

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

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[LR278CA LR284CA]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Friday, February 5, 2010, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR278CA and LR284CA. Senators present: Bill Avery, Chairperson; Scott Price, Vice Chairperson; Robert Giese; Charlie Janssen; Russ Karpisek; and Kate Sullivan. Senators absent: Bob Krist and Rich Pahls. []

SENATOR AVERY: Good afternoon. Welcome to the Government, Military and Veterans Affairs Committee. My name is Bill Avery, Chair of the committee; I represent District 28 here in Lincoln. Before we get started, let me introduce the members of the committee. Starting on my right, Senator Pahls will not be with us because of illness. Senator Janssen is supposed to be here, and we expect him to show up later. Senator Giese is from South Sioux City; and sitting next to him is Senator Scott Price, the Vice Chair of the committee, from Bellevue. To my immediate right is Christy Abraham, the legal counsel. And on my left is Senator Russ Karpisek from Wilber; he is sitting next to Senator Kate Sullivan from Cedar Rapids. Senator Bob Krist from Omaha has been excused for the day; I think he is performing some flying duties. And at the end, down there, is Sherry Shaffer, the committee clerk. If you are planning to testify for or against or in neutral on any of these bills, we ask that you fill out this form; they are available at each door. Please print clearly your name and other information asked for on the form; and when you get up here to testify, simply hand that to the clerk. If you do not wish to testify but you would like to go on record for or against a bill, we ask that you fill out this--add your name to this list, and we will collect them. They are also available at each door. When you are testifying, we want you to spell your name clearly for the record; everything is being recorded so that we have an accurate record of what transpires in this hearing. Spell your name carefully. And when you are testifying, try to pay attention to what preceded you so that you don't repeat testimony that has already been given. If you have any handouts that you would like the committee to look at, please provide 12 copies to the clerk, and she will have the pages distribute it. The pages are Lisa Cook from Omaha and Mark Woodbury from Oswego, Illinois. We welcome you all here today. We will follow the order as--the agenda is posted outside the door. We have two interesting resolutions proposing constitutional amendments today. And we'll start first with Senator Nordquist and LR278CA. Senator Nordquist, welcome. []

SENATOR NORDQUIST: Thank you, Chairman Avery and members of the committee. My name is Jeremy Nordquist, and I represent District 7 in Omaha; that's N-o-r-d-q-u-i-s-t. LR278CA would put Nebraska voters in control of top government official salaries by putting the Governor and other constitutional officers' salaries in the constitution--similar to what we have with state senators. Since the overarching goal of this constitutional amendment is to give the voters direct control, the amendment also rolls back...there is a provision that also rolls back the salaries to increases approved by the Legislature in 2006. LB817, that bill which was enacted, increased salaries of the

Transcript Prepared By the Clerk of the Legislature  
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Government, Military and Veterans Affairs Committee  
February 05, 2010

---

Governor, Lieutenant Governor, Secretary of State, Auditor, Attorney General, and Treasurer by a total of \$125,000 a year. It's worth noting that that bill was passed despite a veto by Governor Heineman at the time. Putting the elected officials' compensation up for a vote of the people sends a clear message that we work for the citizens as public servants. The voters are our bosses; and like any relationship, they should get a say in our pay. More importantly, by putting compensation levels of these elected officials into the constitution, along with the salaries of senators, this amendment harmonizes and consolidates the way we determine all state officeholders' pay. I appreciate your time today. I can read...I'll read off real quickly what the amounts are for each office. I don't know if the committee has that in front of them; but for the Governor, currently it's \$105,000; it would go back to the amount prior of \$85,000. Lieutenant Governor is currently \$75,000; that would go back to \$60,000. Secretary of State is \$85,000 and would go back to \$65,000. Auditor is \$85,000 and would go back to \$60,000. Attorney General is \$95,000, would go back to \$75,000. And State Treasurer is \$85,000; and that would go back to \$60,000. I'd appreciate any comments or questions you may have. [LR278CA]

SENATOR AVERY: I think I'll start. [LR278CA]

SENATOR NORDQUIST: All right. [LR278CA]

SENATOR AVERY: What...how do these salaries that you're proposing compare with other states? [LR278CA]

SENATOR NORDQUIST: It would keep us towards the bottom. We are still at the bottom; I don't think it would move us much. There's a...we're in the bottom handful right now, and it wouldn't drop us more than a few states, according to NCSL. We would still be in the bottom five or six, where we are now; but we wouldn't be at the ultimate bottom. [LR278CA]

