SANDERS: Welcome to the Government, Military and Veterans Affair Committee. I am Rita Sanders, District 45 legislative district, and I serve as chair for the committee. The committee will take up the bills-- we don't have any bills, but we have appointments-- in order posted. The public hearing is your opportunity to be part of the legislative process and express your position or, or propose legislation before us. If you are planning to testify today, pill-please fill out one of the green testifier sheets that are on the table at the back of the room, and be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page-- to the committee clerk. If you do not wish to testify, but would like to indicate your position on a bill, there are also yellow sign-in sheets on the back-- on the table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each hearing today with an introducer opening statement, followed by proponents of the bill, then opponents, and finally anyone speaking in the neutral. We will finish with a closing statement by the introducer, if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you will have one minute to wrap up your comments. Questions from the committee may follow. Also, committee members may be -- come out, come in -- coming and going during the hearing. There is nothing to do with the importance of your bill being heard or your appointment; it is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have any handouts, bring up at least 12 copies and give them to the page. If you do not have enough copies, the page is happy to make copies for you. Please silence and turn off your phones. You may see committee members using their electronic devices to access more information. Verbal outbursts or applause are not permitted in the hearing room; such behavior may be, may be cause for you to be asked to leave the hearing room. Finally, committee procedures of all committees state that your-- that written position comments on a bill to be included in the record must be submitted by 8:00 a.m. the day of this hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I

will now have committee members introduce themselves, starting to my right.

HUNT: Thank you, Chair Sanders. I'm Megan Hunt, and I represent District 8 in the northern part of midtown Omaha.

GUERECA: Dunixi Guereca, Legislative District 7. That's downtown and south Omaha.

J. CAVANAUGH: John Cavanaugh, District 9, midtown Omaha.

ANDERSEN: Bob Andersen, District 49, northwestern Sarpy County.

LONOWSKI: Dan Lonowski, District 33, which is Adams County, Phelps County and Kearney County. Hastings, as well.

WORDEKEMPER: Dave Wordekemper, District 15. Dodge County and Western Douglas County.

McKEON: Dan McKeon, District 41. Have eight counties in Central Nebraska. Live in Amherst.

SANDERS: And to my right is our legal counsel, Dick Clark, and committee clerk on my left-- far left-- Julie Condon. We have two pages assisting us today. If they would please stand and introduce themselves.

LOGAN WALSH: I'm Logan Walsh. I'm a junior studying econ and finance at the University of Nebraska.

ARNAV RISHI: I'm Arnav. I'm a junior political science student, also studying at the University of Nebraska.

SANDERS: Thank you very much. We will begin today's hearing. First up is the appointment of Daryl Bohac. General Bohac, good to see you again.

DARYL BOHAC: Well, thank you, committee Chair Sanders, and good afternoon to the members of the Government, Military and Veterans Affairs Committee. I am Daryl Bohac, D-a-r-y-l B-o-h-a-c, and I'm honored to be currently serving as the director of Nebraska State Historical Society. I want to briefly outline my qualifications to serve in this capacity, present my priorities for the society, and then be glad to answer any questions you might have for me. As I told the historical society staff during my first all-staff meeting with

them, I cannot run the society, but I can lead the society in its mission to collect, preserve and open to all the histories we share in our great state. And we do so in accordance with Chapter 82, Section 101 of the Nebraska Revised Statutes, which direct us to promote historical knowledge and research, awaken public interest, and popularize historical study throughout the state in a non-political manner. As many of you know, I retired as the adjutant general of the Nebraska National Guard and the director of the Emergency Management Agency in 2023 after ten years in that position. I believe the invaluable experience and knowledge that I gained in leading a complex, large organization such as the Nebraska National Guard and the Emergency Management Agency, will serve the society, its employees and the people of Nebraska very well. Moreover, because of the Military Department's strong history of excellent fiscal stewardship, we were entrusted with the management and execution over \$1 billion in COVID-related federal funding by Governor Ricketts and this Legislature. I'm exceptionally proud of the interagency teamwork dealing with such a large influx of money into our state, and I will bring the same dedication and commitment to strong fiscal stewardship of the resources given to the society, whether they be funds appropriated by the Legislature, funds provided by donors to the society are from the Na-- Nebraska State Historical Society Foundation, or other private sources. My key priorities as the director are to help all our sites be places Nebraskans want to visit, return to, and recommend to their family and friends. We will focus on bringing back the permanent exhibits in our museum here in Lincoln, beginning with the territorial exhibit. We will return things like the lunch box lecture series to the museum, and return to Kennard House our state memorial -- statehood memorial to a functioning site that helps tell the story of our great state. And I also know there is a keen interest in having the gift shop return to the State Capitol, and we have a goal of getting that up and running by June 1 of this year. My second priority is have the Nebraska State Historical Society be a place where people enjoy coming to work, a place where they feel valued, and would encourage others to join our team. The team-- and they are a great team of talented and passionate professionals who want to share the stories and related artifacts of Nebraska. They have endured over two years of interim leadership, which by its very nature, often leads to uncertainty. I am committed to bringing stability and earning the trust and confidence of the teammates at the society. Finally, garner the respect and confidence of our elected officials for the Nebraska State Historical Society through strong fiscal stewardship and building relationships with our stakeholders

and partners. I have already invested time and energy in rebuilding the relationship with the Nebraska State Historical Society Foundation, connecting with the society's Board of Trustees, which we hosted today, and have begun reaching out to other key partners such as the Nebraska Arts Council and the Joslyn Castle and Gardens in Omaha. Senator, that concludes my testimony. I'd be glad to answer any questions the committee might have.

SANDERS: Thank you, General. Thank you for your commitment to Nebraska and willing to step up again for Nebraska. Greatly appreciated. I'm going to see if we have any questions from our committee. Senator Hunt.

HUNT: Thank you, Chairwoman Sanders. Thank you so much for being here today, and thank you for your years of service to our country and most recently as adjutant general here in Nebraska. And I was a part of this committee when we confirmed you a couple times—

DARYL BOHAC: That's right.

HUNT: -- and I just want to thank you for your service in that role--

DARYL BOHAC: Thank you.

HUNT: --while also pointing out the, the vast difference between the role as adjutant general and your experience in the military and in the work that you're doing today with the Historical Society.

DARYL BOHAC: Yeah.

HUNT: Do you love it? Do you enjoy it?

DARYL BOHAC: I do enjoy it. Senator, you know, the challenge-- or, the opportunity, really, I think is the better word here-- is to build trust and confidence by everybody in the society, and I think that's something I can do. And so I think it's an excellent fit for my skills and the experiences I've had.

HUNT: I, I agree. I think you're going to be great in this position. You are great in this position. And I just wonder how your experience has been, you know, going from-- you know, not that this work isn't important, but we have to agree that, like, that's very different work, going from, like, a military-facing--

DARYL BOHAC: Yes.

HUNT: --responsibility to now at the Historical Society, so.

DARYL BOHAC: Well, the pace is certainly slower, and I'm, I'm grateful for that.

HUNT: A little less, like, life-or-death situation.

DARYL BOHAC: I also don't-- I also don't sleep with my work phone anymore, and I don't think anybody's going to call me at 2 a.m. So I'm actually quite grateful for the opportunity to have a position that's a little bit slower-paced and less stressful, quite frankly.

HUNT: Yeah. Well, it sounds nice to me. And, you know, I thank you in advance for the work you're doing to preserve the wonderful history of our state. Thank you.

DARYL BOHAC: Thank you, Senator.

SANDERS: Thank you, Senator Hunt. Are there any other comments, questions?

LONOWSKI: Madam Chair? Oh, I'm sorry. Go ahead.

SANDERS: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair Sanders. And thanks for being here, General, and your willingness to serve. Just your comments jumped out at me, working with Joslyn Castle and Gardens, which you may or may not know, is in the best district in the state of Nebraska.

DARYL BOHAC: I knew it was in Omaha, Senator.

J. CAVANAUGH: And I guess I-- my question is just sort of a general one. What, what's the-- fostering-- why does that stand out as noteworthy, fostering of a relationship?

DARYL BOHAC: Well, I included that because it's one of the next engagements I have on my calendar, but it's just recognizing that we're not the only ones trying to share the history, or to share things about Nebraska and to build relationships in sharing in that, that responsibility I think is really important. And so, you know, I-if, if I have another meeting in Omaha, I'm going to try to reach out to other people on there, too, and build bridges and not dig trenches.

J. CAVANAUGH: Yeah. Well, I appreciate I, I-- of course, praising up a great institution, and the, the fact you mentioned the Arts Council, I-- in case you don't know, the Joslyn Castle is in a, a arts district, with the cathedral. The Cathedral Arts-- the Castle and Cathedral Arts District. And they have their-- I think it's the flower-- yeah, it's coming up this weekend, maybe.

DARYL BOHAC: Yeah.

J. CAVANAUGH: So that might be worth a stop for you. It's a [INAUDIBLE] spot.

DARYL BOHAC: OK. Thank you.

