's transparency at its best.

BREWER: All right. Thank you for your testimony. Questions? Senator Kolowski.

KOLOWSKI: Thank you, Mr. Chairman. Senator, are all-- you said four NRDs are involved with this. Are all four in support of this bill as well?

GROENE: We have a board member from the Middle Republican who is here that is for it. I got another letter from the Middle Republican that is for it. I have nothing-- I've heard nothing from the other ones, directly from them.

KOLOWSKI: You haven't contacted them?

GROENE: Yes, I have.

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KOLOWSKI: You have?

GROENE: We tell local entities what to do, they don't tell us.

KOLOWSKI: And they've not contacted you, two out of the four?

GROENE: As to their stance. I've told all of them about it. One for sure said they, they support it and the other three, I guess I didn't get a solid answer out of them.

KOLOWSKI: Thank you.

BREWER: OK. Additional questions? Just-- I won't do the names now, we'll do it in the end here, but just to kind of you know interesting mix. Proponents in support of your bill: Nebraska Taxpayers for Freedom. There's the Middle Republican NRD, the ACLU, and Media of Nebraska. It's not always the same combination you see in bills so you have me-- you have a mix there. But any additional questions? Seeing none, you'll stick around for closing?

GROENE: Yes.

BREWER: Thank you. All right. Next proponent for LB148. That's if you want to speak in favor. There you go. We want the green copies. All right. Have a seat. Sit down and relax. Welcome to the Government, Military, and Veterans Affairs Committee. You may begin whenever you're ready. Kind of stretching out for that green light. There you go.

KEN ANDERSON: OK. I wasn't watching that one. Good afternoon. I'm Ken Anderson, spelled K-e-n A-n-d-e-r-s-o-n, a resident and taxpayer of Lincoln County, Nebraska. Chairman Brewer, along with all committee members and Senator Groene, thank you for diligence in all your efforts. I'm here today in expressing my 100 percent support of LB148. I have observed now for some time the workings of an interlocal cooperation within Lincoln County by the name of Nebraska Cooperative Republican Platte Enhancement or N-CORPE, which provides a great reason for LB148. The agency or governing body has \$12 million to \$14 million-- varies year to year-- operating budget. The current fiscal year which began August 1 of 2018, budget wasn't approved by the directors until 15th of November, 2018. And there, again, it's a huge budget for Lincoln County. Maybe some other counties it's not. Myself, along with various other taxpayers have been longtime questioning and wondering why an agency or political subdivision as such can operate

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this large of an any-- entity supported by the occupation and general levy tax money without a public budget hearing. We don't-- they just spend their money when they seem to be ready. I have asked of N-CORPE their financial numbers, made a couple of requests of public record, and informed of how much it will cost to provide the information, how busy N-COEPE is, provided comment that the requested information is not in the main office, but to contact another. They make it just as unaccommodating and frustrating as possible for gaining any information and brings a transparency factor to the table. Again, N-CORPE is a prime reason for LB148. And just touching lightly on the notice of public meetings pertaining to LB148, I would like to suggest that the notice of meetings might reach additional public members by being included on Web-sites and other social media. It seems to me that the newspapers are getting smaller with less readers. Thank you.

BREWER: All right. Thank you for your testimony. Questions? Senator Blood.

BLOOD: Thank you, Senator Brewer. And that last comment actually resonated with me because I think that was one of the issues we talked about last year. Do you know based on the demographic where you live what percentage of people take the paper?

KEN ANDERSON: I can't answer that.

BLOOD: Because I know nationally it's like 30 percent, unfortunately, that read the paper.

KEN ANDERSON: Our local papers, The Telegraph, is part of the huge Buffett media, basically the whole state. And we do have another weekly paper there in town, but he don't seem to publish too much as the meeting notice. He'll provide articles afterwards, but--

BLOOD: I see. Interesting.

KEN ANDERSON: --we've got-- all the farmers are carrying their iPhones, iPods in trucks and combines.

BLOOD: Well, and you know by saying that you kind of are saying that having it be done electronically-- yeah, I mean, I hear what you're saying. And I think this conversation again we had last time is-- and I hate to say this, because I still read the paper and I'm a big proponent of it because I think that people miss out by not reading

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the paper, but it is unfortunate that people are getting their information on-line, especially as people move to smartphones.

KEN ANDERSON: There's just not information in the papers anymore like there used to be either.

BLOOD: And that's unfortunate, yeah.

KEN ANDERSON: And much media-- electronic media.

BLOOD: Times are a changing.

KEN ANDERSON: They do. They do.

BLOOD: Thank you.

BREWER: All right, Ken. Let me run a quick question at you. I agree that in North Platte there may be a swing to go more electronic. I don't-- it's not my district so I don't watch it as much as I probably should. But you take everything north of there, which is all my country--

KEN ANDERSON: Yeah, I'm familiar with it.

BREWER: If, if you look at whether you're in Mullen or, or Stapleton or Gordon or Valentine, I think they-- I won't say you just live off the paper but because the cell phone reception is so poor that you don't have a lot of choices about reading the local paper. So in that area I think it is used pretty extensively. I mean if you want to get the word out, if you got a auction or if you got a, you know, an event, you would be hard pressed to not put it in the paper and expect to have anyone turn out for it. Maybe if you do radio, that would help.