SENATOR AVERY: So--so your proposal then would put the constitutional officers in the same position we are, that is, needing a vote of the people to get a salary change. [LR278CA]

SENATOR NORDQUIST: That's right. [LR278CA]

SENATOR AVERY: Do you remember when was the last time that senators had an increase? [LR278CA]

SENATOR NORDQUIST: Yeah. I believe it was on the 1988 ballot, and the voters since then have told us numerous times: No, no pay raises for senators. And yet we've continued in statute, as actions of the Legislature, to give pay raises to our constitutional officers. [LR278CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR AVERY: But you agree that state senators are underpaid? [LR278CA]

SENATOR NORDQUIST: You know, with the economic times that we're in right now, I appreciate the action from Senator Flood to take it off the ballot; I don't think now is the time to give a raise. But we haven't seen an increase since 1988, so I wouldn't say that we're overpaid by any means. [LR278CA]

SENATOR AVERY: No, and I agree with the actions taken, too, to keep it off the ballot this time. But I guess what I'm suggesting is that if we do this, then our executive team and the constitutional officers might be in the same fix we are. [LR278CA]

SENATOR NORDQUIST: I think ultimately I trust the voters of Nebraska at some point to say: Yeah, it's reasonable to give these people a raise. I mean, with, you know, as you're talking to people in my district who are seeing their salaries and hours cut at work and benefits cut, you know, looking at, you know, 85...ranging from \$85,000 to \$60,000 for constitutional officers I don't think is unreasonable. [LR278CA]

SENATOR AVERY: Well, my concern would be that we might lock the constitutional officers into an untenable position, much the same way we are. [LR278CA]

SENATOR NORDQUIST: Yeah. [LR278CA]

SENATOR AVERY: I mean, it's not untenable for people like myself and others who don't necessarily need the money, but we don't want to have our constitutional officers, at least in my opinion, open only to those people who don't need the money. I think we need to be aware that compensating our leaders fairly and justly and in a way that allows them to serve without great sacrifice is probably something we need not to lose sight of. [LR278CA]

SENATOR NORDQUIST: Yeah. I agree with that sentiment, but I think the voters ultimately would make reasonable decisions to keep, you know, a reasonable pace on these salaries. [LR278CA]

SENATOR AVERY: Of course, it's possible the voters just dislike us so much that... [LR278CA]

SENATOR NORDQUIST: Well, that could be, too--some of us anyway. [LR278CA]

SENATOR AVERY: Any questions from the committee? Senator Janssen. [LR278CA]

SENATOR JANSSEN: Thank you, Chairman Avery. Senator Nordquist, thanks for bringing this. It's definitely a good discussion, which is probably all that it will become.

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

---

[LR278CA]

SENATOR NORDQUIST: Thanks. [LR278CA]

SENATOR JANSSEN: But a fun one, nonetheless. [LR278CA]

SENATOR NORDQUIST: Yeah. [LR278CA]

SENATOR JANSSEN: Do you think...you'd mentioned we work for the people, our salary is set in statute. So does the Governor; so does the Attorney General; so do a lot of state employees right now. And state employees that are covered by unions that are not taking reductions in pay, in fact, are getting increases this year. Do you think it would be a good idea if we threw them in the constitution and the people would understand when it would be a good time for them to get a raise too? [LR278CA]

SENATOR NORDQUIST: You know, I don't know about the constitution; but with the direction of the, you know, what governs what their salaries are--we know we have a fixed budget in the state, and if they choose not to take...you know, for instance, today they passed on freezing their pay--that it's likely several of them, or a large number of them, will lose their jobs. So they have that--and they need to realize that they have that fear there. But as far as employees like that, I don't know; they're not elected positions. So, you know, I wouldn't say putting that in the constitution would make as much sense. [LR278CA]

SENATOR JANSSEN: I hear what you're saying; I appreciate you answering that. I just, obviously, said it to make a point that... [LR278CA]

SENATOR NORDQUIST: Yeah. Sure. Yeah. [LR278CA]

SENATOR JANSSEN: ...and I agree that sometimes it's good for everybody to take a little bit of a step back. [LR278CA]

SENATOR NORDQUIST: Yeah, and I hope they realize that, with saying no to reduced--you know, pay freeze or pay reduction, that they're likely putting a number of jobs in jeopardy. [LR278CA]