J. CAVANAUGH: But thank you for your willingness to serve. And I guess my only real question is, you know, I mean, in the military, there's-I'm not-- there's-- everybody else here's military but me, probably. It's, you know, top-down, following orders and things like that.

DARYL BOHAC: Yeah.

J. CAVANAUGH: But, like, when it comes to preservation of history, there's, you know-- I guess the best way to say it would be, like, not all history is pretty, right?

DARYL BOHAC: That's correct.

J. CAVANAUGH: And so I, I assume-- or I'll ask you in your commitment in your role, is to preserve both the pleasant and unpleasant aspects of our history.

DARYL BOHAC: Yes, Senator. Thank you for that. I think it's really vitally important to recognize that we share histories that some aren't going to like. And others will like it. And we'll all bring different perspectives to those kinds of exhibits or opportunities, but sharing only one side of the story is not sharing the history.

J. CAVANAUGH: Thanks again for your willingness to continue serving.

DARYL BOHAC: Thank you.

SANDERS: Thank you. Senator --

LONOWSKI: Thank you, Madam Chair. You'd think as a former teacher I would know what raising your hand means. General Bohac, thank you very

much for stepping up to do this. And I-- you know, I don't see an issue on my part, but General Bohac was, was my commander as I was outgoing. And I would say, sir, that you're the best commander I've had. But General Lempke is in the crowd, so I'm going to say you're one of the best leaders I've ever had, just for saving, you know, the saving of the trail later. I really appreciate your leadership. And one thing you said to me, you want people to enjoy coming to work; that, I did as a Guardsman. A place where they're valued; check. And you also said you would like us to encourage others to join that team. So, I feel like you'll carry that on to the Historical Society and you've already done that. So, I just appreciate all your years of service to Nebraska, and you got my vote.

DARYL BOHAC: Yeah. Thank you, Senator. I, I-- one comment. So, I've asked the team at the Historical Society not to refer to me as "the general," and-- I also have a doctorate, and they asked me if wanted to be called "doctor," and I said, "No, I want to be called Daryl," and I just think it makes me more approachable.

LONOWSKI: Yes, sir. I think the greatest title--

DARYL BOHAC: I know you--

LONOWSKI: --is grandpa, but, but you're right up there. Thank you, General.

SANDERS: Thank you. Are there any-- yes, Senator Wooder-- "Woodkemper." Sorry.

WORDEKEMPER: Daryl--

DARYL BOHAC: Thank you. [LAUGHTER]

WORDEKEMPER: What is— you know— thank you for your service. What do you see as maybe some of the challenges that, that you might have to, you know, I'll say overcome, or, or, or get into maybe on the short term, and then, long-term and things like that?

DARYL BOHAC: Yeah. Well, the short term is filling our vacancies that we have in the society. We're not— you know, we're not overstaffed by any stretch of the imagination, but we have some key positions to fill right now. So that's a priority for me, particularly in our finance section, among others. The team, you know, does a really great job of pulling together and helping each other out to help solve problems, so I have a lot of confidence we'll get through this just fine. It might

be a little bit painful, but we will get through it. And I also have great support from folks, you know, in the Department of Administrative Services in terms of H.R., human resource actions and budget actions, too. So, it's a real team effort. So I think, I think we'll be fine, but that's a near-term challenge that we have. More long-term is going to be, I think-- and a challenge in, in the sense of raising the money to rebuild the exhibits in the museum. It's expensive. We're doing some things in-house, bringing in some equipment that will allow us to do some work in-house instead of bidding it out, which is always more expensive. And we've got the talent to do that, so-- but that's, that's going to be a five-year plan to re-- re-establish the exhibits in the, in the, in the museum. So I think part of the challenge is patience by others, as well. But that means I have to be out communicating, engaging and, and looking out and seeking, you know, those partnerships and relationships I talked about earlier.

WORDEKEMPER: All right. Thank you.

DARYL BOHAC: You're welcome.

SANDERS: Are there any other questions? Senator Andersen.

ANDERSEN: Thank you, Chairwoman. General, first, thank you for your 45 years of service--

DARYL BOHAC: Thank you.

ANDERSEN: --with the-- in the Air Force and the Guard. I know you and I overlap to a certain extent. History is a-- is important. And having a clear lens of history, right, through the prism of the time is going to be important. And we only keep from repeating the failures of history by studying it, and making sure we don't do the same things. The question I'd have for you-- I appreciate your willingness to stand up in this, in this position; I think you're a perfect guy for it. Is there a program that you can actually recruit people that have personal knowledge of historical times? If you go back to like the, the Greatest Generation with World War II and all that stuff to actually get personal accounts of what happened, to take it not just through the lens of what was reported in the media, but actually the, the guys that have been there, done that, all the way up through what we're doing in the global war on terrorism?

DARYL BOHAC: Yeah, we, we do have some oral histories, but we don't have an active collection program there right now, and that's probably something that we need to think about, is trying to capture those before those people leave, you know, leave the mortal coil, as they say. But yeah, I think that's, that's an area that we'll need to take a look at, Senator.

ANDERSEN: Thank you.

SANDERS: Thank you. I don't have any questions for you, Daryl, but I do want to make a comment. Years back, when I was mayor for the city of Bellevue, you had an appointment with me and your presence in full uniform, and you filled up my office with other uniforms— there definitely was authority there. Right? And presence, like— whether you're wearing a suit or a uniform, you still carry that.

DARYL BOHAC: Thank you.

SANDERS: And so while we might try and find our way to say Daryl, General-- you'll always be General, to me. Thank you.

DARYL BOHAC: Yep. Thank you, Senator. Thank you for the opportunity.

SANDERS: Thank you. Are there any proponents?

ROGER LEMPKE: Good afternoon. My name is Lieutenant General of Nebraska (Retired) Roger Lempke. Roger, R-o-g-e-r; Lempke, L-e-m-p-k-e. I'm currently the president of the Nebraska State Historical Society Foundation. And we're the one, over the years, that has provided private support for the society and its many, many programs. The first thing I want to do today is, first, add my congratulations and admiration to the Legislature for passing the legislation that converted the agency into a code. It wasn't easy. You had to kind of cross your fingers and hope. And I want to present to you today, from the foundation perspective, how well, how well it started out. We-- they officially converted it in July. Since then, we've worked with them on some of the projects that General Bohac already has in the works. The lunch bucket; we've supported the free day at the museum, supported-- that we're supporting. And the timeline. We've already started raising funds to develop a timeline, and get artifacts placed back in the museum that everybody wants to see. We bring around \$22 million in total assets. So, we're there to support the society now. And the key thing has always been the-understanding where they want to go, we can adjust so that we can

raise the money and support them in those directions. We have a program that's called statewide grants; it's one where we generate the funds and then we support small-- the local, the county historical societies and so forth. And we can see now with General Bohac and his staff now coming together and both supporting more local entities out there, and developing that local Nebraska history. So we're really, really excited going forward. A couple of things based on your comments, real quick. You asked about challenges. I'm here to assure you today that the one challenge that he's not going to have is working with us. So you can put that one aside. We're already connected, we're already talking every day, we're ready to move forward. And also, a little bit to, I think, Senator Andersen's comment about oral histories. Yeah, there's quite a lot out there. So, I think we can work together to kind of collect on that and get it to a way that's more available out there for those that want to do research into some of the historical things from the past. I'm particularly familiar with the military side, and there are many oral history ways and being done out there. So I think we can collect that and then work with the society to keep-- to make that better and more available in the future. Any questions for me? Oh, one more item. I know he doesn't want to be called "General." He doesn't want to be called "doctor," but the term "old retired general" might be OK. That's what I use. Thank you very much.

SANDERS: Hold on, Senator-- General Lempke. Let me check to see if there are any questions for you.

ROGER LEMPKE: OK.

SANDERS: Are there any questions for General Lempke? Seeing none. And thank you for what you do as well.

ROGER LEMPKE: Thank you.

SANDERS: Appreciate it.

ROGER LEMPKE: Thank you.

SANDERS: Are there any other proponents? Welcome back.

