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Nebraska Retirement Systems Committee
February 05, 2009

[LB23 LB205]

The Committee on Nebraska Retirement Systems met at 12:10 p.m. on Thursday, February 5, 2009, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB23, LB205, and confirmation hearing. Senators present: Dave Pankonin, Chairperson; Jeremy Nordquist, Vice Chairperson; Lavon Heidemann; Russ Karpisek; LeRoy Louden; and Heath Mello. Senators absent: None. []

SENATOR PANKONIN: Good afternoon. I'd like to welcome you to the Retirement Systems Committee. I'm Senator Dave Pankonin from District 2. And we have a few general rules that I know most of you are probably used to with all the committees, but we'd like to have you turn off your cell phones or put them on manner mode. We do have testifier sheets in the corner. The testifier box is over by our committee clerk. When you are recognized to speak, please spell your first and last names for the clerk and transcriber. We have a light system but we don't use it in this committee, so don't worry about that. After testimony, please stay seated for a few moments in case there's questions. I'm going to have the Senators introduce themselves in a moment here, but I'd like to introduce our committee counsel, Kate Allen, and our committee clerk, Denise Leonard, for you today. And so I'll have the Senators introduce themselves starting with Senator Karpisek. []

SENATOR KARPISEK: Senator Russ Karpisek from Wilber, District 32. []

SENATOR NORDQUIST: Senator Jeremy Nordquist, District 7, from Omaha. []

SENATOR HEIDEMANN: Senator Lavon Heidemann, southeast Nebraska, District 1. []

SENATOR PANKONIN: Thank you. And Senator Nordquist does serve as Vice Chair for the committee. Good afternoon. We want to begin our hearing today with a confirmation hearing for Gail Werner-Robertson, who is being reappointed by the Governor to continue her service on the Nebraska Investment Council for a second five-year term. She began serving on the council in 2003. After Ms. Werner-Robertson has been interviewed, we will ask for anyone who wishes to testify as a supporter or opponent or in the neutral position to come forward. But right now, we will have Ms. Werner-Robertson come forward and tell us about her background and experience on the Investment Council. [CONFIRMATION]

GAIL WERNER-ROBERTSON: Good afternoon. It's a pleasure to be here on such a beautiful day. I've had the pleasure of working on the council, as you said, since...oh, do you need my address? G-a-i-l W-e-r-n-e-r-R-o-b-e-r-t-s-o-n. As I said, I've been on the council since 2003, first as a member and then as the chairperson for the last three years, and my background is in financial services. I've owned a broker-dealer which I

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managed for 12 years and sold to Securities America. And now I run a family office where we do investment planning and estate planning. [CONFIRMATION]

SENATOR PANKONIN: Thank you. Are there any questions? [CONFIRMATION]

SENATOR NORDQUIST: Just quickly, thanks for your service, Ms. Werner-Robertson. You know, we've been grappling with some issues on the Appropriations Committee and looking at the Investment Council. What, you know, in your opinion, you know, with your experience in the investment world, what do we need to do to make sure that the Investment Council has what it needs to get the job done? [CONFIRMATION]

GAIL WERNER-ROBERTSON: That's a really good question. I think it's probably one of the major things we're grappling with as a council. It's really important to have the proper individuals and the proper tools for them to do their job. And probably today, more than ever, you realize what the risks are if we don't have all of those people and tools in place. So I think we really need to look at making sure that we have the dollars available to run the office as a professional office realizing that. I believe we run the...the more money in the state of Nebraska than any other organization. We have a tremendous amount of assets and, you know, all of the state's assets are under our care. So we certainly take that very, very seriously. And it also requires us to have very high-level individuals and a lot of technology anymore. As you'll see how fast markets move, you really have to make sure you have technology in place and the individuals in place, as well as consultants, which we utilize, you know, tremendously, which helps, you know, expand our staff. But I do think it is going to be one of the big things we will grapple with and as a chairperson that I'm most concerned about. You know, staff turnover happens when you don't have enough resources to keep things in place. And it also was, you know, frustrating, for our state investment officer to not have resources, and I think it made him feel like he had fiduciary responsibility without having the ability to make sure he could, you know, offset that fiduciary responsibility with all the tools that he needed. [CONFIRMATION]

SENATOR NORDQUIST: Sure. And with the right amount of investment on our part, are you convinced that we'll be able to attract the talent we need and have the professionals in house? [CONFIRMATION]

GAIL WERNER-ROBERTSON: I think it really...I'll answer that in two parts. I do believe that you can build a talented staff in Nebraska. If you look at Ameritas, Mutual of Omaha, I mean we have some...Berkshire Hathaway, we have some great examples of very, very fabulous firms that do a great job and they have recruited talented staff and have kept them here. It really comes down to, you have to have a long-term plan that those people believe you are willing to invest for a long period of time while you grow that. And if they don't feel confident that you are really behind that program and they think that the resources could be pulled away, then it becomes very difficult, I think, to

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attract the kind of people that you need to have. [CONFIRMATION]

SENATOR NORDQUIST: Thank you. [CONFIRMATION]

SENATOR PANKONIN: Thank you, Senator Nordquist. Senator Heidemann, do you have a question? [CONFIRMATION]

SENATOR HEIDEMANN: Do you...is it your personal opinion, we should do more things in house? [CONFIRMATION]

GAIL WERNER-ROBERTSON: I think there's a couple of things that we can do. First of all, we do manage the OIP internally and that is a very large job. And just to handle that the way I think we would want to handle it, we need more resources. So even if we didn't bring more things internally other than the OIP, we really don't have the resources I think we should have, even to just handle that. Okay, secondly, we're going to be having a change in our state investment office and that person who leads the talent and leads the office, I think will really write the mission statement as to how much we should bring internally. So I don't think today I would tell you we would bring everything internal, but I would love to see us have the resources to be able really manage our cash management in our OIP internally. But, you know, we need more resources even to do that, even without looking at bringing anything else internal. [CONFIRMATION]

SENATOR HEIDEMANN: Okay. Thank you. [CONFIRMATION]

GAIL WERNER-ROBERTSON: You bet. [CONFIRMATION]

SENATOR PANKONIN: I also want to acknowledge that Senator Louden has joined us, and Senator Karpisek had a meeting. There will be senators, some coming and going, as we have events. Sherrie just informed me we don't have volume right now, but she's let Chuck know. Any other questions for Ms. Werner-Robertson while she's here? Seeing none, thank you. [CONFIRMATION]

GAIL WERNER-ROBERTSON: Thank you, all. [CONFIRMATION]