SENATOR JANSSEN: Thank you, Senator Nordquist. Chairman Avery. [LR278CA]

SENATOR AVERY: Anybody else? Senator Karpisek. [LR278CA]

SENATOR NORDQUIST: I think Giese has... [LR278CA]

SENATOR AVERY: Oh, I'm sorry; I'll get you... [LR278CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR GIESE: Go ahead. [LR278CA]

SENATOR KARPISEK: I was just pointing at you, Senator. [LR278CA]

SENATOR GIESE: Oh. [LR278CA]

SENATOR AVERY: Go ahead; I recognized you. [LR278CA]

SENATOR KARPISEK: No, I was just pointing at him, to say... [LR278CA]

SENATOR AVERY: Oh. [LR278CA]

SENATOR NORDQUIST: Oh, he's pointing at Bob. Go ahead, yeah. [LR278CA]

SENATOR GIESE: Thank you, Chairman Avery. Senator Nordquist, did you bring this bill just for discussion purposes today? [LR278CA]

SENATOR NORDQUIST: Well, discussion and, you know, looking at...when we--I looked at it, you know...we save \$125,000 a year that...you know, with the fiscal situation we're in, every little bit helps; so that's part of the reason I brought it, too--is the fiscal impact of it. And we all know that political salaries, you know, if they're left up to policymakers, become a political football that probably needs to be deflated at this point in time and left in the hands of the voters, I think. [LR278CA]

SENATOR GIESE: Okay, well, then, I'm not going to tell you that I'm just going to--you know, we're just going to leave it at discussion level... [LR278CA]

SENATOR NORDQUIST: Yeah, sure. [LR278CA]

SENATOR GIESE: ...so I can't go out on that limb yet, but I do have a legitimate question for you... [LR278CA]

SENATOR NORDQUIST: Yeah. [LR278CA]

SENATOR GIESE: ...if we set it at whatever it is, at \$85,000--or go back to \$85,000, can it go any lower? Can the voters vote to make it lower, then? [LR278CA]

SENATOR NORDQUIST: They would...they would have to...there would have to be another...if this was adopted, there would have to be another constitutional amendment, then, to come in and adjust that number. [LR278CA]

SENATOR GIESE: Okay. [LR278CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR NORDQUIST: Yeah. You're right; so it would lock...that would be...would...you know, if, you know, the economy fell apart, and \$85,000, you know--it would be locked in stone, much like our \$12,000, I guess. But you couldn't go lower unless you had an amendment to change that. [LR278CA]

SENATOR GIESE: Thank you. [LR278CA]

SENATOR NORDQUIST: Yep. Unless you put language that said "up to," which I don't think it says in there. I think it's a fixed sum. Yeah, a fixed sum of \$85,000. [LR278CA]

SENATOR GIESE: Okay. [LR278CA]

SENATOR AVERY: Senator Karpisek has a question. [LR278CA]

SENATOR KARPISEK: Thank you, Senator Avery. Senator Nordquist, do these salaries--or these positions have benefits? [LR278CA]

SENATOR NORDQUIST: Yeah, they receive state benefits. [LR278CA]

SENATOR KARPISEK: State benefits, which, of course, we do not. [LR278CA]

SENATOR NORDQUIST: Yeah. [LR278CA]

SENATOR KARPISEK: I mean, it would be nice to try to tie the Governor's salary with the senators' salaries somehow. I will go out and say I think we're underpaid, for you. However, we don't have trouble filling these spots either. [LR278CA]

SENATOR NORDQUIST: That's right. [LR278CA]

SENATOR KARPISEK: And people spend a lot of money to get here. [LR278CA]

SENATOR NORDQUIST: I think we have 49--or close to 49 very thoughtful and...no, there are 49 very thoughtful individuals in this body. [LR278CA]

SENATOR KARPISEK: I knew it was directed to me, so I'll take that. [LR278CA]

SENATOR NORDQUIST: Intelligent people who are willing to make that sacrifice and work for \$12,000 in this job, and I would assume...I mean, there would be a number of people that would be willing to make that public-service sacrifice at \$85,000 for the Governor's position as well. [LR278CA]

SENATOR KARPISEK: I guess I wanted to ask: Why are you rolling it back? Is it just

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

---

the...instead of setting it where it is now? [LR278CA]