KEN ANDERSON: Small, very small.

BREWER: And on the issue the \$10 to \$12 million, I don't think it would matter whether you came to Lincoln or Omaha, that's still a lot of money to not have some oversight to understand why and how it's being used. So I think, I think that's not unreasonable.

KEN ANDERSON: And you would probably understand, coming from the north country, that operation is a grass farm ranch. Ranch budgets aren't

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near that fat. They do some other things, you know, pumping water and that. But their general budget is--

BREWER: Yeah, I'm, I, I would like to-- that would be interesting to take a look at that.

KEN ANDERSON: I have most all of those expense sheets and balance sheets and--

BREWER: [INAUDIBLE] share them with Senator Groene. I'd like to take a look. Any other questions? Seeing none, thank you for-- oh, I'm sorry.

KOLOWSKI: If I may. Thank you very much, Mr. Chairman. And thank you for your testimony today. I appreciate that. In your, in your work with the four districts is-- did the districts then provide some time out of someone's job in each of the districts so they have a coordination of efforts in this? And I was on the NRD for eight years in the Papio-Missouri River NRD and chaired for three years. I'm asking you a question although I'm a little foggy on the history of all this, because this has existed during that time period. So how do they, how do they get tasks done? Were they hired out of the four districts and then coordinate? Or how do they do it?

KEN ANDERSON: The four districts hired a manager for N-CORPE alone and then they'll have two to three full-time employees there and a number of part-timers working there.

KOLOWSKI: So no one from one of the four NRDs has dropped the ball. They've got some people they've hired to run this and get this done. And you're telling us it's not being done.

KEN ANDERSON: Right. There's a lot not being done out there, not just in here, but it'd take a long time to bring all that out. But, yes, it's mismanaged and there's some of the NRDs are aware of that.

KOLOWSKI: Some of the four?

KEN ANDERSON: Yes.

KOLOWSKI: But not all of the four?

KEN ANDERSON: No. No.

KOLOWSKI: Thank you.

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BREWER: All right. Any additional questions? Hang on. Thank you for your testimony, sir. Additional proponents? Come on up. Welcome to the Government Committee.

DAN ESTERMANN: Thank you. My name is Dan Estermann. I'm a newly ele-- ele-- I'm a proponent of LB148 first, but I'm a newly elected director--

BREWER: For the record, could we have you spell your name?

DAN ESTERMANN: Oh, spell my name? D-a-n E-s-t-e-r-m-a-n-n.

BREWER: Thank you.

DAN ESTERMANN: But I'm a newly elected director of the Middle Republican NRD. I represent only myself today. I believe it's important to require a budget to be prepared by N-CORPE by an interlocal agency formed by the three Republican NRDs and the Twin Platte. The bylaws of N-CORPE require a budget, but in the past budgets were not prepared or were not prepared in a fashion that-- to satisfy directors of some of the NRDs. Because NRDs are required to budget, the directors were uncomfortable budgeting money for the interlocal without a clear understanding of how that money was to be spent. It is really the responsibility of the interlocal board to put pressure on the manager to produce a budget. With this particular interlocal, N-CORPE, much of the money to operate is derived from an occupation tax on irrigated acres in the four NRDs. It is a worrisome result that in practice farmers say goodbye to those funds when they pay their real estate taxes. After that it is the responsibility of NRD board members to oversee how those funds are spent, if they are spent wisely and in an economical way or invested to the benefit of the public. It is a function of how busy people are, whether they choose to serve on a board and, in turn, if they are willing to serve on another derivative board overseeing an interlocal agency. I suppose it is a result of limited amount of time and whether the original agency or the subagency is the primary interest of the director. During N-CORPE's existence, there has been a pretty good turnover of N-CORPE board members. Two of the managers of the forming agencies have also changed. I'm not sure that board members with the most time available always have the best skill sets to deal with the challenges that are being faced. In regard to notice of a public hearing of the budget, at the start I believe four newspapers were chosen for official notice. This was okay. Once when notice was missed in one of those papers, a member of the public claimed legal notice was not met

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and filed a complaint against N-CORPE. That led to notice of meetings only on N-CORPE's Web site. This was more difficult as the public was expected to change-- check the Web site daily to know if a meeting was upcoming. N-CORPE has settled into a third Wednesday of the month pattern. This has not been a hard fast rule. A meeting is not held every month and in past meetings were held only a few days after another meeting. N-CORPE continues to post notice of upcoming meetings on their office door which is a mile and a half behind a "no unauthorized personnel beyond this point" sign at the N-CORPE property border. However, to N-CORPE's credit they have returned to posting meetings more regularly in newspapers and on their Web site. In closing, a legal requirement to produce a budget, have a public hearing, and give adequate notice is a small step toward better oversight of public funds for this interlocal agency. Thank you. I'd like to add one more thing in regard to the papers. With the North Platte Telegraph, I can look in the paper two days a week and check the legals. With a Web site, I have to look there every day and see that it hasn't changed during the day and that makes it difficult. In my business-- I deal with cattlemen all over the High Plains and I talk to people and we send livestock pictures to prospective buyers. And out of those people, probably half of them deal with the Internet and half of them don't. It's changing. A lot of those people are getting pretty Internet savvy. But if they don't have access to the Internet, that isn't available.