SENATOR PANKONIN: Is there any other comment on this person being nominated, this confirmation hearing, any supporters or opponents or anybody wants to testify any further on this? All right. Seeing none, we will close the confirmation hearing and thank Ms. Werner-Robertson for being with us today. And then the next item up is LB23 by Senator Friend, is the principal introducer. Welcome. [CONFIRMATION]

SENATOR FRIEND: (Exhibit 1) Thank you, Mr. Chairman, and members of the Retirement Committee. My name is Mike Friend, M-i-k-e F-r-i-e-n-d. I represent northwest Omaha, District 10 in the Legislature, and I am here to introduce LB23. I'm

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introducing it on behalf of the State Treasurer. This instance it happens to be Shane Osborn and the bill makes a change to the membership of the Nebraska Investment Council by extending voting privileges to the State Treasurer. As I am sure the Committee is aware, the Nebraska Investment Council is currently comprised of seven people, five of whom are appointed by the Governor. The other two council members are the State Treasurer and the Director of the Public Employees Retirement Systems, both of whom serve in an ex officio nonvoting capacity. The green copy of the bill also permits any member of the council to serve as its chairperson. Currently on one appointed member may serve as chair. For clarification purposes, I'm offering an amendment...I forgot to pass it out before, beforehand. For clarification purposes, I'm offering an amendment, AM114, for the committee's consideration qualifying that a voting member may be selected by the Governor to chair the council. Also AM114 will apply the same fiduciary duties placed on the council's appointed members to all of its voting members. I want to thank the committee legal counsel, Kate Allen, for bringing this matter to my office's attention and providing assistance with the drafting of that amendment. And I want to thank the committee for their consideration of the bill. This just makes sense to me. I don't know...that's why I brought the bill. I got a chance to talk to...I don't care who the State Treasurer is. I don't care what the timing is. This just made a lot of sense to me. I could be wrong. I know that there's some folks behind me that...I've been wrong before, by the way. (laugh) I have, and...but I think in this case there was some common sense wrapped around it and when I discussed this with Treasurer Osborn he convinced me of that. And I think at the very least it deserves some solid discussion, so. That's all I had, and I'd be happy to answer any questions I could. [LB23]

SENATOR PANKONIN: Thank you, Senator Friend. Any questions? [LB23]

SENATOR NORDQUIST: Just as a general principle, Senator Friend, do you have any level of concern, I know Treasurer Osborn has, you know, vast experience in financial dealings and I, you know, think he has the experience to be on the Nebraska Investment Council and be a voting member. But what about Treasurers down the road, and this is up to the will of the people, and do you have any kind of concern that, you know, we might be putting in as Ernie used to say, a "mule skinner" or, you know, someone with no investment experience and giving them a voice on this board? [LB23]

SENATOR FRIEND: None. And that's a good question. I'm glad you asked it, Senator, and I'm not placating you. I mean, we're talking about a Treasurer elected in a popular vote by anybody who is willing to vote in this state. I mean, you talk about fiduciary responsibility. No, none. I mean, and if we make that kind of mistake and we elect a Treasurer that shouldn't be in that position, I think the least of our problems is the, you know, the situation that we're discussing right now. We've got bigger problems than that, so. [LB23]

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SENATOR NORDQUIST: Thank you. [LB23]

SENATOR FRIEND: Sure. [LB23]

SENATOR PANKONIN: Any other questions? Senator Louden. [LB23]

SENATOR LOUDEN: Thank you, Senator Pankonin. Senator Friend, I guess I need a little bit of clarification here. Now, that council then is made up of appointed people, is that correct? Now, or will be? [LB23]

SENATOR FRIEND: Yes. Five of them. [LB23]

SENATOR LOUDEN: Yeah. Then the State Treasurer will be the only one that isn't an appointed person on there? [LB23]

SENATOR FRIEND: No, I believe the other...unless I'm mistaken, somebody can correct me, and the other one would be the Director of the Nebraska Public Employees Retirement System. But... [LB23]

SENATOR LOUDEN: Is he an elected official? [LB23]

SENATOR FRIEND: I don't have the answer to that. [LB23]

SENATOR LOUDEN: Or how does he get there, you know, from that? And then the other question then is, is the State Treasurer... [LB23]

SENATOR FRIEND: Well, by statute, I think. [LB23]

SENATOR LOUDEN: Okay. The State Treasurer then is, can he be a, what you say, a "receivee" of the employment retirement, the Nebraska employment, is he on the Nebraska employment? In other words, I guess, do we have an elected official that you're electing to be on this council and yet he can receive benefits from the employees retirement fund? [LB23]

SENATOR FRIEND: That's a good question too. I don't know the answer to that Senator, but I...Senator Pankonin's smiling. He may know the answer. He can't answer the question right now. I don't know, Senator, I don't know. [LB23]

SENATOR LOUDEN: Okay, well, somebody will tell us. [LB23]

SENATOR FRIEND: Sorry about that. [LB23]

SENATOR LOUDEN: I was just wondering when this thing was set up what they're line

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of thinking was then. Why they didn't have the State Treasurer as a member back then, I guess. [LB23]

SENATOR FRIEND: I should have been prepared for a question like that, and I apologize. [LB23]

SENATOR LOUDEN: Well, okay. Thank you. [LB23]

SENATOR FRIEND: Sure. [LB23]

SENATOR PANKONIN: Thank you, Senator Louden. Any other questions for Senator Friend? Seeing none, Senator Friend appreciate you coming in, and we'll take now proponent testifiers. Welcome, Treasurer Osborn, how are you today? [LB23]

SHANE OSBORN: I'm very good Chairman. How are you? [LB23]

SENATOR PANKONIN: Good. [LB23]