SENATOR NORDQUIST: Just for the kind of the cost-savings provision. I talked to a couple of members as I introduced this, and some liked the idea of rolling it back but not putting it in the constitution; some liked the idea of leaving it where it is but putting it in the constitution. So, I thought we would put it in like this to have that discussion, at least to begin with, and see if there's any movement. [LR278CA]

SENATOR KARPISEK: And I hope that this doesn't turn into a partisan discussion, because... [LR278CA]

SENATOR NORDQUIST: No. [LR278CA]

SENATOR KARPISEK: ...I don't think I...I don't think that's your intent. I hope... [LR278CA]

SENATOR NORDQUIST: No. And I would...I would...you know, I don't know where Governor Heineman would be today, but when he vetoed the bill, these were the rates that he thought in 2006 were appropriate at least. So. [LR278CA]

SENATOR KARPISEK: Very good. Thank you, Senator. [LR278CA]

SENATOR NORDQUST: Yep. Yep. [LR278CA]

SENATOR AVERY: Any other questions? What do you think about the idea of amending this to include state senators? Oh--differently...I didn't mean it quite like that. What do you think about moving state senators out of the constitution and letting the Legislature set its own salary, but it wouldn't be able to take effect until after the next election? So we'd all have to stand for election and take the consequences of our votes. [LR278CA]

SENATOR NORDQUIST: Yeah. I haven't thought about that much. I would be concerned of the...just the political rancor that would go on over those decisions, and I think having the body set it itself is a little concerning. I know Congress does that, and there's, you know, it's the...I don't know that they've ever controlled their salaries to the point that they should sometimes, but I would give it some more thought, I guess. I haven't, at this point, thought enough...thought that through enough. [LR278CA]

SENATOR AVERY: Well, right now we're the only part of government whose salaries are set in the constitution. [LR278CA]

SENATOR NORDQUIST: Yeah, that's locked in, yeah. Um-hum. [LR278CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR AVERY: Are you at all concerned about cluttering the constitution with a lot of things that perhaps don't belong in the constitution? [LR278CA]

SENATOR NORDQUIST: That it becomes...becomes too much like a statute book? There are bills that come along that I do have that concern on, but I think this...we already have the precedent, and the voters initially put that in the constitution for senators, and I don't think this is that far away from that precedent that's already been set in our constitution. [LR278CA]

SENATOR AVERY: Any more questions? Seeing none--you're going to stay to close? [LR278CA]

SENATOR NORDQUIST: Thank you, you guys. Yeah, if there's any other testifiers. [LR278CA]

SENATOR AVERY: Okay. All right. Any proponent testimony? Anyone here wish to offer Senator Nordquist some support? Seeing none, we'll move to opponent testimony. Neutral testimony. Do you still want to close? [LR278CA]

SENATOR NORDQUIST: I think I'll waive closing. Thank you. Thank you all. [LR278CA]

SENATOR AVERY: Okay. That ends the hearing on LR278CA, and we will now move to LR284CA. Senator Utter, welcome, sir. I think this is your first time before this committee. [LR278CA]

SENATOR UTTER: This is; and my good friend, Senator Avery, thank you for the kind welcome. My name is Dennis Utter; last name is spelled U-t-t-e-r for the record. I represent District 33, which is out in south-central Nebraska. Before I begin, let me just say to all of you that if I have said anything or done anything that has caused any of you any heartburn, I want to profusely apologize for that since you are now sitting in judgment of what I consider one of my important bills. (Laughter) [LR284CA]

SENATOR AVERY: Do we have a chance to enumerate all of the times you've done that? [LR284CA]

SENATOR UTTER: Good afternoon, Chairman Avery and committee members, colleagues. Today I'm coming before you to introduce LR284CA, which is a constitutional amendment that would abolish the office of State Treasurer. The amendment would be placed on the ballot in November and, if adopted by the citizens, would be effective January 1, 2013. Paraphrasing some words of Ronald Reagan when he said that we are a nation that has a government, not the other way around--I feel the same way about our state. We're a state that has a government and not a government that has a state. And I believe that one of the things we've got to do is to be sure that we