JASON JACKSON: Thank you. It's good to be back. First time as a private citizen. Good afternoon, Chairwoman Sanders and members of the committee. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n. Until this past October, director of the Department of Administrative Services across both the Ricketts and Pillen administrations, and now

a private citizen, and, and-- yeah, my honor first time testifying as a private citizen to do so on behalf of my friend, General Daryl Bohac. I thought I would just briefly share some history about what brings us to this moment, and General Lempke addressed it a little bit, but LB1169 that passed last year was a DAS agency bill introduced by Senator Erdman. We partnered with many of you on the committee on that, and it was really designed to put some sunshine on this agency and address some of the malfeasance that had occurred at the agency when it was in a non-code status. And it did-- and it did so in a couple of ways. One, it really strengthened the financial controls at the agency. And then, two-- and why this moment in particular is so poignant -- is it brought the agency under the oversight of the executive branch and the Legislature, and the collective feeling both in the executive branch last year and the body was by doing so, we're really going to "sign some shunlight" on this agency, subject it to more accountability, and set it on a course that that type of malfeasance won't be repeated. And so, this moment, in many ways, is a culmination, or the realization of that, that we have our first prospective director of this agency that's actually subject to legislative confirmation. And to that end, I can think of no better person to be the leader of this agency than General Bohac. I know him personally, both as having been a colleague of his in Governor Ricketts and Governor Pillen's cabinet, but also serving under him as an officer of the Nebraska National Guard. He is truly a wonderful leader. He's a values-driven leader. And I think he'll bring-- he's a bit of a non-traditional candidate, I think, for this role. But he'll bring, I think, some critical things that make him the right leader at the -- at this moment. First and foremost, he's a values-driven leader, and when we think about resetting integrity at this agency on a going forward basis and really building a foundation for its future, nobody will do a better job than General Bohac. And then, secondly, his stewardship-- stewardship of taxpayer dollars, he's demonstrated proficiency in that, leading a large organization for a long time-but also a steward of history. And this might be the piece that goes unrecognized to those who aren't-- who haven't worked closely with him. But in the role of adjutant general, you are a steward of Nebraska's military history and the great tradition of that regiment and, and the Nebraska volunteer force, and the role that Nebraska has played in our conflicts throughout our, our history. And the general in his, in his role as adjutant general, has always been a great steward of Nebraska's history as well. And so, I just see this as, in a way, yes, perhaps a less stressful role, or a lower-tempo role. But, but with respect to the stewardship of history, it's an expansion on a

portfolio that he's also previously enjoyed. And so, with that, it's my pleasure to offer him my full support. I think Governor Pillen has made a wonderful choice for the first appointee director of the historical society. With that, I'll stop, and I'd be happy to answer any questions.

SANDERS: Thank you, Mr. Jackson. We'll see if we have any questions from the committee. We have one.

LONOWSKI: Thank you, Madam Chairman. So I'm aware of the, the history museum in Seward. Are there other physical sites that we have that I need to visit, or that I'm not aware of?

JASON JACKSON: From a Nebraska National Guard perspective? Or?

LONOWSKI: Any military history perspective in our state. A National Guard perspective.

JASON JACKSON: Yeah, well, I-- the National Guard Museum in Seward is the one that I'm most--

LONOWSKI: The main one.

JASON JACKSON: --intimately familiar with. I think some of the other testifiers that General Lempke and General Bohac would probably be better able to say-- it'd be-- the Joint Force Headquarters also has a beautiful display of the historic tradition of the Nebraska National Guard.

LONOWSKI: Yes, I was [INAUDIBLE].

JASON JACKSON: And over the past couple of years, we've been really pleased to work with Colonel Brewer as well, when he was chairman of this committee in terms of bringing some of that history, even to the kind of storefronts of our public buildings here in the capital environs area. So, yeah, I-- and I just think General Bohac will build upon that tradition.

LONOWSKI: OK. Thank you.

JASON JACKSON: Thank you.

SANDERS: Thank you, Senator Lonowski. Are there any other questions? Getting off easy.

JASON JACKSON: I-- yeah, I am.

SANDERS: Thank you for being here.

JASON JACKSON: The easiest yet, thank you.

SANDERS: Are there any other proponents? Any opponents? Anyone in the neutral? Well, then, thank you. We'll close on General Bohac's appointment, and we'll move towards Mike Gloor, member of, member of the Nebraska Accountability and Disclosure (Commission). Welcome back.

MIKE GLOOR: Thank you. Are these seats still wired? They used to be. I'm Mike Gloor, M-i-k-e G-l-o-o-r, currently here because I have an application in to be one of the commissioners for Accountability and Disclosure. I'm a native son of the state of Nebraska, born in Alliance, reared in Fullerton, and went to Hastings College, Senator Lonowski. Great school. And I actually graduated from Hastings College. But is the case-- and a number of people who were in the audience may still be-- know that I came from a generation where Vietnam was still an active war that was going on. And so, as soon as I graduated, I was drafted. Chose to enlist in the Air Force, and did that for four years. And while I was in the Air Force, I was, among other things, put in charge of an outpatient medical clinic. I also did some clinical care at that time, but I found that I enjoyed the administrative aspect of running the clinic more than the clinical component of it. And so, when I got out of the service, after-- with the help of the Veterans Administration, a couple of graduate degrees, I ended up ultimately becoming the president and CEO at St. Francis Medical Center in Grand Island, Nebraska, and served there for a lot of years. I had the pleasure at that point in time of serving on both the Nebraska Hospital Association board, and several committees for the American Hospital Association involved in advocacy. So I made trips into Lincoln, and numerous times, trips into D.C. I think a couple of those trips were with Senator Arch, who could share some stories, but then I could retaliate, so he likely won't be here to share those stories. But I knew Senator Arch from back when I was involved in running hospitals. I enjoyed that advocacy piece to the extent that, after a lengthy time building a \$100 million patient tower, and realizing I'd spent most of my career at St. Francis, decided it was time for a change. This was in 2007. And, because of term limits, District 35 was open, and so I ran for the Legislature, was elected, and then ran for re-election four years later. I served as vice chair of Health and Human Services. Surprise, surprise. But I also chaired Banking, Commerce and Insurance, and the last several

years, the body trusted me enough so that I served as chair of the Revenue Committee. And wouldn't that be an interesting position to hold? Yes, it would be. After I finished my legislative career, a number of organizations came to me and asked if I would serve on boards, and I have said "yes" to a lot of those boards. More recently, I got that phone call from a-- someone who placed my name in nomination for Accountability and Disclosure, and said I would in fact be interested in doing that. I'd tell you that I was surprised to the extent that my decades in health care administration and my two terms as a legislator really honed my skills on the importance of the issue of accountability and the issue of openness, and how those components lend itself to the integrity that the electorate expects from us as elected officials, appointed officials, and leaders in whatever capacity. And I pledge to bring that to this new position, if you pass along my appointment. And with that, I'm happy to answer any questions and I probably won't take names.

SANDERS: Senator Gloor, it's really good to have you here again.

MIKE GLOOR: Thank you.

SANDERS: And I was trying to calculate all your years of service for your community and your country, and your—well, 50 years probably.

MIKE GLOOR: Yikes.

SANDERS: And you're coming back again. So, with great appreciation—just can't get rid of you, can we?

MIKE GLOOR: I was--

SANDERS: And we're lucky that you aren't going away, and stay involved, so.

MIKE GLOOR: I'm honored that I am trusted to make some of these decisions and serve on some of these committees. Thank you.

SANDERS: And we appreciate it. Thank you. Let me see if the committee has any questions for you. Senator Cavanaugh?

J. CAVANAUGH: Thank you, Chair. Thank you for being here, Senator Gloor. Good to see you again.

MIKE GLOOR: Good seeing you.

J. CAVANAUGH: Thanks for your willingness to continue to serve. So you were appointed, and you, you have taken your spot, right? And your, your confirmation--

MIKE GLOOR: Yes. Yes. I've-- they've already seated me, pending-- or with the caveat of it has to be approved by the body. Legislative body.

J. CAVANAUGH: So you've been there during this period where we're basically looking for a replacement for Frank Daley, right?

MIKE GLOOR: Yes, I am. I have been-- well, my first meeting was in December, and I believe the interviews had already begun at that period of time.

J. CAVANAUGH: Well, I was gonna ask you if you could fill us in on how it's going, because I haven't heard that we have a new executive director yet.

MIKE GLOOR: I believe we have. I'm not sure. I'm-- I know a position will be offered. I don't know that it has been accepted. And so, to jump the gun on that would not be appropriate. But I think we're very close to being able to announce that there is somebody who has, in fact, been hired.

J. CAVANAUGH: Great.

MIKE GLOOR: Yes.

J. CAVANAUGH: Frank, who's been, what, in that position for forty-some years, and was an institution around here. And, as you correctly point out, the accountability is something that the voters really expect from us. We have a great system here that requires disclosures and--

MIKE GLOOR: Absolutely.

J. CAVANAUGH: And Frank was a steady hand at the, the--

MIKE GLOOR: I had a lot of respect for Frank. He, he was.

J. CAVANAUGH: So, I'm-- I, I think it's really-- this is a really important time to make a very conscientious hire. So I would-- I, I hope to hear good news soon, and I'm glad you guys are making--

MIKE GLOOR: I, I think you will, Senator.

J. CAVANAUGH: Well, thanks again.

MIKE GLOOR: Certainly.

SANDERS: Thank you. Are there any other questions? See none. Thanks again for your service.

MIKE GLOOR: Thank you.

SANDERS: Good to see you again.

MIKE GLOOR: Thank you for the work that you do, both legislatively as well as, I'm sure, within your own communities.

SANDERS: Thank you. I'll go ahead open for public comment. Any proponents? Any opponents? Any in the neutral? We'll go ahead and close on the appointment for Mike Gloor, and we'll move on to our third appointment: Lee Will, director of the Department of Administrative Services. Welcome.

