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Nebraska Retirement Systems Committee  
February 15, 2011

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[LB246 LB307 LB688]

The Committee on Nebraska Retirement Systems met at 12:10 p.m. on Tuesday, February 15, 2011, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB246, LB307, and LB688. Senators present: Jeremy Nordquist, Chairperson; LeRoy Louden, Vice Chairperson; Lavon Heidemann; Russ Karpisek; and Heath Mello. Senators absent: Dave Pankonin. [LB246]

SENATOR NORDQUIST: All right. Good afternoon, ladies and gentlemen. Welcome to the Nebraska Retirement Systems Committee. I am Chairman Jeremy Nordquist. I represent District 7 in downtown and south Omaha. Just a reminder, please silence your cell phones. If you are testifying, there are testifier sheets and please turn them in to the box by our committee clerk. Please state and spell your name if you are testifying. We'll take proponent testimony, opponent, and then neutral testimony. Our committee staff, to my left is Kate Allen, our legal counsel; to my far right is our committee clerk Trisha Clark; our page today is Lisa. And we'll start on the right here with self-introductions of the members of the committee.

SENATOR MELLO: Senator Health Mello, District 5, south Omaha and Bellevue.

SENATOR KARPISEK: Russ Karpisek, District 32, Wilber.

SENATOR LOUDEN: LeRoy Louden, District 49, Ellsworth.

SENATOR HEIDEMANN: Senator Lavon Heidemann, District 1, Elk Creek.

SENATOR NORDQUIST: Okay. We will begin with LB246. Senator Karpisek will open on that bill. [LB246]

SENATOR KARPISEK: Thank you, Senator Nordquist, members of the committee. We are on LB246, correct? [LB246]

SENATOR NORDQUIST: Yes. [LB246]

SENATOR KARPISEK: Thank you. For the record, my name is Russ Karpisek, R-u-s-s K-a-r-p-i-s-e-k, and I represent the 32nd Legislative District, and I'm from Wilber, which is spelled W-i-l-b-e-r. Before I am done, I will try and to get everyone on that. LB246 simply provides retirement benefits to surviving spouses of deceased State Patrol retirement plan members in the event of remarriage. I wanted to say I think that there has been some misinformation going out, saying that this would take that away. That is absolutely not the case. They do not have that now. If a widow or a widower would remarry, then the benefits would cease. This is trying to say a widow or widower would

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be remarried, their benefits stay in place. As I understand it and will have people behind me, this is not a...there shouldn't be...the fiscal note shows nothing because the assumption now is that they will not remarry. So they assume that the benefits will be paid the whole way out anyway. I brought this bill because I don't think that it's fair for someone to have to decide between remarrying and keeping their benefits. These spouses are just as involved as their spouse that is assigned to the force. I really appreciate the jobs that these people do, and it is a dangerous job. In this committee, we argue or talk about the retirement benefits, often, but there is a lot of risk added, and without them we would not be in the shape we are as a state, the low crime rates we have. These are good people and when you think about the age that some of these widows or widowers could be, normally when we think of that we think of someone maybe in their seventies, eighties, or older. These people could be in their probably late twenties, thirties, forties. To think about a life alone or skirting the system, if you will, and not getting remarried because of this, to me doesn't seem right. That's why I brought the bill and I'd be glad to take any questions. [LB246]

SENATOR NORDQUIST: Any questions from the committee for Senator Karpisek? Seeing none, thank you. [LB246]