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Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

keep that thought in mind as we proceed. One of the main reasons that I sought to become a state senator, honestly, was to look for ways to streamline state government--to make state government smaller, more efficient, more transparent, and more effective. And I sincerely believe that LR284CA can be the beginning of the process to achieve these goals. We must look at ways to eliminate redundancy, eliminate duplication, enhance efficiency, eliminate waste, and increase transparency. Specifically, the State Treasurer is a department that I think has duplication and redundancy in it. And it is specifically--it is a office, a department of state government that, in my opinion at least, is largely ministerial. It's largely administrative. It does administrative duties that are, quite frankly--some of them, I think--in duplication with duties that are provided by other departments of state government. For example, the Department of Revenue is charged with the responsibility of receiving and accounting for all funds flowing into state government. The Department of Administrative Services performs the disbursement function. The State Auditor's Office provides the checks and balances that--that audits all of these offices and provides the auditing function. In addition to receipts and disbursements, the State Treasurer also manages and administers the unclaimed property laws, the college savings plan, the long-term care savings plan, state child support disbursement function; they maintain the state's Web site, Nebraskaspending.com. And there seems to me to be logical agencies to reassign those duties to, including HHS, the State Department of Education, the Nebraska Investment Council, the Department of Administrative Services, the Department of Revenue, and maybe even some others. So let's talk about money. That seems to be one of my favorite subjects. The total budget of the State Treasurer's Office is about \$26.5 million. Of this, about \$5.5 million are administrative costs; \$2.1 million of those administrative costs are furnished by the federal government in a partnership cost-sharing plan over the disbursement unit for child support. That leaves about \$3.5 million that has to come from general funds and cash funds that is generated by the Treasurer's Office. The only real savings that I honestly can sit here and guarantee to you today is the \$117,000 which is the current Treasurer's salary plus benefits. It is not intended that the elected Treasurer be replaced with an appointed treasurer in a similarly paid executive position. Those duties, those responsibilities, I think, are to be reassigned to the various department heads that are going to manage the functions of the Treasurer's Office. It is my belief that substantial savings and administrative costs can be realized as the duties of the office are folded into existing straight agencies...state agencies. There are other things to note with regard to this proposition. There are 11 states that have an unelected state treasurer: Alaska, Florida, Georgia, Hawaii, Maine, Maryland, Minnesota, Montana, New Hampshire, New Jersey, and Virginia. There's an additional state, Tennessee, that the legislature elects the treasurer, which I thought was an interesting idea. The titles for these states that have an appointed so-called treasurer vary from the department...from the head of the department of revenue to commissioner of the department of revenue to the director of the department of revenue, the chief financial officer, the director of finance, the commissioner or manager of the budget, and etcetera. This is not, I want to point out, a

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

new, unique, or unprecedented idea in Nebraska. In the '80s there was legislation brought forth to do this very thing, or similar thing, with regard to the State Treasurer's Office. In the 1990s, Senator LaVon Crosby of Lincoln brought forth legislation to abolish the office of State Treasurer. Her legislation also suggested that we abolish the office of the State Auditor and combine those two offices into a position known as the state comptroller. I have real...would have had, I think, real hesitation at that time, because I think the auditing function of state government demands a somewhat independence if it's going to be effective; and I would be a little reluctant, I think, to ever include the State Auditor as one of the state agencies, much preferring that the State Auditor be elected as a representative of the people to provide the checks-and-balances function for state government. Finishing up, an argument that I've heard is that since the Treasurer is beholden to the people of Nebraska through the election process, then some oversight by the people over state finances is being taken away if you eliminate the office of State Treasurer. I would counter that the Governor appoints the heads of all the divisions that would be taking over the duties formerly performed by the Treasurer's Office, and the Governor is beholden to the people of Nebraska through the election process also. Additional oversight, as I pointed out, is provided by the State Auditor adding more checks and balances to the system. I also want to say to you and to make it very clear that this is not in any way intended to be a referendum on or an indictment of our current State Treasurer; this is purely a cost-saving move. And his decision to not run for re-election makes it an opportune time, I think, to introduce this idea. In the end, the merits of this proposal need to be decided by the people of the state of Nebraska, because if you folks see forth...see fit to advance this to the Legislature and the Legislature puts it on the ballot in November, then it's the people's decision. And I think, rightfully, it is a decision that the people should decide on. Finally, as I said in the beginning of my testimony, I believe we as a Legislature have an obligation to the citizens of Nebraska to streamline state government--to reduce its size, to make it more transparent, and certainly in the end to get the maximum mileage out of the taxpayers' dollar. I've heard many similar statements from a number of my colleagues that are similar to that. I believe that we should provide more than just lip service to these concepts, and I think this is a--would be a beginning to accomplishing that goal of reducing the size of state government. Some of you probably won't recognize this name, but I can remember--Senator Avery probably will...but Will Rogers, a great American that had a lot of neat things to say, once said: You know, we should all be very happy that we're not getting as much government as we're paying for. But I have a tendency to agree with Will Rogers in that regard; I think that the taxpayers deserve a fair shake and should get no more and no less government than they're paying for. And I'm certain if you ask all of them, they will agree they may be paying for too much government right now. With that, I'll stop; I'll be happy to answer any questions that you may have. [LR284CA]