LEE WILL: Thank you. Ready? OK. Good afternoon, Chairwoman Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Lee Will, L-e-e W-i-l-l, and I'm before you today requesting your confirmation of my nomination by Governor Pillen as director of the Department of Administrative Services, or DAS for short. Although I've spent nearly a decade at the state and had an opportunity to work with many senators, including several of you all on the state's budget, I want to take a moment to reintroduce myself and share my personal and professional background. I am the son and a grandson of steelworkers from Butler, Pennsylvania, 45 minutes outside of Pittsburgh. Naturally, I'm a Pittsburgh Steelers fan. My wife Amber, a Nebraska native, went to nursing school in the area, and convinced me to come back and live the good life in Nebraska. Frankly, this is one of the best decisions I've made in my life. Since then, we have established a home in Omaha with our two daughters, seven and five years old. I earned a Master's of Public Administration from the University of Pittsburgh, and a Bachelor of Arts in History pre-law from Indiana University of Pennsylvania. In 2015, I began, began my public service career at the state of Nebraska as Budget Management Analyst I, and Deputy Budget Administrator. In 2020, I was appointed as State Budget Administrator, and re-appointed as administrator in 2022. This past October, I was honored to be nominated by Governor Pillen to Director of DAS, for which I am seeking your confirmation today. DAS is a state agency that provides centralized support to

other state agencies. DAS has 423 public servants, and a budget of \$175 million. Our operations impact other agencies, and vice versa. Our agency is comprised of the following divisions: State Accounting, Building Division, Human Resources, State Personnel/Employee Relations, Task Force for Building Renewal, Risk Management, Transportation Service Bureau, Materiel, and State Budget Division. DAS has been graded-- granted remarkable responsibility in the system of our state government, and as such must set the tone for quality, efficiency and accountability in our operations. In leading this effort, my capability and qualifications to lead DAS is shown in my day-to-day track record. I conduct the state's business straightforward and with integrity. As State Budget Administrator, I facilitated passage of the state's balanced budgets, including the most conser-- conservative budgets in Nebraska history. In this process, I have had the opportunity to work with many senators, including fielding questions, leading budget briefings, and serving as a resource for senators throughout the budget process. I look forward to expanding my role at DAS and strengthen-- strengthening the agency and the state. Thank you for your time and your consideration of my nomination. I'd be happy to take any questions.

SANDERS: Thank you for your testimony. And I've got the great pleasure working with you the last few years.

LEE WILL: Yes, ma'am.

SANDERS: Thank you for sticking around. Appreciate it.

LEE WILL: Thank you for having me.

SANDERS: Let's check if there's any questions from the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair Sanders. Thanks for being here, Mr. Will. Good to see you.

LEE WILL: You, too.

J. CAVANAUGH: I've got a lot of questions, so I'll, I'll start with softballs. I didn't know you were a Pitt Panther.

LEE WILL: I am a Pitt Panther, yes. Proud Pitt Panther. Except volleyball; then I-- my allegiance would be a little bit divided. It's a-- yeah.

J. CAVANAUGH: [INAUDIBLE]. So you went through-- the-- we-- well, and first off, I have always appreciated working with you--

LEE WILL: Yes, sir.

J. CAVANAUGH: I appreciate your, your-- been great to work with, you've been great to fight with. It's always a pleasure.

LEE WILL: That's fair.

J. CAVANAUGH: And I do appreciate the time you came to visit with me about this. And when we talked, I kind of told you, you know, I'm new to Government— Government Committee. So DAS is kind of out of my comfort zone. You went through the departments. And so, I just was wondering if we can get a little bit broader definition of what's going on at DAS. You worked in the budget department, right?

LEE WILL: Yes.

J. CAVANAUGH: It's kind of what-- you were budget director.

LEE WILL: Yes.

J. CAVANAUGH: And I wrote down seven-- maybe I missed one. I didn't-- wasn't writing fast enough. But my interpretation is DAS is in charge of things like buildings--

LEE WILL: Yes.

J. CAVANAUGH: H.R., contract-- external contracts.

LEE WILL: Yes, sir.

J. CAVANAUGH: All right. And so-- I mean, that's-- some of my questions is trying to understand-- and we've talked about this a little-- is the state has engaged in no-bid contracts at some points in time.

LEE WILL: Mmhmm. Yep.

J. CAVANAUGH: And can you-- what's the, what's the limit at which-- or what are, what are the parameters under which the state can engage in a no-bid contract?

LEE WILL: Yeah, that's a great question. So there's, there's two kind of no-bid contract vehicles, if you will. There's a sole-source

vehicle, and essentially that's if you can't find another vendor to provide the same services. If you have a software company that is highly specialized, and there's not another software company that provides the same services, there is justification for a sole-source contract. The other vehicle would be an emergency justification, and that is done through the agencies. Now, that comes through our office and we make sure that they have the proper, proper documentation. But really, that's a time limit constraint vehicle. If it's-- if an agency service is unable to procure through a normal RFP method, then emergency contract vehi-- vehicle may be the way to go.

J. CAVANAUGH: And so this emergency— I have a recollection— correct me if I'm wrong— the Legislature passed a bill at some point in the last couple of years that had an emergency clause, that then resulted in an emergency no-bid contract. Do you recall that?

LEE WILL: Yeah, there have been a couple of contracts, I would say, in that realm.

J. CAVANAUGH: And so-- I guess-- is-- I, I-- just as we're talking right now, I'm thinking about what's the wisdom of creating a scenario where there's a necessity for an emergency no-bid contract?

LEE WILL: I mean, in, in the one that you're probably specifically referencing, I think there was a push by the Legislature to try to get these— one of the contracts would be the Epiphany contract to get efficiencies within state government. We wanted to make sure— the Legislature wanted to make sure that there was a two— to three—month timeline so we could actually get that contract signed and get it implemented and get it going. Usually through an RFP process, you're looking at anywhere from six to twelve months, so the Legislature put in that bill to actually have a time constraint on when we needed to procure those services.

J. CAVANAUGH: Gotcha. And I know that— obviously, that was not your—you're not in the Legislature, so it's a--

LEE WILL: Correct.

J. CAVANAUGH: It's just-- I, I had for-- honestly forgotten it was the Epiphany contract. I just-- people talk a lot. But when we're talking about government efficiency, isn't it almost-- what's the saying, the penny wise pound foolish to rush into an efficiency contract?

LEE WILL: I mean, I think we've made great strides. If you look at what we've done, Epiphany of how— has helped support, say, within child welfare, we've been able to reunify kids with their families, make sure that they're safer, save costs. HHS has been able to reduce their operating budget by \$35 million. And I would say, folks, you know, in the last 15 years haven't been able to see, see that within HHS. But we haven't cut any services. We're putting more money into DD, for instance— developmental disabilities. We want to exhaust the wait list. We think it's, you know, woefully unfair that folks who have a baby, who need services, aren't being able to be provided for five to six years. So we have some specific targets, measurements to provide services and assistance in Nebraska, and those folks that need lifted up, frankly, so.

J. CAVANAUGH: Gotcha. Well, I don't need to-- I can ask more questions, but I-- let somebody else have a chance, if they want.

SANDERS: Are there any other questions? Senator Hunt.

HUNT: Thank you, Chairwoman. Thank you, Mr. Will, for being here. I know you've been involved in the administration for a long time in different roles, and you shared a little bit about that. And now you're essentially overseeing all operations of state government—

LEE WILL: Correct.

HUNT: --at DAS. And so, I have a couple of questions for you. So, I know the governor is announcing a new initiative around immigration today. Did, did he already do that? Or--

LEE WILL: I don't know if that's been announced.

HUNT: Is that later? Have you, have you been a part of those conversations?

LEE WILL: On the outside. I haven't really constructed-- I'm not an attorney, so.

HUNT: OK. Can you commit to safeguards in sensitive locations for immigrants sweeps in places like schools and child care centers, and hospitals and churches? As part of the administration.

LEE WILL: Senator, respectfully, I think that's outside of my purview.

HUNT: OK.

LEE WILL: You know, I'd have to-- that frankly, would be a question for the administration, not for DAS.

HUNT: OK. Do you give input, or do you advise on questions like this to the administration?

LEE WILL: Not in that particular instance. Not, not on that one.

HUNT: OK. So in this position, you've been charged with implementing appropriations from the Legislature. There have been rumblings that I've heard from people in different agencies who wanted me to bring this question to you, that agencies don't automatically get their appropriations for the Legislature, that they have to request them, and then they're received. And there's a concern that this is slowing things down, that this is adding bureaucracy; it's making it difficult for them to provide services. So, a) I would ask, is this actually occurring? And b) what is your position on withholding funds from agencies that the Legislature has appropriated?