SHANE OSBORN: (Exhibit 2) Good afternoon, Chairman Pankonin, and members of the Retirement Committee. I am State Treasurer Shane Osborn, S-h-a-n-e O-s-b-o-r-n. Today I am here to speak in support of LB23, which allow those who are elected as State Treasurer to sit on the Nebraska Investment Council as a full voting member. Presently, the Nebraska Investment Council consists of five members. You heard this before from Senator Friend, so I won't repeat it. But as you know, the Investment Council manages the investments of over 30 different entities, numerous organizations that may be included in an entity, such as many of the separate departments of state government in the operating investment pool, and the college savings plan of Nebraska, which I am the trustee of. For all those entities the council's responsibilities are primarily asset management. It does not determine the amount of funds contributed to nor disbursed from the funds it manages. So that will get to your question a little bit in here, Senator Louden. Since the Treasurer can be viewed as the state's chief financial officer, I don't believe it's unreasonable to empower the office with the same responsibilities bestowed to those who comprise the Investment Council as gubernatorial appointees. Currently, the law only provides that the State Treasurer is a nonvoting ex officio member. The State Treasurer attends the meetings. I can voice my opinion, of course, in fiduciary matters, give recommendations to other members, but in the end I'm unable to cast a vote on how the state of Nebraska invests its money. As State Treasurer my constitutional authority is to receive and disburse state funds and to keep a just, true and comprehensive account of all money received and disbursed. So helping to provide official guidance in how the state invests its money, I believe falls squarely within the purview of my constitutional authority. Elected officials, like us, works at the behest of the citizens and as such, provide the taxpayers with a voice on matters of significant importance. In my opinion, the role and duties of the Nebraska Investment Council are

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not just important, but they directly affect the financial wellbeing of the citizens through the various retirements plans it manages as well as the college savings program. While I truly appreciate the commitment and hard work from the citizen members who compromise the Investment Council, at the end of the day they're simply unable to provide Nebraskans with the same level of accessibility and accountability that elective officials such as I can. Right or wrong, support or oppose, any vote that ultimately affects the general public should also come with the opportunity for scrutiny as well as comment. This is why elected officials have an office, a telephone number, a Web site, an e-mail address, to provide access to their constituents. As lawmakers who cast votes on a regular basis, I'm sure you can all appreciate this. By passing LB23, you'll be strengthening the Nebraska Investment Council by allowing the only individual who gained membership through a statewide election, the opportunity to represent those constituents by casting votes on their behalf. I thank you for your consideration of this matter and encourage you to advance LB23. There's a couple points that with Senator Loudon, I wouldn't be on the public retirement board, so I wouldn't be able to direct pension, how pensions get paid out or how they come in. We just simply direct the investments, sir. So I knew you had a question there, and were there any other questions for me? [LB23]

SENATOR PANKONIN: Well, we'll see if there are any other questions for the State Treasurer. Senator Nordquist. [LB23]

SENATOR NORDQUIST: Thank you. Thanks for coming, Mr. Treasurer, and thanks for your service to the state. The Nebraska Investment Council in statute, 72-1239.01, the appointed members of the Investment Council discharge their duties when dealing with retirement system assets, educational savings plan assets. It says solely in the interest of the members and the beneficiaries of the retirement system or the interest in the participants and beneficiaries of the educational savings plan. And in your comments you mentioned, you know, voting, you'd serve at the behest of the citizens, you're voting for the citizens interest. How do you kind of rectify that, that in statute there's a fiduciary responsibility to the plan members? [LB23]

SHANE OSBORN: Sure, we have a fiduciary responsibility. As treasurer I face fiduciary responsibilities every day, and at the end of the day that's where you're priorities lie. However, you do...you are responsible directly to the people. That's a two-term limited position as well, as you all know. It's constitutionally two-term limited to serve in office but the importance here is that you also answer to the people as well. So there's direct access. I also would...I'm not sure if any of you Senators have had conversations about this to anyone but everyone I know thinks I'm already a voting member. People come to me with questions on this all the time. My staff and I put a lot of work into the Investment Council. It's a great council. And at the end of the day, I, and the Governor agrees with me wholeheartedly on this, think that if you're going to be put all the time, you're going to be held accountable by the people, you should at least have a vote on the council.

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And you got a question earlier, Senator, about what if we get a Treasurer that might be a little out there or somethings wrong with him that you would question their abilities. Well, you still have five other council members to vote, so it's not as if the Treasurer can come in and just do what they want. They're just one of the six voting members if this were approved. [LB23]

SENATOR NORDQUIST: Sure. And my lone concern is that there could potentially be conflicts between your service and your serving on behalf of the citizens, and Ms. Werner-Robertson and other members, who according to statute need to be acting solely on behalf, or in the best interest of the retirement members. [LB23]

SHANE OSBORN: Absolutely. And I'm well aware of the fiduciary responsibilities. I think Treasurers in the past have been. But I think that, you know, if anyone can relate, it's you Senators here that have that same potential conflict but you put that aside and you have fiduciary responsibility. [LB23]

SENATOR NORDQUIST: Thank you. [LB23]

SENATOR PANKONIN: Thank you, Senator Nordquist. Before I recognize Senator Louden, I'd like to mention Senator Heath Mello has joined us. But Senator Louden, I think had a question. [LB23]

SENATOR LOUDEN: Yes, as I was looking here, Treasurer Osborn, the other five members actually serve at the pleasure of the Governor, is that correct? [LB23]

SHANE OSBORN: Yes, they do. [LB23]

SENATOR LOUDEN: They're there for five year terms, but as I see in statute, he can actually pull them off if there's a problem or he thinks there's a problem. In other words then, the Treasurer would be the only person on there that wouldn't be serving there at the pleasure of the Governor, is that correct? [LB23]

SHANE OSBORN: Yes, you would be providing an extra balance, so to speak, as well. [LB23]

SENATOR LOUDEN: Yeah, and you would be an elected official serving on there for your term of office, however long you would be voted in office, which is every four years? [LB23]

SHANE OSBORN: Maximum of eight years. [LB23]

SENATOR LOUDEN: You're term limited? [LB23]

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SHANE OSBORN: I'm term limited, Senator. [LB23]

SENATOR LOUDEN: Secretary of State term limited? [LB23]

SHANE OSBORN: No, sir. I, and the Governor, are the only constitutional officers that are term limited. [LB23]

SENATOR LOUDEN: I see. Okay. And this is what I was concerned about is, this up to now, this is a council that serves at the pleasure of the Governor and I didn't know where that may lead to if we change some of that stuff, so. [LB23]

SHANE OSBORN: The council would still serve at the pleasure of the Governor, and this would give an independent voice from the constitutional officer that oversees the state's finances. That's how I view it. [LB23]

SENATOR LOUDEN: Then, who would be chairman of that council? Would they still have to be one of the... [LB23]

SHANE OSBORN: The Governor. [LB23]

SENATOR LOUDEN: ...one of the other council members or would you be eligible to be chairman of that council? [LB23]

SHANE OSBORN: You know, I would be eligible, it's my belief. The Governor, however, chooses. [LB23]

SENATOR LOUDEN: Because I mean, the Governor is the one that appoints the.... [LB23]

SHANE OSBORN: The chairperson. [LB23]

SENATOR LOUDEN: ...chairman, at the present time. [LB23]