BREWER: All right. Thank you for your testimony. Questions? I guess I got one that seems to be an obvious one. There's a letter proponent supporting this from the Director of the Middle Republican NRD. So it would appear as though that there are those on the NRDs that support this, but yet the overall issue is more an N-CORPE issue an NRD issue. Is that kind of how I'm reading this?

DAN ESTERMANN: Yeah, I think so. I think the Middle Republican's done a good job of noticing their meetings, but N-CORPE has not, I would say.

BREWER: All right. And what I'm going to need you to help me understand, I'm willing to guess if I don't understand probably most people here at the table understand. You have four NRDs, they're a part of this-- we'll call it a pie, this, this thing we're calling the N-CORPE. And N-CORPE has oversight of all this property where these wells are and how they manage everything within the confines of whatever that designated area is. That, that pie covers areas of those

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four NRDs. So you guys are out there, you do your mission and sometimes that's kind of in a vacuum from understanding what's going on with-- with the N-CORPE itself.

DAN ESTERMANN: Well, the N-CORPE property is only in two of the NRDs, the Middle Republican and the Twin Platte. The Lower Republican had-- there's no physical-- and there's no physical portion of this farm in the Upper or the Lower. The four NRDs shared 25 percent of the purchase price of the farmland. And then they hired these employees to look-- oversee the land. Now the Middle Republican and the Twin Platte have some oversight in how much water is pumped out of each-- their own portion. So the Upper and the Lower are-- we have-- the Middle Republican set an allocation of pumping on there and so they're kind of confined by that.

BREWER: OK. So for the sake of everyone here and so we're on the same sheet of music, N-CORPE has been around for how long, roughly?

DAN ESTERMANN: Since about the fall of 2012.

BREWER: OK. And it came into existence because of a agreement that was the outcome of a legal case, had to do with water, Colorado, Kansas and all that. And up until now it's, it's worked relatively well or has there been like growing pains? I'm trying to figure out--

DAN ESTERMANN: There's been a lot of growing pains.

BREWER: A lot of growing pains. OK. That's--

DAN ESTERMANN: One of the prime reasons I ran for NRD was because of N-CORPE. And I won my portion of Lincoln County 70 percent.

BREWER: All right. So this is a result of those problems and figuring out how to fix them. All right. I know I'm, I'm probably the slow one in the group here, but I just want to make sure I'm on the same sheet of music with you.

DAN ESTERMANN: I think so.

BREWER: All right. Any other questions? Senator Lowe.

LOWE: Thank you, Chairman. Thanks for coming down here today on this beautiful day in Nebraska. When is the project going to be complete down to the Republican River? I know they were doing some work.

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DAN ESTERMANN: I'm not sure. N-CORPE is kind of an ongoing deal. I don't know that there's a completion date of it.

LOWE: OK. All right. Thank you.

BREWER: All right. Senator Kolowski.

KOLOWSKI: Thank you, Mr. Chairman. Sir, on the-- you were just really-- you were just elected a short time ago, is that correct?

DAN ESTERMANN: Yes, sir. I've been to that one meeting so far.

KOLOWSKI: OK. And--

DAN ESTERMANN: No. Let me correct that. I've been attending N-CORPE and Middle Republican meetings for the past six years pretty regularly. I've been to one meeting as an elected official.

KOLOWSKI: As an elected official.

DAN ESTERMANN: Yes.

KOLOWSKI: And from that, how many, how many situations have you seen with N-CORPE that dealing with the water issues? It's starting to come back to me now, because I remember the history of this. Have you gone to the general manager in your district or other districts to talk about what's happening in these issues?

DAN ESTERMANN: Yeah, I, I, I think I have a pretty good working relationship with our general manager, yeah.

KOLOWSKI: OK. He's keeping you or she's keeping you informed on all the things going on and the information that you need?

DAN ESTERMANN: Pretty much. There's been a few things that I, I had requested some well information and instead of getting the well information I got a letter from the Middle's lawyer and saying that they didn't want to disclose that at that time. But-- and it was-- I don't know how many months, but it was months and I eventually got that information.

KOLOWSKI: You actually did, you did get it?

DAN ESTERMANN: I eventually got it, yes.

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KOLOWSKI: OK, very good. Well, that's-- the water issue has been the main issue. I remember that now. And how much is going down the river and--

DAN ESTERMANN: There-- the water issue is the main issue. But there was, there was an eleven million dollar budget there this year-- this past year ending in June. And I don't think there was water pumped during that period. And the operations costs looked pretty high there. Considering that this is a 20,000 acre property that's been mostly seeded and there isn't a massive product being produced there, that there's questions about the operations budget.

KOLOWSKI: Everything ties into commitments and dedicated amount of water that must be going down the river, because it's agreements between Colorado, Nebraska, and Kansas. Correct? If I remember my facts correctly on that.

DAN ESTERMANN: Yeah.

KOLOWSKI: And so there's a lot of oversee going on to make sure that those pieces are fitting. And it looks-- sounds like you don't-- you're not in support of a piece of land sitting there basically doing nothing except being seeded.

DAN ESTERMANN: Well, they've got to reestablish the grass. I understand that. And I'm not sure of the question, I guess.