LEE WILL: Yeah, so, I can speak. You know, since I've been here for about ten years within the budget office, we do quarterly allotments. Allotments are providing 25% of appropriation on a quarterly basis. So essentially, we allow for, you know, every four months, 25% of appropriation. And that's been customarily done for the last 30 to 35 years. I know Gerry Oligmueller was in my role for 25 years and allotment's always been done to make sure that we maintain that cash flow for that appropriation. We have worked with code agencies in the last couple of years to set forth, "Hey, how much do you think, on a monthly basis, you believe you're going to spend?" We're always engage with, with—engaged with those agencies. And if an agency asks for an allotment increase to, say, make payroll or pay a bill, we, we usually provide that in an hour or two through the budget division. So it's something that an agency—we're always talking with them, and if there is an impediment, we want to work with them.

HUNT: OK. Thank you. And I've-- I have one more question. So another thing you're in charge of is implementing the governor's agenda around executive orders.

LEE WILL: Yes.

HUNT: So, as the COO of DAS before, what actions, if any, have you taken to implement the governor's executive order that he brought out

a couple of years ago that was called the, the Women's Bill of Rights executive order?

LEE WILL: Frankly, you know-- I've been here since October. I don't believe that there's any intersection at DAS in relation to that. I can tell you, the executive order that we have gone forward in building office space and other things is the remote work that was done about a year ago. We believe that that's a relic of COVID; folks should be in the office. We think taxpayers in Nebraska believe that their public servants should be in the office. That's really what, you know, from the executive order side, what we've been working on at DAS.

HUNT: OK. So you're saying as the chief operations officer of the state, the only executive order that you've been involved in implementing is around the remote work stuff?

LEE WILL: As of now.

HUNT: OK. So, has anything been done with the Women's Bill of Rights, executive order, any implementation? Any enforcement?

LEE WILL: I mean, the only thing I can tell you is, you know, within our DAS policies, for instance, restrooms. Restrooms are by biological sex, and that's how we define it for public employees. Haven't had an issue, but that would be the closest relation to that executive order.

HUNT: OK. Thank you.

LEE WILL: Yep.

SANDERS: Thank you. Are there any other questions? Senator Andersen.

ANDERSEN: Thank you, Chairwoman. Mr. Will, thank you for your testimony today. Thank you for being here. As a lifelong Lions fan, I promise not to hold your affiliation with the Steelers against you.

LEE WILL: Thank you, sir. I appreciate that.

ANDERSEN: As you know, we have some budgetary concerns and challenges right now. I'd like to give you the opportunity to expand. Senator Cavanaugh brought up efficiencies in the area of budget reduction and gaining efficiencies, and economies of scale, and things like that. I wonder if you have any comments you'd like to make specifically in those areas and efforts you'd like to undertake?

LEE WILL: Sure. You know, the economy's cyclical, so a lot of times we've seen ups, we've seen downs. If you look at the General Fund financial status-- the green sheet, as you guys all see-- it shows \$1 billion in the out years as, as negative. Now, obviously, the governor's recommendation to remedy to that and balance the budget provided for tax relief, stabilizing schools. One of the biggest hits that we got, it was the FMAP reduction, continuous eligibility for children for Medicaid coverage, and high-cost drug rebates. Over a four-year period, we lost about \$775 million from the federal government. So, you know, just those changes to those three programs within Medicaid cost us about \$775 million of our \$1 billion dollar shortfall that we see today. Largely, what we did is went through a process of looking at an agency's financial position. A fair amount of agencies have a lot of cash in the bank. We, we took a look at 25% of expenditures. Now, that's not the rule for everybody to see is there excess balances there that we could either leverage against general funds or sweep back to the General Fund to balance the budget? In large part, we haven't reduced many agencies. We've held a lot of agencies flat, but we've also made investments into things like-- I talked about DD, child welfare. We put a lot more money into Medicaid because we had unfunded med-- federal mandates. So we, we try to take an approach to make sure that services weren't impeding, but government wasn't growing and we were looking at how are we "valling"-- valuing the Nebraska taxpayer dollar, because there's 600 cash funds within, within state government. So, you have to look at the, the array of the financial situation of every agency.

ANDERSEN: Thank you.

LEE WILL: Thank you, sir.

SANDERS: Any others? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairwoman. And thanks again, Mr. Will.

LEE WILL: Yes, sir.

J. CAVANAUGH: You did touch on-- the thing I want to talk about was the return to work policy. So, you and I talked about this a little bit in my office, but I guess my one question is-- we-- you know, the governor ended the remote work. Does everybody that's a state employee have a place to work, like a desk, or an office? Or?

LEE WILL: To be honest with you, I would say about 90% do. There are the-- I'm just swagging the number-- about 10% that the office location is not provided. That was an actual carve-out in the executive order, if there isn't a place for those employees to go, then they could continue remote work. But we are working to provide more real estate for agencies, but we have to look at the costs as well to see if it makes sense. So-- but there are some folks that are still remote because of real estate.

J. CAVANAUGH: And I mean, that, that's a great point. So is there something-- I know, as you said, I'm sure you're right about the fact that Nebraskans expect state employees to be at work.

LEE WILL: Yes.

J. CAVANAUGH: But is there any thought or consideration to that balancing at a higher percentage than 10% to say, rather than build new offices or, or acquire new office space, that there are certain jobs that can be done as effectively, remotely?

LEE WILL: Yeah, I think that's a fair point. I think it's all about, you know, return on investment. For instance, if you're going to have to put \$5-10 million in a building to make sure that that other 10% comes in, you really have to make sure the return on investment is there, so. And there's obviously medical things that we're allowing some folks to be hybrid or remote. But I think it's kind of a case-by-case basis, but we're definitely not going to spend a lot of money to-- and, you know, I think we just have to balance how much we're spending versus the return on investment. And it's all going to depend on the agency and the services they provide.

J. CAVANAUGH: So-- and to kind of pivot a little bit, we have a state office building in Omaha.

LEE WILL: Yep.

J. CAVANAUGH: Is the-- is this administration committed to continuing to have a state office building presence in Omaha in the future?

LEE WILL: That's a great question. So in our budget recommendation, we actually asked, and we are preparing for an auction right now of the Omaha State Office Building. That building is, for lack of a better description, crumbling. It probably needs about \$20 million in maintenance, and we believe that developers, as prime real estate that we could essentially take some-- you know, auction--

J. CAVANAUGH: [INAUDIBLE].

LEE WILL: Yes, sir. We could take that auction and hopefully, hopefully, the state can benefit financially from that, and we can relocate those agencies currently within the Omaha State Office building. But we absolutely have to have a presence, but probably not in prime real estate area. I believe, through that sale, we're hoping we can get buildout done, every agency moved in about 24 months' period with the auction. And I'm hoping that we can give back \$5-10 million to the state.

J. CAVANAUGH: So we would net \$5 million on--

LEE WILL: Yes. After buildouts, and buying a new building--

J. CAVANAUGH: Gotcha.

LEE WILL: -- and going to a different location.

J. CAVANAUGH: And that's 24 months from?

LEE WILL: Probably from today. Yep. So if you know anybody looking for a location. [LAUGHTER]

J. CAVANAUGH: That building is in Senator Guereca's district. I can keep going; if anybody doesn't have any other questions, I've got more that--

SANDERS: I see none.

GUERECA: I'll follow it up on that. Do we have an idea of where the state's looking at purchasing a new office building?

LEE WILL: We have gotten—because originally, we were going down the path of a potential land swap. So, we had some developers who said, hey, we'll give you this office location if you, you know, give us the Omaha State Office Building. I just think there's such an opportunity there with other developers who want that location to essentially get more dollars to look at those facilities. So we have about three to four that we've identified that could fulfill our needs, but we're just trying to get the best bang for our buck for Nebraska.

GUERECA: It's in a great district. Hopefully you can find space elsewhere in LD7.

LEE WILL: Looking forward to working with you, sir. Thank you.

SANDERS: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks again, Mr. Will. You mentioned FMAP reduction, and so I've read some stories recently about the new federal administration has maybe-- is making some changes in federal funds that states may be counting on. Is there-- is that in track with that? Is that true?

LEE WILL: I've heard high-level, but I haven't heard specifics on that. Now, I will tell you, the governor's stance on the FMAP is— he believes it's unfair that it fluctuates depending upon how your economy and your unemployment rate is doing, right? So, state of Nebraska economy was humming along; people's personal income was going up comparative to the last three years, and we got the largest reduction of 3% versus any other state. And it's almost like we're being penalized because our state's doing so well. So, you know, he's going to— once things get settled, he's going to go down to Washington and see if we can get a pro rata kind of percentage, that we can count on a certain percentage to meet the needs of the population, because I think it's unfair that we go from 56% to 53% and have to come up with \$200 million just because our economy is changing and improving.

J. CAVANAUGH: Yeah. So are there-- I guess, are you having conversations in anticipation of, perhaps, a dry-up of federal funds that we may be currently counting on or drawing down?