SHANE OSBORN: Or woman. Yes. [LB23]

SENATOR LOUDEN: Yeah, unless... [LB23]

SHANE OSBORN: And that doesn't change here. [LB23]

SENATOR LOUDEN: I guess this amendment didn't change that did it, or did it? [LB23]

SHANE OSBORN: No. This isn't, this doesn't...this wouldn't make me the chairman of the council. This would make me a voting member only. It's still up to the Governor who

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the chairperson is. [LB23]

SENATOR LOUDEN: Okay. Thank you. [LB23]

SHANE OSBORN: Sure. [LB23]

SENATOR PANKONIN: Thank you, Senator Louden. Senator Mello. [LB23]

SENATOR MELLO: Treasurer Osborn, but in following in line with Senator Louden, you could be appointed chair by the Governor though. [LB23]

SHANE OSBORN: I could be, absolutely. [LB23]

SENATOR MELLO: Okay. Just wanted to make sure I was clear on that. [LB23]

SHANE OSBORN: Sure. Sure. Any of the members could. [LB23]

SENATOR PANKONIN: Thank you, Senator Mello. Senator Karpisek. [LB23]

SENATOR KARPISEK: Thank you, Senator Pankonin. Treasurer Osborn, I don't know what...are there any qualifications that you have to have to be Treasurer? [LB23]

SHANE OSBORN: I think pretty much the same as Senator, sir. (Laughter) [LB23]

SENATOR KARPISEK: That's a little scary, isn't it? (Laughter) I guess that's a little bit of my hesitation too, is that we may have someone that doesn't have the skills that you do. You are probably, I don't know, but one of the best Treasurers that we've had. [LB23]

SHANE OSBORN: Well, thanks Senator. [LB23]

SENATOR KARPISEK: The most, the most well-rounded. I do have that concern. Also, are there times, I don't want to put you on the spot here, but do you feel that we've been going in the wrong direction? [LB23]

SHANE OSBORN: I wouldn't say that that's necessarily it. I think that it's the fact is that I'm held accountable for the decisions made by the council. And I spoke at length with the Governor and he agreed wholeheartedly. You know, as a former Treasurer, I'm sorry I should be giving that background, not that some of you may or may not know but he was State Treasurer as well. [LB23]

SENATOR KARPISEK: And I forgot, except for him, that you're probably the best. (Laughter) [LB23]

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SHANE OSBORN: No, we'll just leave the statement as it was, Senator. No, and that's what I'm focusing on is the fact that you're on the council, you're there, you're spending the time, you're putting the effort in, and as the state's sole elected fiduciary, you know, that I think is representing one-sixth of the vote, doesn't, I don't think, open yourself up for potential abuse should there be a Treasurer that, you know, we might not find qualified. But if you picture this, Senator Mello, you sit on this committee every day and the committee puts forward bills, but you don't get to vote. You get to talk about it and you get to, you know, try and persuade them in committee, but you don't get to vote. So, hey, you may agree with what they're putting forward, but at the same time you'd like to have your voice heard officially as one of the votes. [LB23]

SENATOR KARPISEK: Thank you. And Senator Heidemann may have something to say on that because he does sit on the Exec Committee and doesn't get a vote either, but...(Laughter) Thank you. [LB23]

SENATOR PANKONIN: Senator Heidemann, would you like to ask a question? [LB23]

SENATOR HEIDEMANN: I would probably comment more than anything. It is frustrating. I do sit on Exec. I sit on a lot of...as Appropriations chairman you seem to sit on every committee. That is the only committee that I sit on as the Exec that I am nonvoting member. I can't even make a motion, I found out the other day. It is very frustrating. You can have an influence by what you say and the comments that you make, but it's very frustrating. You are a nonvoting member. So I probably would like that write-in Exec. I have problems with part of it that you could actually become chairman at that time. [LB23]

SHANE OSBORN: Sure. [LB23]

SENATOR HEIDEMANN: And I would feel a lot better with this bill if that would be taken out. [LB23]

SHANE OSBORN: That's up to the committee. I think that, you know, but you have to remember, you know, I'm independently elect to the Governor. So you're going to have a check and balance there. The Governor is appointing five members of the council already so this really is the only counter balance, if you want to look at it that way. Because if you want to take this example to a Governor, take away a Governor that, you know, we thought...and so now that Governor can do whatever they want. In this instance, they're staggered appointees, but if you have a few people that are removed and the next thing you know...there's a potential for abuse, gentlemen, at all levels of government. But at the end day, I'm somebody who was elected by the people statewide in the election. So there are risks in anything we do, but I don't see that as a big risk. Now, this was not meant to, certainly mean that the Treasurer is going to become the de facto chairman of the council. However, I think that that option being

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there is not a bad thing, but at the end of the day I think it should remain as the Governor's choice. [LB23]

SENATOR HEIDEMANN: Okay. Thank you. [LB23]

SENATOR PANKONIN: Senator Louden. [LB23]

SENATOR LOUDEN: Yes, I have one more question as you talk about being an elected official, and I agree. Now, can you tell me without including yourself, when was the last Treasurer that was elected to the first term? [LB23]

SHANE OSBORN: I'm sorry. [LB23]

SENATOR LOUDEN: First Treasurer that was actually run for statewide and was elected to the first term? How far back can you go to find one that was? [LB23]

SHANE OSBORN: Do you mean Lorelee Byrd? [LB23]

SENATOR LOUDEN: And she was appointed to start with. [LB23]

SHANE OSBORN: She was appointed and then there was Governor Heineman. [LB23]

SENATOR LOUDEN: And he was appointed wasn't he to start with on the first term? [LB23]

SHANE OSBORN: No, he ran. He was elected. He was elected. Don Rocke was elected. Prior to that was it Kay Orr, prior to that? [LB23]

SENATOR LOUDEN: Okay. And then Governor Heineman then run against Don Rocke and won that election, is what you're telling me? [LB23]

SHANE OSBORN: Yes. Yes, sir. [LB23]

SENATOR LOUDEN: Okay. Because I was under the impression that he was appointed. [LB23]

SHANE OSBORN: No, he defeated her in the election. [LB23]

SENATOR LOUDEN: Okay, he was appointed to Lieutenant Governor then. [LB23]

SHANE OSBORN: Yes. And then in his second term, six years in, roughly, he became Lieutenant Governor, I think it was. [LB23]

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SENATOR LOUDEN: Yeah, because I know that office has been kind of a stepping stone for further appointments there for a while in there, so. Yeah, thank you. (Laughter) [LB23]