SENATOR AVERY: Thank you, Senator. I hope I'm not the only one up here that remembers Will Rogers. [LR284CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR UTTER: Well, I do. [LR284CA]

SENATOR AVERY: Let me ask you: Have you thought about some additional savings other than the salary of the Treasurer? Staff reductions perhaps, expenses of the office, travel expenses? [LR284CA]

SENATOR UTTER: Absolutely, Senator. There's no question but what there's lots of ways that there could be savings realized. For example, simply eliminating the redundancy and the duplication will cause less staff people to be used to perform this function. One of the departments that I've talked to in this regard says that he can probably...that department can probably absorb the things that the State Treasurer does with very little, if any, additional personnel. The Treasurer's Office has about 55 employees--sizeable number of employees. If...and I'm not sure that this in any way would create a situation where all of those employees would be affected, but--and would not transfer to some other departments, because I'm certain that some of the duties, as they are transferred, could use the expertise of those people that are already there. But I would expect that we would see a substantial savings in the administrative costs of that office as we roll these duties into other agencies and other offices that could absorb at least a part of those duties without the addition of additional personnel. [LR284CA]

SENATOR AVERY: There might be some additional savings from taking this office off the ballots too. I don't know how much you would save there, but you might save some. [LR284CA]

SENATOR UTTER: Oh, I'm sure there's some savings there, Senator, yes. [LR284CA]

SENATOR AVERY: But the overall budget for the office is \$26.5 million. [LR284CA]

SENATOR UTTER: Yes; and, of course, a lot of that budget is in the return of aid-type things, but the...if you look in our appropriations handbook, why, you'll see that the budget is about \$26.5 million. The...approximately \$21 million of that is in the form of things that go back to--aid to counties, aid to state government, some of those type of things--city government, those type of things. The important thing to focus on: this bill wouldn't change those. The important thing to focus on is that there's about \$5.5 million worth of actual administrative costs of running state government: \$2.1 million of that is furnished by the federal government in a cost-sharing process over the distribution of the payments to...the payments to....oh, the...find it here...over the payments of the child support disbursement function. That's a kind of a cost-sharing situation for us. The balance of it is--you know, it costs money to support 55 employees, particularly when some of them may be doing duplicative-type functions. [LR284CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

---

SENATOR AVERY: Senator Price. [LR284CA]

SENATOR PRICE: Thank you, Chairman Avery. Thank you, Senator Utter. You mentioned in your testimony that there are 11 states that have some form of appointed treasurer, correct? [LR284CA]

SENATOR UTTER: Yes. [LR284CA]

SENATOR PRICE: Do you have any states that don't have any treasurer at all? [LR284CA]

SENATOR UTTER: Well, I am certain that the commissioner of the department of revenue, for example, in the state of Alaska is a position that's equivalent to our--the head of our Department of Revenue. Thus, no specific treasurer. I am certain that when you look at the...at the commissioner of management and budget in the state of Minnesota, that that means there's no specific duties of a treasurer in the state of Minnesota. [LR284CA]

SENATOR PRICE: All right. [LR284CA]

SENATOR UTTER: When you look at the director of the department of revenue in the state of Montana, that means that there is no treasurer in the state of Montana any longer. Montana and Minnesota are probably two of the recent states that have abolished the office of treasurer. [LR284CA]

SENATOR PRICE: Okay. Do you know...are you concerned at all that there'd be a shell game--we get rid of an elected office, but then we end up having someone appointed and create another office? I mean, you know, like you said, we have someone who...they actually have individuals who probably do the same duties. [LR284CA]

SENATOR UTTER: Some states have appointed treasurers with the specific name of "treasurer." I would hope that when the time comes, that the Legislature takes care of that issue to the point that we don't establish another executive position in state government and that these duties are folded into existing departments. [LR284CA]