LEE WILL: You know, of course, we're going through the paces to see where we would have additional dollars. But, like, one, for instance, that we would talk about that got passed last year was the provider assessment, hospital assessment. We essentially can assess hospitals and plus it up against federal dollars. Now, I will tell you about 43 to 44 other states also, also utilize this program. So, 44 other states would have to essentially vote to reduce the amount of federal funds that they have coming into the state. So, frankly, on that one, I don't, I don't see it happening. But I could be wrong.

J. CAVANAUGH: Well, at least you're ready to admit it.

LEE WILL: Yes.

J. CAVANAUGH: To kind of go back to the, the issue of the, the no-bid contracts. So, we've talked that— the Epiphany contract is one. And I

guess-- you know, there's a number of questions about that. I don't need to spend a whole lot of time talking about Epiphany. But I'm just curious about-- I read this article this summer and it jumped out at me about a-- this federal money, \$307,000-- or \$307 million for climate pollution grants. You familiar with that one?

LEE WILL: Yeah, the DEE?

J. CAVANAUGH: Yeah. And, and the state, I think, contracted with somebody named Julie Bushell? "Bushel?" Does that sound right?

LEE WILL: OK. Yeah. Sounds right.

J. CAVANAUGH: Doesn't ring a bell, or?

LEE WILL: I'm loosely, you know, understand that process. And my understanding is that's been vital in making sure that we are pulling down those \$307 million. It's been the largest grant, I think, within that agency's history. So I think, you know, kind of proof is in the pudding that we've been able to leverage that contract to pull down additional federal funds.

J. CAVANAUGH: So, yeah, can you, I guess, take a step back to broader strokes? So, the, the state contracted with Ms., Ms. Bushell, and that enabled us to get the \$307 million? Or we got the \$307 million, and then we contracted with her?

LEE WILL: It was contracted, then received the \$307 million.

J. CAVANAUGH: OK.

LEE WILL: And I believe that also had a timetable legislation that had a specific, hey, you have to contract with an entity by a certain timeline, and that's why an emergency vehicle was utilized.

J. CAVANAUGH: And so, in both that instance and, and Epiphany, how, how do you identify the entity that becomes the no-bid entity?

LEE WILL: I mean, I think it's-- you have to look at the agency to see what recommendations and needs that they need to fulfill. Obviously, Kris Cox with the Epiphany contract was budget director of Utah for ten years or so, had great background and looking at budgets and other things. So, it's really looking at the qualifications to see what fits to fulfill the mission that we're trying to achieve.

J. CAVANAUGH: But-- so, I guess-- forgive my ignorance, but how do you even-- how does she know-- Kris Cox is a woman, right?

LEE WILL: Yes.

J. CAVANAUGH: So how does Kris Cox know that there is this opportunity out there to begin with that? I mean, does she contact the state? Does the state put out, put out an RFP for a no-bid contract?

LEE WILL: Yeah, I think she has partnered with a fair amount of folks. I want to say Aksarben, she's worked with previously. So, there has been other work that she's shown improvement that I-- I believe it came to the governor's desk that she's-- she was able to provide some great efficiencies for state government.

J. CAVANAUGH: So there's no official mechanism by which you identify the no-bid bidder? Or, no-bid--

LEE WILL: No official mechanism, no.

J. CAVANAUGH: OK. I guess that— I guess I'm confused by that. I don't— I guess I'm not familiar with the contracting process enough. But it, it just seems that— so any— somebody can just suggest someone they know, and then that person gets the state contract if it's under an emergency scenario?

LEE WILL: Well, you have to make sure that they're fulfilling the qualifications. I mean, we couldn't hire anybody off the street to look at budget efficiencies. I mean, you have to look at somebody who's actually done the work. Kris has done the work within Utah for ten years, has shown great efficiency within that state government. And we believe the skills would, you know, fit right in with Nebraska. So, I mean, you can't just say, hey, we're, we're going to select anybody off the street. They definitely have to have the credentials, and they have to— definitely have to show the return on investment to get renewed.

J. CAVANAUGH: To get renewed?

LEE WILL: Yes.

J. CAVANAUGH: OK. So there's some kind of metric for the renewal?

LEE WILL: Absolutely.

J. CAVANAUGH: And, and I'm not, I'm not trying to single out Epiphany for any negative [INAUDIBLE]--

LEE WILL: Yep.

J. CAVANAUGH: --it's just sort of the-- trying to understand the process and using this as an example. But I guess I'm trying-- like, so-- do-- is there somebody's job in the department, if you don't have a recommendation, do they Google people? Do they-- just-- I'm just really trying to understand how, how you get the list of people who become the potential no-bid contractor.

LEE WILL: Yeah, most of the time-- I mean, there's only a certain amount of folks that are going to be qualified to look at the state budget. Again, Kris Cox worked with Aksarben, showed some great significant improvements on what they were trying to do, so we, we thought it'd be a great contractual relationship to bring her into state government, and I think we've done some great things to balance the budget, reduce costs, sweep cash funds, all the things that they recommended through their reports and other things.

J. CAVANAUGH: Well, I, I appreciate the insight. And I'll, I'll probably have a million more questions for you when we're not on the clock.

LEE WILL: Sounds good, sir. Thank you.

SANDERS: We still haven't gotten to proponents and opponents. Just to keep in mind. Senator Hunt.

HUNT: Thank you, Chair Sanders. I have a question for you. Something Senator Cavanaugh was talking about reminded me about the plan that was announced to cut nearly a thousand positions. Like, eliminate the positions that hadn't been filled in the last month or whatever.

LEE WILL: Oh. Yeah, sure.

HUNT: You know what I'm talking about?

LEE WILL: Yeah.

HUNT: Was that announced last year?

LEE WILL: Yeah, I think that's about right.

HUNT: Like, that's kind of a recent [INAUDIBLE]. How many of those positions have been eliminated at this point, and how much money did that end up saving taxpayers, do you know?

LEE WILL: Yeah. So there's been a, a couple hundred. And I'll just say-- I want to answer your question more deeply, so--

HUNT: Sorry, I should have given you this in advance, but it came to me when he was--

LEE WILL: No, that's, that's fine. There's been a couple hundred. But what we've done in state government, what Governor Pillen recognizes is, we've essentially cut our nose off to spite our face. So what we do, is we look at state government employees and, and they may not get paid enough, so we can't fill the vacancies. And then, we contract out with these high-paid vendors who don't have a lot of metrics in place to make sure that they're fulfilling the needs of Nebraskans. So what we're going through is not only a process and looking at our FTE counts—because that's only half the story, if not less—it's—we need to be looking at all these contractors and make sure that there's metrics in place so that they can show that they have a benefit to the citizens of Nebraska. I'd say a couple hundred, but agencies have the process, also, to recreate positions, so it's not just a closed gate.

HUNT: Do those have to be approved by DAS in any way, like if, if they want to create the position?

LEE WILL: Yeah. So in my previous capacity as budget director, came through the budget office for approval. We worked with those agencies. A lot of these were open for, you know, over 2,000 days, for instance, and you'd reach out to the department, and they really didn't have a good justification or said, "yeah, go ahead and close it." Most of the time, if an agency— almost all the time, if an agency had a good justification as to why they needed to keep that position, we kept it open.

HUNT: Not talking about keeping positions, but creating new ones. Like is that something that's occurring?

LEE WILL: Yeah, they still-- they come through our office as well.

HUNT: OK. And you kind of talked about contracting a little bit. So, this reduction in force-- and you said it's like 100 positions at this point?

LEE WILL: I, I want to say a couple hundred.

HUNT: I think-- the goal that they said was like nearly 1,000. So we're not near that type of number. It's just 100, or a couple hundred, or something?

LEE WILL: I think we're probably 400 to 500.

HUNT: OK.

LEE WILL: And this is, this is -- again, I'll get you exact numbers.

HUNT: Sure, sure.

LEE WILL: So sorry I wasn't prepped for that.

HUNT: That's OK.

LEE WILL: But this is on a rolling basis. So every 90 days, we're going to take a look at those positions that have been open for more than 90 days and vacant, and say, hey, does it serve a benefit to the citizens of Nebraska?

HUNT: Sure.

LEE WILL: Or is it just a boost the FTE count?

HUNT: So, have-- this reduction in force, the 100, or 500, whatever number it is-- has it resulted in more contracting?

LEE WILL: No.

HUNT: OK.

LEE WILL: Absolutely not. Most of these, just to be completely candid, were vacant positions that had been open for--

HUNT: Just cutting them completely?

LEE WILL: Yes.

HUNT: OK.

LEE WILL: Because, again, if we're going to cut an employee worth \$15 and pay a contractor \$55 an hour, that's-- that doesn't benefit the state at all.

HUNT: It seems-- I have the perception, and I think some other-- I think others have the perception that the use of contracting has gone up. Can you speak to that?