SENATOR PANKONIN: Senator Mello for questions. [LB23]

SENATOR MELLO: Treasurer Osborn, what's wrong with the current process and current organizational structure now? [LB23]

SHANE OSBORN: Well, I stated it earlier, you'd got a council that's solely appointed by the Governor and that's fine, except for the fact that the Treasurer sits on this and is held accountable, however is not a voting member. And so I think that the putting the time, effort into this that we do, and the fact that the people hold me accountable anyway whether I'm a voting member or not. It's like Senator Heidemann said, it's a little frustrating not to be a voting member. Sure, I can talk and I can speak up but I can't offer anything of substance to speak, to come before the board. So I'm not saying that my vote should be more than anyone else's on the council but I'd like to have a vote. And I think... [LB23]

SENATOR MELLO: Does the Treasurer's Office now involved at all with investments in any other format? [LB23]

SHANE OSBORN: Well, we work with the council closely and with the operating investment pool and I'm in charge of the contracts with the custodial bank, which all the investments go through. So you're very involved in this. This isn't something where you just show up once a month or once every six weeks for a council meeting. Dave Bomberger, I'm sorry to see him go. He and I have a very close relationship and we work closely together. The college savings plan is another...you know, well, there was at one point \$2 billion in assets. We're down to about \$1.7 billion now with the markets, but there's a direct involvement and correlation there. This isn't just something I just show up to every once in a while and want to get a chance to vote. So it's something that the Treasurer is an intracal part of it. [LB23]

SENATOR PANKONIN: Okay. Seeing no other questions from the Senators, thank you, Treasurer Osborn for attending. [LB23]

SHANE OSBORN: Thank you, Senator. Thank you. [LB23]

SENATOR PANKONIN: Is there other proponent testimony? Seeing none, any opponent testimony? Is there some material to pass out, Mr. Schimek? [LB23]

HERB SCHIMEK: Yes. It's testimony. [LB23]

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SENATOR PANKONIN: Okay. We'll make sure the page gets it there. Welcome. [LB23]

HERB SCHIMEK: (Exhibit 3) Welcome. I'm glad to be here. My name is Herb Schimek, H-e-r-b S-c-h-i-m-e-k. I'm a lobbyist for the Nebraska State Education Association. This is my 35th year. A lot being on retirement issues, so therefore, a little bit of history. Remember, in the 1960's, we had a State Treasurer who was a bartender from south Omaha who got elected because his name was Larsen, and he couldn't even get bonded. That was our State Treasurer. We had a hairdresser as a State Treasurer, extremely well-qualified person. Basically, what we're saying today is that the State Treasurer can serve on the board, but he should not be an elected...or not elected, but a voting member. We do not believe that the funds, and my members have around...if you'll take a look, about \$7 billion, with a B, and in some states, this has become a real political football. Since I've been working around the Legislature we've had bills to invest those funds in state banks, when we had the economic depression on the farms, and you know what kind of loans we would have gotten. They would have been the worst of the worst. We simply are against changing what we have right now. It was Don Rocke, I believe, was the first State Treasurer, to serve on the board but as a simply ex officio member. We think that's fine. Then they changed it so that the Director of the Public Employees Retirement Board was an ex officio member. And I think that's fine. They need their input. But as far as voting members, we're against that. We think that they should be experts in the field, who are fiduciaries for these funds, that vote on this. Not someone who is just lucky enough to become the State Treasurer. Now, I'm not talking about any one person. This is history. Things that have happened as the State Treasurer. So therefore, I hope you will take that into consideration. You can read my testimony. I don't want to take all your time. If you have any questions, be glad to answer. [LB23]

SENATOR PANKONIN: Thank you, Mr. Schimek. Any questions for Mr. Schimek?
Senator Louden. [LB23]

SENATOR LOUDEN: Well, Herb, I don't have anything against bartenders. I don't have anything against hairdressers. [LB23]

HERB SCHIMEK: (Laugh) I've been introduced to a few too. [LB23]

SENATOR LOUDEN: I wanted to point out, you know, our current treasurer, you know, is the airplane pilot crashed his last airplane, so. (Laughter) We have to think about this. [LB23]

HERB SCHIMEK: As I said in my testimony, this is not personal. (Laughter) [LB23]

SENATOR LOUDEN: Okay. Thank you, Herb. I just thought I would mention that, you know. [LB23]

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SENATOR PANKONIN: Okay. Any other questions? Seeing none, thank you. [LB23]

HERB SCHIMEK: Thank you very much for your time. [LB23]

SENATOR PANKONIN: Any other opponent testimony? Welcome, Mr. Lombardi. [LB23]

RICH LOMBARDI: Thank you, Mr. Chairman. Mr. Chairman, my name is Rich Lombardi, L-o-m-b-a-r-d-i, and I serve as the registered lobbyist for the Nebraska Association of Public Employees, whose affiliated with the American Federation of State, County and Municipal Employees. And we're the collective bargaining agent for about 11,000 state employees, many of which have been through what Herb had talked about as some pretty turbulent economic times in the '80s, not the least of which, was the failure of Commonwealth. Nebraska state employees are extremely conservative. I think that the Nebraska Legislature has recognized the importance over the years of making sure that investment practices are held to the highest degree of professionalism. And again, not to take...not to make this at all personal, I think that there is not a sufficient public policy reason to change things at this time. And I think particularly at this time with the growing nervousness of the financial markets, that I don't think it would be a very healthy message to my folks working in state government that there was any question that there would be a stepping away from the long-standing principles of professionalism that this body has ensured by the manner in which they've worked with the Investment Council over the years. Thank you very much. [LB23]

SENATOR PANKONIN: Thank you, Any questions? Seeing none. Welcome. [LB23]

ANNA SULLIVAN: Senator Pankonin, my name is Anna Sullivan, that's A-n-n-a S-u-l-l-i-v-a-n. I'm a former state employee, continue to have an account with the state employees retirement system. I worked for the Nebraska Retirement Systems for 30 years, and left there in 2006. I do not see a need for a bill like this for a couple of reasons. One is, that the current Investment Council, when they're appointed by the Governor, they're required to have qualifications. Now you visited with Ms. Werner-Robertson. She has extensive qualifications, as do the other members of the Investment Council. The terms they serve are staggered terms so no one...the Governor could perhaps carry too much influence over the council. The primary purpose is that they are fiduciaries for the members of the pension plans. They're trustees, and they are held to a very high standard as a trustee. So the concern is, is that we really do not want to open the door to possible political influence. And I'd like to stop right there and say, Shane Osborn is not the person I'm talking about. I think he's a wonderful individual and serves Nebraska well. However, I have met many public pension directors and representatives across the country. And as soon as you crack open the door and have elected officials in a position of making decisions with regard to pension