KOLOWSKI: The question is or the statement is, water had better reach its totals downstream. That was guaranteed.

DAN ESTERMANN: We haven't needed to pump water out of that project-- I'm not just sure when, but it's been over a year now, I believe.

KOLOWSKI: So rain has been good enough in all of the other
[INAUDIBLE]?

DAN ESTERMANN: Other, other, other things made up to the requirement, yeah.

KOLOWSKI: OK. Thank you very much.

DAN ESTERMANN: Yep.

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BREWER: All right. Any additional questions? Seeing none, thank you for your testimony.

DAN ESTERMANN: Thank you.

BREWER: Any additional proponents? And he's here in opposition. Come on up. Welcome to Government Committee.

TODD SIEL: Thank you.

BREWER: And you're good. Go.

TODD SIEL: Good afternoon, Senator and members of the Government Committee. My name is Todd Siel, T-o-d-d S-i-e-l. I'm the manager of the Lower Republican Natural Resources District in Alma. I'm providing testimony in opposition of LB148 on behalf of not only the Lower Republican NRD, but the Nebraska Association of Resources Districts. We take seriously the responsibility to have a transparent budget process. We are in general agreement with the concept of this bill and generally already follow the processes that are laid out in this bill. For our NRD the budget hearing is held separately from our regular meeting. For the sake of efficiency it is usually held immediately prior to the regular meeting, but is-- it is its own meeting that follows the provisions laid out under the bill. It is not time limited. The public is given notice. Budget information is presented. Any member of the public is given the opportunity to provide comment. Our concerns are related to the language on page 2 of the bill, which would make these requirements applicable to any joint entity created pursuant to the Interlocal Cooperation Act that receives tax funds generated under Section 2-3226.05, occupation tax authority. The Lower Republican NRD is a party to nine different interlocal agreements, including N-CORPE. It's important to me to-- to state this fact. Those joint entities do not have the authority by themselves to levy taxes. Rather it is the individual bodies who are members of, of these joint entities which have taxing authority. This language would require a separate budget hearing for any joint entity receiving funds from occupation taxes. The use of these occupation taxes, including how they will be used to fund the interlocal agreement entity work that our NRD is a part of, is a part of our NRD budget and public hearing process. Additional hearings would be duplicative and a waste of government time and resources. The Lower Republican NRD, as a member of a joint entity, proceeds in the following manner each year. During our budgeting process we task our board, board appointed representatives of each joint entity to monitor and assist in the

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formulation of a draft budget. When approved by these representatives, they then bring it back to our NRD board of directors for a vote to either approve or disapprove of the draft budget. These joint entities of the Lower Republican NRD are not freestanding bodies with taxing authority. Rather, they ultimately answer to the full board of directors of our NRD. For example, our district has an interlocal agreement with the Nebraska Department of Natural Resources in our integrated management plan, referred to as our IMP, similar to most of the other local NRDs. Occupation taxes come into play when implementing this IMP. We're uncertain whether our district and the department would have to hold a joint public hearing under this proposal. We also have concerns about the language in Section 3 that changes what constitutes public notice. We do follow current law, providing reasonable advance publicized notice of the time and place of each meeting and recorded in our minutes. This process is worked-- this process has worked well for the constituents of our NRD. We are concerned about the new language requiring notice publication in a newspaper of general circulation within the public, public body's jurisdictions. It's unclear whether we'd be able to meet this requirement as there's not one newspaper of general circulation that reaches the entirety of, of our NRD's jurisdiction. The distribution of larger newspapers in south-central Nebraska has diminished greatly over the last several years. As such we have relied more on our weekly papers, local papers, and our Web site as a means of providing districtwide communication and notices, including publicizing the N-CORPE meetings on our Web site. I would also like to point out when discussing the N-CORPE budget and I do not have those numbers in front of me, but I believe our budget this year for actual operating expenses is just a little over \$1 million. It's approximately \$1.2 million. The \$12 to \$14 million they are referring to also includes bond indebtedness that we have. When the land was purchased back in, I believe, it was 2012 and there was not quite 20,000 acres purchased. The purchase price I believe-- here again, this is an approximate-- it was \$120 to \$125 million for those 20,000 acres. Excuse me. So those numbers that have been stated actually include our bond payments from each of the four NRDs. Also, the budget process, I, I do acknowledge it was delayed. We had a third-party audit being done this past year that was delayed for several reasons from-- well, I won't name the entity but the accountant in charge quit the company. It delayed the process. It did delay our budgeting process, which obviously was not ideal. Thank you for the opportunity to testify. I'm willing to answer any questions as I'm able.

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BREWER: All right. Thank you for your testimony. Any questions?
Senator Kolowski.

KOLOWSKI: Thank you, Mr. Chairman. Todd, thank you for your testimony today and how long you've been general manager?

TODD SIEL: A little over a year.

KOLOWSKI: Relatively a short time then.

TODD SIEL: The previous manager retired and I took his place.

KOLOWSKI: Thank you. How long was he there?

TODD SIEL: So 2001, 16 years.

KOLOWSKI: Sixteen years? So he was, he was right in the middle of all the changes, the lawsuits and all the other things that took place with the issue of water. What else can you do to improve the communication and a smooth delivery of notices and all the rest? What have the four NRD general managers agreed upon that you're doing now?