LEE WILL: Yeah. So, I mean, I look to the last number. We have \$26 billion in procured contracts at the state level. Now, we're not going to spend on all those contracts, but definitely, throughout COVID, we had a lot of vendors come in to help support those programs, so it probably spiked the cost, and I think it's a little apples and oranges, because we were doing so many different programs that were kind of getting stood up for one time purposes. But, you know, I would say my biggest legacy that I'd like to leave at DAS is we actually have a return on investment within these contracts, we actually have metrics to see— it can't just be, hey, and we've had this vendor forever; we got to keep them going for continue— continue— "continuality" of operations. We have to measure, we have to put into those contracts to say, hey, we're just not going to sign a renewal if you don't do your job. And, and we pay them a lot.

HUNT: OK. And then I'm-- I'll be done after this. I, I have one more question. I just want to return to the first question that I brought up, because I do feel like you dodged it a little bit. And it may be you don't know or I don't know, but-- the question about immigration enforcement--.

LEE WILL: Mmhmm.

HUNT: --in our child care centers, churches, schools, hospitals. I
know that you aren't COO, you know, director of DAS over churches,
over--

LEE WILL: Yeah.

HUNT: You know, I mean, there's--

LEE WILL: That's where it's hard for me to answer.

HUNT: It's not that you're going to touch all of this, but--

LEE WILL: Yeah.

HUNT: --child care centers. I mean, yeah, you do have some purview over these things. And so, I would like for you to share your view about, you know, if, if these kinds of places and locations in

Nebraska are going to be, you know, secure spaces, free from immigration raids in this administration.

LEE WILL: I mean, the state doesn't have any child care centers. So I don't-- for me to comment on a private business from the federal standpoint just doesn't seem in my purview.

HUNT: OK. OK. Got your answer. Thank you so much.

LEE WILL: No problem.

SANDERS: Senator -- Senator Andersen.

ANDERSEN: I have a quick, quick question. Mr. Will, you, you talked about the employment of contractors versus state personnel. So one of things is, having been a federal government employee and a federal government contractor, I found interesting was that it's not as straightforward as just saying this person gets paid \$15 an hour; this one's \$55. With a government employee-- I guess the question is, do you have the bottom-line number for what it costs for a contractor, typically, in the same position as a government person? I say that because what we found at the federal level is that, with a contractor, there is no sustainment tail. There is no Nebraska Retirement System, there's no health care, which all builds on not just the hourly wage, but comes out significant larger. Can you give us any kind of comparison between--

LEE WILL: Yeah.

ANDERSEN: -- the relative cost between a contractor and a, a state employee?

LEE WILL: That's a great question. I think the Department of Corrections, we've had great success in, in moving contracted nurses over to FTEs. And just for, you know, numbers' sake, we are paying those contracted nurses about \$105 an hour. About 30% went to the staffing agency, 30 to 40%. They also didn't receive health insurance benefits. Those employees actually wanted to be part of the state system. We brought them into the state system, all those, those nursing contractors, and we were actually able to save \$5-6 million just on that job classification. Director Jeffreys has been great. We're trying to do the same thing in HHS, IT-- there are some folks in the IT shop who are vendors who are making \$205 an hour. If you extrapolate that out, that's \$450,000 a year. Pretty good gig. So we are making sure that we have the in-house talent and we can develop

that. But there are going to have to be some times where we have to go outside our purview. I just feel, you know, quite honestly, we've done it too much in state government.

ANDERSEN: Thank you.

LEE WILL: No problem. Thank you.

SANDERS: Senator Guereca.

GUERECA: This'll be hopefully a quick one. Mr. Will, when, when was the governor's announcement to return to work? Just let me get that timeline.

LEE WILL: It was about January 2024.

GUERECA: OK. So in the last year, have we seen an uptick in departures from individuals that, because of that coming back to the office, that they have pursued other opportunities in the private sector?

LEE WILL: Not that I can put my finger on. I will tell you, hiring has been up in the most recent months. And I wouldn't say that that's related necessarily to remote work or not. It's just related to-- I think the economy is more normalized after COVID. So, I don't think that we saw a significant exodus with, with this executive order. And in fact, I think in most recent months we've done pretty well at the state in hiring folks.

GUERECA: OK. Thank you.

LEE WILL: Yep.

SANDERS: Any other questions? See none.

LEE WILL: Thank you very much.

 ${\bf SANDERS:}$ Thank you very much for being here. Thank you for answering all of the questions.

LEE WILL: No problem.

SANDERS: Well done. Now I'll open for proponent. Anyone who'd like to speak, please do so. Welcome back.

JASON JACKSON: Thank you.

SANDERS: All yours.

JASON JACKSON: Thank you once again, Chairwoman Sanders, and members of the committee. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n, and I'm here to testify in support of the nomination of Lee Will as director of the Department of Administrative Services. I wanted to share that neither Lee nor the administration were expecting me to be here this afternoon; I'm, I'm here completely of my own volition. And I wanted to come in particular on this nomination to share something that I think is a bit of important historical information for members of the committee that I think reflects very well on both Governor Pillen and Director Lee. Director Will, excuse me. And that's that, historically, the DAS director was frequently a political operative. It was regarded as kind of a backwater agency. It was regarded as a place where you would kind of have, like, a political sinecure for, you know, some sort of-- for a political ally or a, a, a campaign operative, or that type of thing. And the role was often just looked at as kind of, hey, you know, put, put a top on the lid of the bureaucracy so negative news doesn't spill out that will reflect poorly upon the administration. And when Pete Ricketts appointed me to the role back in 2018, it was a break from that kind of longstanding practice. And that was a recognition that, hey, this, this agency is heavily involved in government operations, and it's been under-leveraged as an opportunity to really drive value for Nebraskans and drive services for Nebraskans. And I think it's to Governor Pillen's credit that he's staying with that tradition. And it's to Director Will's credit that he's thought of as somebody that can continue to drive and build that progress in state government operations. And with that vision in mind, I can think of no better leader to lead this agency right now. You know, just with Lee's-- you know, his operational rigor, his leadership acumen, his values, and in particular, his budget and business acumen will-- that he'll bring to this role will be unprecedented in terms of the level of expertise that will be able to be brought to bear, and I think our taxpayers and our citizens will be the beneficiaries of that. And so, once again, I think credit to Governor Pillen on a wonderful choice, and I offer my, my full endorsement to, to Lee Will. And just as kind of a personal privilege, I'll also say, you know, when my, when my associates at the agency when I was transitioning -- you know, their concern was, hey, what does this mean for us? And what I assured them was, hey, we could do no better than having Lee come in and be a steward of this agency. He understands the operations, he understands what we do, he understands the value that the agency brings to Nebraska, and I just

think he's a wonderful choice. And I encourage you'll-- your full support.

SANDERS: Thank you, Mr. Jackson. Now, I'll see if there are any questions for you from the committee. I see none.

JASON JACKSON: OK.

SANDERS: Thank you very much. Are there any other proponents? Any opponents? Any in the neutral? Thank you very much. We'll go ahead and switch to our next appointment. Kevin Workman, member of the Personnel Board. Welcome, Mr. Workman.

KEVIN WORKMAN: Good afternoon, Senator Sanders, members of the committee. My name is Kevin Workman, K-e-v-i-n W-o-r-k-m-a-n, and I am honored to be present with you all today as part of the confirmation hearing for my appointment to the State Personnel Board. So, by way of introduction, just to get to know me a little bit more personally, since I don't have the notoriety of those who have gone before me, I was born as a fifth- generation farm boy in southeast Nebraska. I had the privilege of being raised in a small town, graduating from a small school of Table Rock, which really embodied the, the Nebraska values that we all hold dear. I'm a follower of Jesus and the blessed husband of nearly 44 years. A father of 6 children and 11 grandchildren, most of whom live here in Nebraska. By way of my career journey, I've enjoyed a wonderful variety of leadership positions, serving people in hospital administration and patient advocacy in the Kansas City area, vocational pastoral ministry, facilities management, and human resources. And that career journey took me out of Nebraska to Missouri and Wyoming, Indiana and Ohio, before I returned back to Nebraska in 2017. So, most relevant to my appointment to the State Personnel Board are my human resources credentials and experience. I obtained my human resources certification institute, senior professional in HR in 2007, and then in 2015, my Society of Human Resources Managers senior certified professional. I've had elements of human resources woven throughout my career experience, but have been a dedicated practitioner in that field for the last 17 years. These last 17 years have included HR positions in the public and private sectors. I spent 11 years with a Fortune 50 company, Lowe's Home Improvement; 6 years with the state of Nebraska, and nearly 2 years most recently with a large local church, overseeing operations. Specifically, I joined the state of Nebraska as the HR director of the Nebraska State Patrol in 2017, and then was invited to transfer to the Department of Administrative Services and served under and with Director Jason

Jackson as the director of talent acquisition and workplaces, also becoming a deputy state personnel director later that same year. I was appointed to the state personnel director position in 2020, and in 2022, I added HR shared services to my portfolio of responsibilities. And in May of 2023, I retired from the state. I know I don't look that young. During my time with the state of Nebraska, I had the opportunity to participate in 3 labor bargaining cycles as a member of the negotiations team. I also was partially overseeing the revision-the first revision since 1998-- of the classified rules and regulations for state personnel. And so, this experience and that time with the state allowed me to get very intimately acquainted with the labor contracts, as well as the state personnel rules and regulations, establish relationships with essentially every agency, board and commission of the state, as well as the labor unions themselves, and-as we worked diligently to find win-win situations and shared-interest negotiation style. So I'm very proud of those opportunities. As a member of the Personnel Board, I'll continue to be committed to ensuring those contracts and rules are administered rightly, so that the commitments and benefits afforded to our state teammates are preserved, protected and rightly applied. So I'm requesting your confirmation for my appointment, and I'm glad to take any questions at this time.