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assets, which you might find is a possibility of borrowing the pension assets to help with the state budget. We've seen all kinds of secret situations occur in a crisis. That's usually when it occurs is that they think, well, we can justify this. We'll just borrow and then we'll pay it back. Well, we find pension plans that are underfunded today, sometimes because of decisions either not to make the contributions that are needed, or to borrow against those assets. And I just see it as potentially being a political football that could cause problems, not today, not with Shane Osborn and the current Investment Council, but could set a precedent for the future. And so just representing state employees and myself, I would urge you to dismiss this bill and not advance it. I'd be happy to take any questions. [LB23]

SENATOR PANKONIN: Any questions for Ms. Sullivan? Seeing none, thank you for your testimony. [LB23]

ANNA SULLIVAN: Thank you. [LB23]

SENATOR PANKONIN: Any other opponent testimony? Seeing none. Any testimony in the neutral capacity? Doesn't look like we have any, so we will close the hearing on LB23. Thank you all who were here today on this one. We next move to LB205. Senator Nordquist, whenever you're ready. [LB23]

SENATOR NORDQUIST: (Exhibits 4 and 5) Thank you, Mr. Chairman, members of the committee. My name is Jeremy Nordquist, N-o-r-d-q-u-i-s-t, and I represent District 7 in Omaha. I'm here to introduce LB205, which mandates continuing education for public pension board members overseeing municipal pension funds, as well as the Police Officers Retirement System Fund and the Firefighters Retirement System Fund. The page will be distributing a great article that looks at this issue about the need for having qualified people on pension boards from Governing Magazine last fall. But beginning the bill, beginning on January 1, 2010, board members would be required to obtain six hours of educational training in the management and operation of public employee pension systems, actuarial analysis, or employee benefits each year. They would also be required to attend three hours of ethics training every four years. Members would be reimbursed for their actual and necessary expenses by the pension fund itself. Mr. Chairman, the world of investments and pension management is growing more complex, sometimes seemingly by the day. The ability to make and understand difficult decisions regarding investment strategies, alternative investments, and risk assessment is more important than ever. Many times these decisions must be based on equally complex assumptions involving investment returns, inflations rates, and average retiree life span. Educational training is not only...is necessary not only to help board members make these decisions, but also to ensure that pension boards can provide informed, competent oversight of the funds and their employees. Without this level of sophistication based on relevant education, these boards can get swayed by misinformation. Aside from the needed educational training to match the markets

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growing complexity, ethics instruction can help our state's pension board members, I'm sorry, municipal pension board members, avoid potential conflicts. Chicago, Philadelphia, Milwaukee, the states of Ohio, Illinois, and California all have had conflict of interest issues arise in the past few years. Most of the time, board members are accused of accepting perks from investment firms or using their influence to direct investments for campaign contributions to favorite politicians. While we have no reason to believe any of our pension board members here in Nebraska are involved in such activity, it is better to act now and avoid these problems than to scramble to deal with them after the fact. A growing number of states are enacting programs such as the one proposed in LB205. Ohio, Louisiana, Massachusetts, Missouri, Maryland, the city of San Diego have all made similar steps as those proposed in this bill. All of these communities have realized that pensions can no longer be regarded as just a footnote in government policy. The dollar amounts and the stakes are just too high. I thank you for your consideration and I encourage your full support of LB205. Thank you. [LB205]

SENATOR PANKONIN: Thank you, Senator Nordquist. We'll see if we have some questions. Any questions for Senator Nordquist? I have one. Senator Nordquist, obviously your background serving this committee before as...before your election and your interest in this area, what prompted you to, or what did you model this bill after? [LB205]

SENATOR NORDQUIST: Well, actually it was the city of Omaha that came to me with the bill. You know, they're facing pension problems, nothing specifically, you know, that we can point to and say this bill is going to correct it. It's just the philosophy that we need to have well-educated people that have a good idea of what's going on. In this article from Governing, one of the pensions is a municipal pension plan. I don't remember what state. Their board voted to increase their rate, their assumed rate of return to 10.25 percent, which on a year to year basis is just not practical to assume. Sure, it made their plan look a lot better in the short-term until they didn't hit those returns and then the hole was huge, so. It's important that we have well-educated people that have a good sense of what's going on with these pension plans. [LB205]

SENATOR PANKONIN: Thank you. Senator Louden. [LB205]

SENATOR LOUDEN: Yeah, well as I've looked at some of the resumes of the people that are appointed to this council and you say they got to have, what is it, three hours of courses and ethics every three years and so many, six hours, every four years. Who the heck you going to get to teach these people anything? [LB205]

SENATOR NORDQUIST: This doesn't affect our state pensions, the Investment Council, or the...this is for people who oversee the municipal pensions in our state, the...Omaha, Lincoln. It includes smaller cities as well and police and fire pensions. [LB205]

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SENATOR LOUDEN: Okay, then does that include county treasurers then that have access to county money, because they're the ones that invest that county money? [LB205]

SENATOR NORDQUIST: If they are on the pension board for the pensions in the first, second-class cities and villages, they would be...I don't know if they're...the county employees are already covered under the state plan. So this would just be for municipal pensions. [LB205]

SENATOR LOUDEN: Okay. But why wouldn't then you include county treasurers that invest county money? [LB205]

SENATOR NORDQUIST: This is focused just looking specifically at pension plans and they don't make the investment for... [LB205]

SENATOR LOUDEN: Then like Omaha, if they want to do this, they themselves could do that. Couldn't the city of Omaha have...if it's their city official, if their city pension plan, couldn't they go ahead and do it? [LB205]

SENATOR NORDQUIST: They could set an ordinance or a local policy but... [LB205]

SENATOR LOUDEN: I mean, couldn't this be a local issue rather than statewide. I guess, I have a problem going out here and just like today with our road ditches and dictate something for one little area when you've got the whole state of Nebraska involved, and that's why... [LB205]

SENATOR NORDQUIST: Sure. Sure, yeah. I have a concern though that, you know, we need to make sure across the state that we have good people serving on these pension boards. I mean, it's a...these are very, very complex issues and at least giving some basic education, I think, would serve everybody well. [LB205]

SENATOR LOUDEN: How many towns like Omaha or whatever, have their own pension plans for their employees, and this is what you're directing this at? [LB205]