TODD SIEL: We are looking to the future, in particular the budgeting process, which has already started for this coming fiscal year which begins July 1 and, and producing a budget in a, in a more timely manner than was done last year.

KOLOWSKI: OK.

TODD SIEL: So-- I'm sorry to get off topic but I did want to point out one more thing, too. It is worth noting that the pumps that N-CORPE-- it's been over two years now. It was February of 2017 is the last time we did have to pump water for Republican River Compact compliance.

KOLOWSKI: So enough, enough water is flowing right now that you don't have to worry about pumping additional water.

TODD SIEL: Correct. We are out on the water-short year and water conditions are very good this year. I personally believe we, we may see Harlan County Lake full before irrigation season. Take that with a grain of salt. That's just my opinion, but it's going to be very close if it's not full.

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KOLOWSKI: So you're trying to make improvements by communication between all four of your NRDs to make sure that the public has, has that information to make decisions.

TODD SIEL: Yes.

KOLOWSKI: Thank you.

BREWER: OK. Additional questions? Let me, let me, just again, trying to understand how this works. You know, if I use military terms and it confuses you, just let me know here. So the NRDs, did they have operational control or who-- if, if, if there's a sticker on a side of a truck and it says N-CORPE, who is the one they answer to? Is there a chain of command? Is there a headquarters and everything that comes with that?

TODD SIEL: Yes, there is an office there on site in Lincoln County. There is a, an appointed four-member board, one from each of the four NRDs. And they are the voting body to make decisions. But those four are directors from each individual NRD. So direction is given to, to the N-CORPE board member. As a for instance, our board member that serves N-CORPE board is directed by us, you know, by the full board of directors from the Lower Republican.

BREWER: And there's four? What happens when you have a 2-2 tie? Not that there's ever ties anywhere, but--

TODD SIEL: Procedurally, it's a good question and I can't answer that.

BREWER: And so they've got their headquarters. They're, they're, they're operating, the, the four individuals give input. The N-CORPE itself, how many staff is that?

TODD SIEL: There's three full-time and there are, you know, as needed for, for mowing. You know, from time to time there's, there's two other part-time employees but it can vary by season. Of course, in the summer there's, there's a lot more going on than there would be in the winter.

BREWER: And the actual surface area, the actual footprint that is within the N-CORPE is how much?

TODD SIEL: It's under 20,000 acres, 19,500 approximately.

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BREWER: OK. That's very good. All right. Any other questions? Seeing none, thank you for your testimony. OK. Any additional opponents? Lynn, welcome back to the Government, Military and Veterans Affairs Committee.

LYNN REX: Thank you. Senator Brewer, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. I'm here today in opposition testifying on behalf of the League as well as the Nebraska Association of School Boards, who asked me to testify on their behalf today. With that, I would like to just reference a few sections of the bill and outline some of our concerns. I think some of these can actually be worked out, hopefully. On page 4, I'm looking at line 7. This is 13-506, the Nebraska Budget Act. So Page 4, line 7. And I really appreciated Senator Groene's clarification that the hearing, even though it should be held separately from any regularly scheduled meeting of the governing body and not limited by time, can be held on the same day. I think that's important and we appreciate his clarification. On line 19 of the same page, page 4, line 19, the new language, at such hearing the governing body shall make a detailed presentation of the proposed budget statement and shall make at least three copies of the proposed budget statement available to the public. The concern that's been expressed to us by our folks is what, what constitutes a detailed presentation? What does that mean? And I'm thinking Senator Kolowski, as superintendent and all the work that you've done over the years and with the school, what does that mean if you're making a detailed presentation? Some of our city administrators said, does that mean we review it line by line? Do we jeopardize potentially our budget because we haven't done that? I think what's intended here is a, is an overview, something more than just saying, here it is, here's the budget making, a few comments saying it's going to raise the taxes or it isn't or it's going to increase, increase the levy or it isn't, and sitting down and not really responding to anything in detail. So I don't know the exact words, but one of the things that have been suggested to us is to say something like: At such hearing the governing body shall make a presentation outlining key provisions, so that it's clear you're not just doing an item line, by line, by line, unless that's what Senator Groene is intending. At which point, I think it's pretty unworkable for our larger entities that have huge budgets. For a village, probably not that problematic. But when you're dealing with the larger entities it certainly would be. We'd just appreciate any consideration to changing that language of detailed presentation. I will point out that the point about making at least