SANDERS: Thank you for your testimony, and thank you for your service to people for those many years.

KEVIN WORKMAN: Thank you.

SANDERS: I'm going to open to see if the members have any questions. Senator Guereca.

GUERECA: Thank you, Mr. Workman, for, for being here today. I'm a new member of the Legislature, certainly new to the Government Committee. Can you give me just a quick overview of kind of what the State Personnel Board does, and what you, as a member, would-- what your responsibilities would be?

KEVIN WORKMAN: Sure. That's, that's a great question. So, as state personnel director, I've worked closely with the State Personnel Board during my tenure in that role. They are private citizen appointees who have the qualifications to help adjudicate, decide on labor grievances, employee grievances, to make sure, in the case of labor contracts, that those contracts are properly carried out and there aren't any misapplications of the, the contract. Ensuring that those

that are covered under the labor contract are afforded their rights according to the contract. So when there's a difference of a period-opinion between an employee and the state, the State Personnel Board is the one to come in and objectively mediate that, whether it's a labor contract, or state employees who fall under the classified rules and regulations.

GUERECA: So you're-- you-- the State Personnel Board isn't, like, actively part of the negotiating team. It's sort of an oversight, if there's any disputes?

KEVIN WORKMAN: Right. It's not a part of the negotiation team. Once the labor contracts or rules are established, then it's, it's the role of the State Personnel Board to make sure that those are properly applied. And, and in the process of grievances, and that sort of thing.

GUERECA: Thank you, sir.

SANDERS: Thank you. Are there any other questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Workman. A very apt name for personnel and HR.

KEVIN WORKMAN: I've got that before.

J. CAVANAUGH: Darn. I thought I was going to be the first.

KEVIN WORKMAN: Trying to live up to my name all my life.

J. CAVANAUGH: So in terms-- so, the Personnel Board is-- how many members are there?

KEVIN WORKMAN: Currently, we have the chair and then four other members, including myself.

J. CAVANAUGH: And they're precluded from being state employees, right? As members of the Personnel Board?

KEVIN WORKMAN: Yes.

J. CAVANAUGH: Yeah. Are any of the other ones on the board former state employees like you are?

KEVIN WORKMAN: Yes. I can recall two: Jerry Lee Jensen [PHONETIC] was a long time HR professional with the state, I think of over 40 years.

And then, Erin Bond served an HR role at Department Administrative Services. We had a little bit of overlap before she left the state and took a private sector job.

J. CAVANAUGH: And so, when people come in front of the HR board-- or, Personnel Board, sorry-- with the-- these grievances that need mediation, what are-- who are the adverse parties? It's the employee and their department head? Their-- who, I guess [INAUDIBLE] mediating, or?

KEVIN WORKMAN: Well-- yeah. There will be-- the, the employee themselves, and if they're represented by a union or whoever may represent them, and then there's the agency and their perspective that's represented.

J. CAVANAUGH: And in the Department of Administrative Services, personnel director and all those positions you had, what was your interaction then with the Personnel Board?

KEVIN WORKMAN: Mostly, my role as state personnel director, I would just keep them apprised of general news, developments, when we revised the state personnel-- the classified system rules and regs, keeping them apprised of what's going on.

J. CAVANAUGH: So you were never one of the parties, I guess?

KEVIN WORKMAN: No, no. The way that the committee works is there's a public session, if you will, where I'll give a report from the state personnel office-- director's office-- and then, for any situations that go into related to a grievance, they'll go into a, a executive or private committee meeting, and those are discussed privately. And I don't take part-- I did not take part of those conversations.

J. CAVANAUGH: Well, thank you.

KEVIN WORKMAN: You're welcome.

J. CAVANAUGH: Are there any other questions? Senator Wordekemper.

WORDEKEMPER: Thank you, Chair. Just for my clarification, so you're basically the mediator between-- within the state. And that's different than the court of industrial relations that would do outside contract, is that correct?

KEVIN WORKMAN: Yes, absolutely. The CIR would rule on labor disputes that went beyond the-- beyond the purview of the State Personnel Board.

WORDEKEMPER: OK.

KEVIN WORKMAN: And, and I might make a clarification in terms of our mediation. Often, a hearing officer will be assigned to a particular case that will hear the sides and then make a recommendation to the State Personnel Board. Then we discuss that, and decide whether to agree or disagree or partially agree with the recommendation of the hearing officer.

WORDEKEMPER: OK. So you're just basically dealing with state employees to handle, other than the, the CIR. Two separate things.

KEVIN WORKMAN: Correct.

WORDEKEMPER: OK. Thank you.

SANDERS: Thank you. Any other--

GUERECA: [INAUDIBLE]

SANDERS: Senator Guereca.

GUERECA: So the State Personnel Board, is that only between disputes of members of the bargaining unit? Or is it any employee, even if they're not a part of a bargaining unit, that they have a dispute with their--

KEVIN WORKMAN: Correct. It can be a part of a bargaining unit of the, the four bargaining units, or somebody that's not a part of the bargaining unit. So any state employee.

GUERECA: Gotcha. OK. Thank you.

SANDERS: Any other questions? Seeing none. Thank you very much for your testimony.

KEVIN WORKMAN: Thank you.

SANDERS: We'll now go into any proponents that would like to come up and speak. Welcome back, Mr. Jackson.

JASON JACKSON: Last time, I promise. Today, anyway. Good afternoon, Chairwoman Sanders and members of the committee. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n, and it's my pleasure to testify in support of the nomination of Kevin Workman as a State Personnel Board member. Kevin is just a wonderful leader. He's a personal mentor of mine. He's a fabulous HR professional. And so, I just wanted to share for a couple of minutes my prior professional experience working with him. I was on the hiring panel that hired Kevin when he took his first role in state government in 2016 at the Nebraska State Patrol, which, again -- historical perspective -- some of you may remember the State Patrol, as an agency, was going through a lot of turmoil at that time. Dick certainly remembers that. And, and as a consequence, there was cultural challenges, there was workforce challenges, there was labor challenges, and Kevin provided really a conscience and a leadership at that agency, along with Colonel Bolduc, who made that hire to really kind of right the ship and put that agency on the trajectory that is currently on and, and restoring the Nebraska State Patrol to the preeminent position of, of Nebraska's foremost law enforcement agency. And after he did that for a couple of years, that was around the time I took over administrative services. And, and so Kevin was my first choice to come be a state personnel director at the Department of Administrative Services, which really gave him the portfolio of overseeing all HR operations for state government. And what I observed about Kevin-- well, first of all, what I think will be of interest to the body. The man doesn't have a political bone in his body, OK? So-which was frequently a source of frustration for me. But-- just-- you know, in terms of the-- what he's being nominated for, for-- I think that ought to be reassuring. What's more is you will not meet a more level-headed and even-handed person. Senator Cavanaugh, the inference I drew from your line of questioning is, hey, by nominating a former HR professional, do we create a bias in this body? That's not my experience with this board. I would also just highlight for the committee, as you guys are probably newly appreciative of -- a lot of times, these boards and commissions, they're all volunteer positions. They're thankless jobs. It's really hard to find people who are willing to volunteer, much less people that have the credentials of somebody like Kevin Workman. And so, filling these positions, it's frequently-- we look for people who are even-handed professionals that have experience with our labor contracts, with the state personnel rules, and we can trust to arbitrate these disputes in an even-handed way. In my direct experience working with Kevin over the past several years, is there's nobody who's more even-handed in terms of the application of our rules. And it would-- it was a, a frequent

occurrence that an agency would try to do something wrong and apply discipline in a case where they hadn't followed the rules. And Kevin would say, no, you got to— you got to go back, and we got to remedy that for the employee, or otherwise secure the process so that it meets our standards of fundamental fairness. And so I have every confidence, and I would hope the committee would have every confidence, that he'll bring that same kind of values—driven decision making and experience to the State Personnel Board. And so, for those reasons, I encourage you to support his nomination.

SANDERS: Thank you, Mr. Jackson.

JASON JACKSON: My pleasure.

SANDERS: Let's see if there are any questions for you. Wow.

JASON JACKSON: OK.

SANDERS: Thank you very much for being here.

JASON JACKSON: Thanks, team.

SANDERS: Are there any other proponents? Any opponents? Any in the neutral? That will close our hearing on appointment of Kevin Workman. Thank you very much.