SENATOR NORDQUIST: Yeah, yeah, and I don't have that. It would be... [LB205]

SENATOR LOUDEN: I mean, is there anybody besides Omaha and Lincoln? [LB205]

SENATOR NORDQUIST: Oh, yeah, certainly, certainly. I mean we have statute that sets up the governing bodies of pension plans in villages and cities, first and second-class cities. I don't have a number. [LB205]

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SENATOR LOUDEN: Now, if they had a pension plan and they were just, oh, like some of these corporations just help donate to a 401K or something like that, would they still have to go take six hours ever so often and that sort of thing? Because I suppose somebody directs that but it would be mostly the city council or somebody. In some of these towns it's the city council pension people that handle that if the city directs it. I mean, I'm thinking about like the city of Alliance up there and I don't know if there is... [LB205]

SENATOR NORDQUIST: If there's a separate committee which directs it, then they would. If it was a city council, I don't know that...I'm pretty sure. [LB205]

SENATOR LOUDEN: You haven't looked into that to see how many towns it would affect? [LB205]

SENATOR NORDQUIST: I don't, I don't have that but I certainly... [LB205]

SENATOR LOUDEN: Okay. Thank you. [LB205]

SENATOR NORDQUIST: We can look into that. Thank you. [LB205]

SENATOR PANKONIN: Thank you, Senator Louden. Any other questions? Seeing none, thank you Senator Nordquist. [LB205]

SENATOR NORDQUIST: Thank you. [LB205]

SENATOR PANKONIN: You're going to stick around for closing, if we need it? [LB205]

SENATOR NORDQUIST: Yeah, sure. [LB205]

SENATOR PANKONIN: Any proponent testimony? [LB205]

CHUCK SIGERSON: I have some handouts, sir. [LB205]

SENATOR PANKONIN: Thank you. We'll get those. Welcome, Mr., Councilman Sigerson. [LB205]

CHUCK SIGERSON: (Exhibit 6) Thank you. Mr. Chairman, members of the committee, my name is Chuck Sigerson, C-h-u-c-k S-i-g-e-r-s-o-n. I'm the, almost, eight year member of the Omaha City Council and a four year member of the Omaha police and fire pension. I speak today, oh, by say of disclaimer. Nothing said here is any reflection on any current or former member of any pension board, because this is not about what's happened in the past, it's about what will happen in the future. So I don't want anyone to think that the reason for this was a disparagement of former members, because that's

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not the case at all. I've served on the Omaha police and fire pension board for about four years. My background was financial, and that was a good thing. I was used to dealing with a \$500 million budget with the city of Omaha. I was used to dealing with large finances in my insurance business, and I have a degree in financial consulting. And so, consequently, I had some knowledge coming to the pension board about what I was doing when I got there. But there are many people who were appointed or by statute serve on pension boards. And they show up for the first day on the pension board with absolutely no knowledge of any kind. Now, it's not something you get by osmosis. We're dealing with a \$500 million pension. We have all kinds of strategies. We have all kinds of asset allocations. I could bore you with some of the complexities, but the bottom line is that these people are expected from the first day to participate and vote. And it's a legal precedent that has been set around the country that even if you vote, pass, or abstain, you are in essence voting. So if we make financial decisions for a pension board and a new person abstains or passes, they still have a fiduciary responsibility and they're still subject to legal action, if legal action is brought against the board. Now, thankfully, that hasn't happened. But the bottom line here is that we make it so difficult, because there is no central place to go for training and assimilation or learning of the knowledge required to invest \$50 million, \$100 million, \$250 million, \$500 million. And we start talking about asset allocation, many of the members of the pensions, their eyes glaze over because they're new, or they just haven't had an exposure to assets and investing. Secondly, there are tremendous pressures out there in the form of ethics. And it's a mine field when you're dealing with federal regulations, state regulations, and every other reporting procedure there is. When is a lunch by a vendor considered legal and not legal? If you're at a conference when you're learning about various types of investment, may you play golf or may you not play golf? And if you play golf, how do we report it? If you're at a convention and you win a prize, can you even accept it? These are mine fields that every member of every board, especially a pension board which deals with federal as well as state rules, needs to have ingrained with every member, and there's no easy way to do that right now. So what I...the reason I am so much in favor of this is because if we have a set rule, you will, within a certain period of time, take this much training so you can learn about these things, then they're going to be better prepared. You will within a certain period of time take the ethics course, so you know what's right and what's wrong. Yeah, we'd all like to think we all know what's right and we're always going to do the right thing. But it's a mine field out there, and you can make a mistake just by accident. So if we have an ethics course, now there's many ways to do it. The universities, UNL, UNO, UNK, anyone, they can make up some courses as a public service and allow them to be taken by the members. There are national conferences you can attend where you can learn about various investing aspects and you can learn about ethics and other things, which are also well done as well. But there's no requirement you do it. I take as many courses I can to keep myself at the cutting edge. So when they talk about one 20/20 strategies, and they talk about rates, and they talk about emerging markets, I know what we're talking about. I can vote with my eyes and my head clear. But I can tell you that unless you're diligent

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and do that on a regular basis, you don't necessarily have that training to do it. So in closing, I'd just say, I think this is a, I think this is a great first step to avoid future problems and I think it will help every member of every board do a better job in...you know, in today's market where it's so dangerous out there and public money is so...has to be guarded so much, I don't see how educating people better is not a good thing. Thank you. [LB205]

SENATOR PANKONIN: Thank you, Councilman. Any questions? Senator Louden. [LB205]

CHUCK SIGERSON: I knew you were going to say something. (Laughter) [LB205]

SENATOR LOUDEN: First of all, how do you get appointed to your...you're on the Omaha police officers pension? [LB205]

CHUCK SIGERSON: Police and fire pension board, yes. [LB205]

SENATOR LOUDEN: Okay. How do you get appointed to that? [LB205]

CHUCK SIGERSON: That's in the ordinance that you have one city council member, you have three members of the police and fire, you have a city member of the finance director, you have a member of the Human Relations Department, Tom Marfisi, and we also have one citizen member, who happens to be an attorney. [LB205]

SENATOR LOUDEN: And that's by city ordinance. [LB205]

CHUCK SIGERSON: Yes, it is. [LB205]

SENATOR LOUDEN: Why don't you have by city ordinance if they have to take six hours ever so often and four hours of ethics and something like that, why isn't that in your city ordinance? [LB205]