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three copies of the proposed budget statement available to the public, we have some entities have gone totally paperless. They were quite proud of that. It took them a lot of time to get there. However, they can over-- they can have three copies there. I'm just suggesting it, it's going to going backwards a little bit, but I also understand that. A lot of folks, myself included, want to have hard copies, so I do understand that. The next section-- session is-- section we would have a minor modification to that on line 22, page 4, line 22. Any member of the public desiring to speak on the proposed budget statement shall be given-- I'm sorry-- shall be allowed to address the governing body and shall be given a reasonable amount of time to do so. We just want clarification to stick in there some express language saying: shall be allowed to address the governing body "at the hearing," just so-- and then the rest of it as well. Leaving in the language, "and she'll be given a reasonable amount of time to do so." The reason for that, because sometimes what happens is members of the public-- and we appreciate their willingness to come-- frankly, of the 529 cities and villages I bet there's not even a handful that had people show up at their budget meeting. So they'd be pleased probably to have anybody come. But this is to make sure that nobody shows up at a, at another meeting somewhere and says, well, we can talk about the budget statement tonight and it's maybe not an agenda item. As you know under the Open Meetings Act, Chapter 84, Article 14, it has to be noticed, it has to be an agenda item. So we're just saying to insert the words at-- on page-- on line 24-- page 4, line 24, after the word "body," "at the hearing." Going on to page 5. This is Section 3 of the Open Meetings Act, Chapter 84, Article 14. This relates to what you, what you do to provide reasonable, advance, publicized notice. We would truly appreciate having the language reinstated. This is on page 5, lines 24 to 25. Currently it says, each public body shall give reasonable advance publicized notice of the time and place of each meeting. And then what's stricken is "by method designated by each public body and recorded in its minutes." What that means and what the history of that section means is that if I want to go to any public body in the state, I should be able to ask them, where in the minutes can I find out-- and not, not every meeting-- where in the minutes have you outlined how you're going to provide notice to me? Where is that? So that I know if you're posting in three public places for one meeting it's not going to be at city hall, the library, and the grocery store and then the next meeting you're going to post it here, here, and here. So that's really a concern to make sure that in the minutes the governing body itself has voted on how do we give notice to the public? And that's what that language is intended to address.

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We think it's important to have that actually in the minutes. Now that is also in addition to what is required currently even, which is in your minutes you indicate how you provided notice. But you're just basically-- it's kind of a bootstrapping, if you will, regarding that. May I just have maybe one more minute, sir?

BREWER: Keep going, "cook."

LYNN REX: OK. Thank you. I'll be fast here. So then look, looking on to lines 28 to 31, "a paper of the general circulation." And also if possible a digital advertisement. First of all, out of those 592 village, villages, 380 of those are-- villa 380-- I'm sorry. Let me start again. I apologize-- 529 cities and villages in the state in Nebraska. Three hundred and eighty of them are villages, population 100 to 800, some are even less than 100. To have a paper of general circulation-- yes, Allen Beermann from the Press Association says you can have one. However, just to underscore the fact that they post in three places. Our first-class cities do that, population 5,000 and up; second-class cities do that and they've been doing that for decades. And I would submit to you, even based on what one of the testifiers in the proponent testimony indicated that the number of folks getting newspapers is dwindling and it just seems to me that it makes more sense to allow them to post and do it that way. So those are my comments. I'm happy to respond to any questions that you might have.

BREWER: Well, you cover a lot of ground in a hurry. All right. Additional questions? You ran through quite a few different places on the bill that you had identified changes. If Senator Groene was to agree to these, would you then be in support of the bill?

LYNN REX: Yes. If, I mean, I mean, I think that it makes-- what he's doing here by clarifying what the language is-- our-- again, our concern with the detailed presentation to make it, what does that mean? So that people know that they're in compliance and you're not jeopardizing a budget. That's important. Making sure that it's-- on line 24, page 4, it's at the hearing in terms of when they make their statements. That's important. In terms of reinstating the language on page 5, lines 20-- 24 and 25, that is critically important just for historically how governments operate under the Open Meetings Act. And then, again, allowing entities to post, because historically that is what they do. That's how people know how they-- where they go to find the meetings. That's where they know that. And, and if somebody wants to publish in the papers, that's one thing. But, frankly, most of our members, almost all of do not. They don't. They post. Everybody knows

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it and they know where to find out where the-- where they're going to find where the meeting is. And it's just a given that that's the way it is. And an increasing number are doing it on the Web site. And I think it's just great to say, if you have a digital footprint, if you're if you have a Web site, then you put it there, too. I that makes sense. If those changes were made we would support this bill.

BREWER: All right. With that said, thank you for your testimony.

LYNN REX: And then we would be supporting a Senator Michael Groene bill.

BREWER: It's amazing. Thank you.

LYNN REX: Thank you.

BREWER: All right. Additional opponents. Welcome to the Government, Military and Veterans Affairs.

JACK CHELOHA: Good afternoon, Chairman Brewer. Members of the committee, my name is Jack Cheloha; that's J-a-c-k, the last name is spelled C-h-e-l-o-h-a. I'm the lobbyist for the city of Omaha and I want to testify in opposition to LB148 this afternoon. First of all, most of the provisions that are within the bill we looked at carefully. And the city of a metropolitan class, we feel that we comply with all of them on a regular basis. Now we're in the business of following the law, plus we also have the self-motivation by our elected officials to have a very open budget process and we want to hear from the public and our constituents. However, this bill as I listen to the testimony, not that I don't enjoy having Omaha invited to a squabble in Lincoln County, that's great. But, nevertheless, I think some of the things might be a little broad. So that's why I wanted to testify in opposition to the bill. Most of the reasons were covered by the League of Nebraska Municipalities and their testimony by Lynn Rex. The one that we really circled on and clued in on, as well, had to do on page 4 with, once again, the detailed presentation. And we were having a hard time trying to identify what that would mean exactly. In the city of Omaha we go through roughly about a six-week budget process. As you know Omaha has a population of about 450,000. We sit in the metropolitan area of a million plus. Whatever the city of Omaha does is usually well covered by the media, the press, etcetera. So, nevertheless, the mayor issues her budget presentation roughly mid-July. It's well covered. The budget is released, it immediately goes on our Web site. And then through the course of the