SENATOR PRICE: Okay. And do these last two states of Montana and such have...did they provide any cost savings that they were able to realize yet? [LR284CA]

SENATOR UTTER: That was the reason that they abolished the job; now I...they abolished the office...I haven't specifically talked to people in Montana or Minnesota to see what the real savings ended up being. I can only surmise. [LR284CA]

SENATOR PRICE: All right; thank you very much, Senator Utter. [LR284CA]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Government, Military and Veterans Affairs Committee  
February 05, 2010

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SENATOR AVERY: Senator Sullivan has a question. [LR284CA]

SENATOR SULLIVAN: Thank you, Senator Avery. Thank you, Senator Utter. A couple of questions: You mentioned that you've talked with some other departments about the possibility of taking over some of the responsibilities--you mentioned the Department of Revenue. Have you talked to other elected officials, like the Secretary of State's Office--or what other departments have you talked to? [LR284CA]

SENATOR UTTER: Actually, I haven't at this stage of the game. I have...but I have visited specifically with the Department of Revenue, and they're basically already doing that job; and then it represents, kind of, a duplication, I think, when it gets to the Treasurer's Office. [LR284CA]

SENATOR SULLIVAN: Now, do I understand the way the bill is written right now that--of course, we'll be electing a new Treasurer this fall, and so then that person would serve until 2013, is that correct? [LR284CA]

SENATOR UTTER: Yeah, it would be...as I would view it, it would...he would have an opportunity to do a very orderly and smooth close-down of the Office of State Treasurer over the next two years. I will tell you that it's interesting that in state statute there's references made to State Treasurer, like, almost a thousand times, in our statutes. So this is going to...it would take a substantial bill to clean up those references, and that's the reason that we felt like we should go out two years, to give us...to give the Legislature the sufficient amount of time to make all of the necessary changes that need to be made to transfer the duties of this office to the other agencies. [LR284CA]

SENATOR SULLIVAN: In addition to the Legislature having some responsibility to do that, do you think that needs to be part of the bill--that someone is, I guess, essentially given the responsibility to make sure that there is an orderly hand-off of all the responsibilities? [LR284CA]

SENATOR UTTER: I would say that in January of next year, probably one of the bills that we'll need to start on will be the bill that will start that process, and that will give the new Treasurer direction and to--as to which way the Legislature prefers him to proceed. [LR284CA]

SENATOR SULLIVAN: Thank you. [LR284CA]

SENATOR AVERY: Senator Janssen. [LR284CA]

SENATOR JANSSEN: Thank you, Chairman Avery. Senator Utter, I have no axes to grind with you, so you're all right before you got here. So. I think it was Florida, maybe,

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where--I could have the state wrong--the state treasurer ran, and he ran on the ticket of: I will abolish this office if I'm elected. [LR284CA]

SENATOR UTTER: Exactly right. [LR284CA]

SENATOR JANSSEN: And he got elected, and he did abolish the office. [LR284CA]

SENATOR UTTER: That's right. Right. [LR284CA]

SENATOR JANSSEN: And I would imagine over that time he did things such as you just talked about: cleaned up the books for their senate and house and however they did that and reconciled everything and then transitioned out of the office. As you know, Treasurer Osborn is done, and his seat is open. Have you given any thought to possibly filing for Treasurer and running on that same ticket? [LR284CA]

SENATOR UTTER: No, sir. I think I've got a big...I've got as big a job as I can handle right here, Senator Janssen; and so, no, I'm not going to file for the office of State Treasurer. [LR284CA]

SENATOR JANSSEN: Well, I mean, you should do it before Senator Nordquist rolls back the pay (laughter) is the other...just as a point. [LR284CA]

SENATOR UTTER: Yeah, you're right. [LR284CA]

SENATOR JANSSEN: Thank you, Senator Utter; Chairman Avery. [LR284CA]

SENATOR AVERY: Any other questions from the committee? Seeing none, thank you, Senator. Are you going to remain for closing? [LR284CA]

SENATOR UTTER: Yes. [LR284CA]

SENATOR AVERY: Okay. Proponent testimony? Anyone wish to testify in support of LR284CA? Seeing none--opposition testimony? Anyone wish to testify in a neutral position? You took the wind out of the room, Senator. You still want to close? [LR284CA]

SENATOR UTTER: I think I've done that. [LR284CA]

SENATOR AVERY: Okay. All right, that ends the hearing on LR284CA, and that is the hearings for today. [LR284CA]