CHUCK SIGERSON: You know, we could. We could. And if this doesn't pass, maybe we'll do that. But altruistically, I think what we're doing is trying to look at how we improve the entire investment procedure for the entire state. And certainly if we decide to do it because the state doesn't want to do it, or for any reason can't do it, I think we'll have to take that step. But I'm hoping that you'll give us the guidance so it's statewide and one pension board, say in Lincoln, is not going to have different standards than a pension board in Omaha. [LB205]

SENATOR LOUDEN: Well, yeah, I'm not worried about Lincoln and Omaha. I'm more worried about Alliance and Scottsbluff or someplace like that on what they would have. Here's my concern is when you do that, then there's going to be a cost, and then we're

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calling it an unfunded mandate. I mean, we tell you guys got to do this, you guys find your money out of your pension plan to do it. Because when you talk about going to these conferences and getting this education, I was on a REA board for nine years and I could have traveled all over the United States, Jackson Hole, you know, and get everything paid. Mostly because they were supposed to have me there for a week and I was supposed to learn how electricity went from one post to the other, some other thing, that I said, I could have read the handouts and learned just as much as what I would learn there in a week. But that would cost a...it was a \$2,000 trip that went in on the utility that I was working at. I didn't feel like we could do that. This is what worries me is that if we pass this, and we do like the suggestion is being that they have to, we're putting an unfunded mandate on every pension plan there is up and down. And every time we put that on there, you guys are going to have to kick in another half of percent on your actuarial study to make the thing work. And I guess that's my problem with it. [LB205]

CHUCK SIGERSON: Well, Senator, I can tell you that I do attend some of these functions across the country. I've learned tremendously about the investment side and I'm very versed now in how investments or sectors work. But I can tell you that virtually every pension fund throughout the United States has a piece of their pension fund dedicated to education, some more than others. But the more money you invest, the sharper you better be, because there are so many mine fields out there when it comes to investing that an investment in timber today could be offset by a loss in the wheat market tomorrow, which is somewhat happening. [LB205]

SENATOR LOUDEN: Well, okay. I'm not against education. I'm just against the state...us as a state Legislature mandating it that you guys are going to have to do it and pay for it. If you want to do it and pay for it yourself, that's your...amongst your people that you're representing. I have no problem with education. I think it works very well. But I have the problem with getting into an unfunded mandate. [LB205]

CHUCK SIGERSON: There is a cost to the education process and there's no question about it. But I wonder what the cost will be some day if we don't do it. Because if you have a lack of knowledge of how to invest, regardless of the circumstances, a mistake is a mistake, and its just made, and especially when you're looking at the smaller towns, for instance, who may not have the expertise of a larger city. We have the finance director of the city of Omaha. She's pretty qualified. She knows what's she's doing. Not everyone can have a person like that on the pension board. So I think that education goes down the line. If we can get UNL, UNK, UNO to do the courses, you can certainly stay home and that would not be a huge expense, and you have it done in Lincoln, Kearney, Omaha, whenever you want to do it, and I think that would alleviate some of the expense you talk about. If some pension boards want to send their people to California, or Arizona, or New York City because it's a specialized conference, that may be okay too. It depends on the size of your pension fund. But I think it can be done with

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minimal cost, and with minimal cost that's going to make it better for all the pension boards, and it's going to alleviate some of the problems that could happen down the road. Thank you, sir. [LB205]

SENATOR PANKONIN: Thank you. Any other questions? Seeing none, thank you. [LB205]

CHUCK SIGERSON: Thank you. [LB205]

SENATOR PANKONIN: Any other proponent testimony? Any testimony in the neutral? Mr. Krumland. Welcome. [LB205]

GARY KRUMLAND: Senator Pankonin, and members of the committee, my name is Gary Krumland. It's spelled K-r-u-m-l-a-n-d, representing the League of the Nebraska Municipalities. We're taking a neutral stance. We do support the concept of making sure that people who serve on retirement boards are trained and knowledgeable and have the proper education and knowledge. We just want to make sure that if something is passed on a state level, it's not so stringent that it has a negative affect on some of the smaller pension plans across the state. Just kind of...there's five sections here. Section 1 would deal with Omaha. Section 2 deals with Lincoln. Section 3 deals with cities of the first-class, police officers. Cities of the first-class are those between 5,000 and 100,000. Section 4 deals with cities of first-class firefighters, and then Section 5 is authority for other cities other than Lincoln and Omaha would have pension. It doesn't necessarily require a pension board. The concern we'd have, if you have several hundred people in your pension system, training probably is going to be a very minor thing. If you have ten people in there supporting it, the training could get expensive. So we just want to make sure that whatever training is required is...the board has some flexibility so they get to train without a lot of expense. So it's not that we don't believe in training, but we just want to make sure that whatever comes out is, recognizes that there are different kinds and sizes of pensions systems out there. [LB205]

SENATOR PANKONIN: Thank you, Mr. Krumland. I'm going to ask the first question. Do you have any idea how many pension funds are affected here potentially? [LB205]

GARY KRUMLAND: I don't have a number. We've done some surveys. I can try and see if I can get a number. I would...there are 530 cities and villages in the state. And Lincoln and Omaha, there's like 31 or 32 first-class cities, so nearly 500 of those are second-class and those would be below 5,000. And I would guess, virtually, all of the second-class cities and many of the villages offer some sort of retirement, maybe it's a 401K or if it was a 403 with the government. But there is...but not all of them do that so it's probably somewhere between 100 and 200. A lot of those would probably not have a board itself though. They hire someone to administer the plan. [LB205]

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SENATOR PANKONIN: Right. Yes. I would think so. Okay. Any other questions for Mr. Krumland? Senator Louden doesn't have one right now. [LB205]

SENATOR LOUDEN: No. You got it. You got the answer. [LB205]

SENATOR PANKONIN: Yeah, I got it, all right. Well, yeah, we don't know the exact number but we'll probably have more research done on that or maybe we'll look at that part of the bill. [LB205]

GARY KRUMLAND: And I'll go back and see what information we have to just see if we can narrow it down a little more. [LB205]

SENATOR PANKONIN: That would be appreciated. That would be helpful as we move ahead. [LB205]

GARY KRUMLAND: Okay. [LB205]

SENATOR PANKONIN: All right. Any other testimony on this bill today, on LB205? Would you like to close Senator Nordquist? Senator Nordquist waives closing so that ends the hearing today on LB205, and that also ends the entire hearing. Thank you. [LB205]

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Disposition of Bills:

LB23 - Indefinitely postponed.

LB205 - Placed on General File with amendments.

Chairperson

Committee Clerk