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next six weeks the city council will have public hearings, not only on the budget as a whole, but they'll go through every department and go department by department and have budget hearings on them. Likewise, the people from our city finance office will be there. They'll give detailed presentations department by department, but those are held on a separate meeting other than the budget hearing itself. Just to let you know, our budget hearing is typically on a Tuesday. It's well published. It begins at 7:00 in the evening. It'll last for the duration of the night, depending on the number of constituents that show up and want to testify. So we're pretty open and accessible, if you will, to the public. But once again, what--what was the detailed presentation? The night of the hearing we typically don't hear from our finance director other than if councilmembers have specific questions. And so the question is, how do we comply with this bill should it become law? If somehow we could fix that, we probably would go-- I don't know if we'd go as far as Lynn Rex, but we'd probably go neutral. So I just want to offer that up.

BREWER: All right. Senator Blood

BLOOD: Thank you, Chairman Brewer. Thank you for your testimony. So hearing this, I'm curious, would it be your preference that maybe Class I cities just get removed from this?

JACK CHELOHA: Oh. The new law maybe, but in terms of the Budget Act, I mean, that applies across the board. So I think it's fine to have it apply to metropolitan class and every class of city. So I think that's fine to leave it. We just want to make sure it's language that fits everybody. It seems to me, you know, the issue that's raised here requires more of a scalpel and here the bill once again brings a big hammer. So if we could kind of tone it down I think it'll work.

BLOOD: Thank you.

BREWER: I can't believe Senator Groene would bring a big hammer. All Right. Yes, sir.

KOLOWSKI: Jack, thank you for your testimony and also thank you for the Omaha attitude toward the Papio NRD. We've got a great relationship over many decades that has been built and the cooperation that we get from the city and the city to the NRD has been phenomenal. And that's how we've gotten so many things done. And Offutt Air Base is included in that also. We did some phenomenal things raising the levees and in doing things at Offutt were extremely important in our

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past heavy rains about three or four years ago when that hit. Thank you.

JACK CHELOHA: Yeah, thank you, Senator. I appreciate those comments.

BREWER: All right. Any additional questions? All right. Seeing none, thank you for your testimony. Any additional opponents? Any in the neutral position? Welcome back to the Government, Military and Veterans Affairs Committee.

BETH BAZYN FERRELL: Good afternoon, Chairman Brewer and members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing neutral on LB148. We had some concerns with the bills that Senator Groene had introduced two years ago and he had worked with us on those and took care of some of our concerns. And so that's why we're appearing neutral today. Having said that though, the suggestions from the League, we think those are great and we would appreciate seeing those in here. But our position on the bill as it's written is neutral. I'd be happy to answer questions.

BREWER: All right. Thank you for your testimony. Questions? It's almost like people want to go home. All right. Thank you. Any additional in the neutral position? With that said, Senator Groene, welcome back up to close on LB148.

GROENE: Thank you, Senator Brewer-- Chairman. To answer some of the things you've heard here, there's two distinct parts of this bill. One just includes interlocal agreements that use expenditures from occupation taxes, which are an NRD, must have a budget and must be under the open meetings laws as all other-- as county boards are, the NRDs themselves, that's distinct. All right? The second part, which is the majority of the bill, applies to all open meetings laws. As to my friend, Ken, statement about Internet, it's in the bill on page 5, line 28. In the case of public body described in subdivision 1 of Section 84-109, for such body advisory committee such notice shall be published in a newspaper of general circulation with the public bodies' jurisdiction. And, if available, in a digital advertisement on such newspaper's Web site. In addition to such required methods of notice, such notice may also be divided by any other appropriate method designated by-- I think that covers all of the Facebooks and all the other issues my friend brought up, was in the bill. As to N-CORPE's past, you have four NRDs who expend money in their budget, a set amount for their electrical bill to run the pumps and for 25

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percent of operating costs. If I looked at their budgets that's all I would see, is a lump number transferred to N-CORPE. I have no idea how it got spent. Once it goes to N-CORPE-- for two years there was no budget and then the last one was late. No expenditures. As to Mr. Siel, I met with him and his board. I asked him a blunt question last week when they were down here for the convention and they kindly met with me over a couple legislation. I said, did you know that N-CORPE spent-- expended money to lower seven-- at least seven local wells, domestic and agricultural wells-- because they were going to get sued, because in the state constitution it's domestic first, agriculture second, industry and government comes in afterwards. They had no idea. They had no idea. I asked a board member from the Upper Republican the same thing. He had no idea. The management of N-CORPE, and I won't go any further than that, has not kept the board members-- the elected board members in the light of how they spend their money. That is evident. There's a lot of money here. In fact, in the future I might bring some other laws about-- legislation about interlocal agreements. Tourist bills are another big one where the counties transferred a lot of money over to a board and has no accountability on a budget. This one is a major one because of what they've done in the past, the history of what they've done to taxpayers-- forget the NRD. Forget the association of NRDs. This is about individual citizens. This is about taxpayers need to have transparency in government. These same NRDs fought-- were drug down the streets, forced to accept over appropriated and fully appropriated ratings. They have drug and fought everything we have done here to try to save the state of Nebraska and the irrigated farmers' existence. So when they oppose something on oversight it's not new news to me. Now a Middle Republican is well-run. You didn't hear the Twin Platte here. Most of those board members agree with me. I've met with them, the majority of the board members. They agree with this bill, they agree with another bill I have. They are silent here. As for the notification on the newspapers, that's already in the law. Mr. Siel said, well, how are we going to do that? He better be doing it. How are we going-- we don't have a general newspaper to print it in. It says right here in existing law, each governing body shall each year or biennial period conduct a public hearing on its proposed budget statement. Such hearing-- notice of place and time of such hearing together would a summary of the proposed budget statements shall be published at least four calendar days prior to the date set for a hearing in a newspaper of general circulation. So he'd better be doing it. That's in existing law. That's on a budget hearing. What I have done is added They have to do it on their, on their regular meetings, too. That's where we've seen

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where some entities are just starting to use their Web site. Ninety-nine percent of the entities do it. The cities, the counties, they do it, the villages. They've done it, it's tradition, but we do not as a body pass laws for the 99 percent who do obey the law, we do it for the one bad character. And as generations of new elected officials come into these boards they need to be reminded of what the people expect in transparency and that's what all we're doing here. As far as Ms. Rex, I promised today not to use the initials IFT in any way in this testimony. All right. And one put together in a certain way. But, anyway, no, the details-- I'm a numbers guy and I can understand the concern there. So I-- we can work on that. And the same with the city of Omaha I understand their concern. I like all the numbers but-- totals and things on the, but on the credit and debit side of a budget should be told. Major salaries, the people should be able to see. N-CORPE, they have four employees out there. They have no idea what the manager is paid unless you have a budget-- the people don't-- or what the employees-- or how many employees. We were told there's three and without a budget the citizens don't know how many employees are out there for sure. They don't know how many pickups are out there, how many licensing-- how much you spend on licensing. They don't know how much is spent on advertising. A lot of us attended the NRD convention down here, if you want to call it that. That should be in a budget, the expenses for the hotel rooms, the meals, and coming down here. It should be. That expense is-- for the N-CORPE-- is not in any of those four NRDs' budget. They need a budget. When you start transferring that much money to an entity there should be a budget. Just common sense. Why would any public entity fight that? They're public employees, their public servants. They should want transparency for their own good. But that's what we'll do and we'll work with Lynn Rex and if we-- and the city of Omaha through Lynn Rex, and the League of Municipalities to tweak it. But I think one of her concerns is already taken care of. She worried about we struck on page 5 "by method designated by each public body and recorded in its minutes." That language was added on page 6 in a better place at the end of the, the added language where it says: (b) each public body shall record the method and dates of such notice in its minutes. It was just put in a different location. Otherwise-- it's got to be cold outside, because normally I'm hot, but today a bit of a chill. I think I covered everything. If there's anything that you still have a concern about I would gladly answer it. We just want accountability in Lincoln County. As one of the testifiers says, that whole project is in our county. There's people in six or seven counties benefit from the project. The ag industry, which I'm a big proponent of and I, I'm, and I'm for the

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augmentation project. But we take the hit in Lincoln County of the property tax losses. We take the hit of the economic losses because the government owns the property. We take the hit. And the two NRDs that take the biggest hit are Middle Republican and the Twin Platte, because that water is still-- they're responsible for that groundwater. It benefits the whole state, but in their IMPs their integrated management plans, they have to account for it. And those that are two NRDs, their board members are fully in support of this legislation. So thank you. Any questions?

BREWER: All right. Thank you for your testimony. Senator Blood.

BLOOD: Thank you, Chairman Brewer. I just want to make sure I heard you correctly. What was the quote that you said about that we make laws for-- not for the 99 percent but for the 1 percent that don't follow the rules. Is that what you said?

GROENE: We have a speeding limit for the people who-- not for the ones who go 75 but the ones that go 90.

BLOOD: OK. Well, do you remember what your quote was that you said, though? You said 99--

GROENE: For the 1 percent. I'm, I'm, I'm giving the Nebraskans the benefit of the doubt that 99 percent of us are law abiding.

BLOOD: But you're saying that we make the laws for the 1 percent that don't follow the laws?

GROENE: Yes.

BLOOD: Interesting. All right. I just wanted to make sure I heard you correctly. Thank you.

GROENE: Well, most of us follow the golden rule and attempt the ten major rules and we don't really need government laws.

BREWER: OK. Additional questions? All right, seeing none, thank you for LB148. We do have letters to read in on LB148. Proponents: We have Doug Kagan; Dan Nielson with Middle-- Director Middle Republican NRD; Spike Eickholt, ACLU Nebraska; Shawn Renner, Media of Nebraska. And on opponents: Nate Jenkins; and Nancy Bryan, who is a city clerk and treasurer for the city of Stromsburg. In the neutral position we have none. That will close a hearing on LB148. I need this-- the committee

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to hang on just for a moment, but that will conclude our hearings today.