KORBY GILBERTSON: Good afternoon, Chairman Nordquist, members of the committee. For the record, my name is Korby Gilbertson; it's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. I'm appearing today as a registered lobbyist on behalf of the State Troopers Association of Nebraska in support of LB246. First and foremost, we'd like to thank Senator Karpisek for working with us on some issues this year. This is the first of two bills you'll hear today that were worked on with Senator Karpisek and STAN, and there was another bill in front of Revenue last week. All of these pieces of legislation are looking at something that we take very seriously, which is the retirement benefits. And as you know, based on the increased contribution rates that we're going to be looking at in the upcoming years, these are benefits that the troopers very much hold dear to them and are willing to pay for them. They take everything they look at very seriously insofar as benefit enhancements. This is one enhancement that the troopers have looked at for a few years, and initially I assumed that it would cost the plan money. When I contacted the actuary from Buck Consultants, he said: No, you don't even need an actuarial study because there will be no effect on the plan because we assume that no one remarries. So that was a very good reply from him from our standpoint. I've had questions asked of me, why should the Patrol be treated differently than other retirement plans? Actually, they're being treated differently right now. In the teachers' plan, there is no such cutoff for when a spouse remarries. Secondly, if you look at workers' compensation statutes, remarriage does not end benefits for that surviving spouse. Those benefits would continue for a period of time. So this is not necessarily a new idea. I wanted to touch just briefly on the other issues, because I think there's an...I know, based on what is going on in the Legislature, these are very...there are going to be looks at whether or not defined benefits plans are something that the state should continue supporting, but

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just to assure you that the troopers have and always will be very attuned to trying to pay for their fair share for these benefits. They take them very seriously and want to work with the Legislature and the administration to protect those benefits. A bill that some of you might not be aware of was heard in Revenue last week, and it was a bill that would establish a motor vehicle tax on cars that are from the age of 14 to 20 years. Right now, those automobiles are not taxed, and the money goes to the local subdivisions and schools. That bill would actually have a net effect of giving almost \$5 million additionally to the municipalities, and a half-million dollars annually to the State Patrol's retirement plan. The reason for that was looking at the continued necessity for General Fund obligations for the plan, and we're trying to look for alternative funding sources to try to help that angle from the Legislature's side also. With that, I'd be happy to try and answer any questions. And I do have a couple people behind me that will give you a little more personal insight into this issue. [LB246]

SENATOR NORDQUIST: Real quickly, Korby, do we have any idea on the numbers that we are seeing of remarriages? There is none? [LB246]

KORBY GILBERTSON: There have been none. [LB246]

SENATOR NORDQUIST: Oh, really. [LB246]

KORBY GILBERTSON: Right. [LB246]

SENATOR NORDQUIST: Okay. [LB246]

KORBY GILBERTSON: Oh, the other thing--Senator Karpisek alluded to this. There is some misunderstanding about what this bill does. Apparently it was misread by a current retiree who then sent an e-mail out to approximately 30 other retirees. They thought that the amendment eliminated benefits for surviving spouses. We're working diligently to clear that up right now, so. [LB246]

SENATOR NORDQUIST: Okay. [LB246]

KORBY GILBERTSON: If you should hear that, please know we're working on it. [LB246]

SENATOR NORDQUIST: Okay, great. Any other questions? Senator. [LB246]

SENATOR HEIDEMANN: Now I am not super familiar with the bill that you was talking about on the extra...the fee for the older cars. There's actually inside that bill that ties that...that goes together with the retirement? [LB246]

KORBY GILBERTSON: Yes. There are two different bills. There is one that was heard

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in front of Transportation that was Kathy Campbell's bill that does a similar thing. But all that...she designated the additional funding to go to the Highway Trust Fund. In our legislation, the increase in fees is limited just for those automobiles from 14 to 20 years old, because at 20 years you can get an antique car plate. I can't think what the name is right now. And that funding would go to the current designees as well as a very small portion of that pot would then go into the State Patrol's retirement plan, with the idea that this would be something that would have a nexus with what the duties of the Patrol are, to provide funding. As you know, the state already has court fees that go into the judges' retirement plan. We are trying to find something. Obviously, can't do tickets, can't do court fees, because then we would get accused of writing too many tickets. But this was something that we looked at as an alternative funding source to help with General Fund obligations. [LB246]

SENATOR HEIDEMANN: Okay. Thank you. Who is carrying that bill? [LB246]

KORBY GILBERTSON: Senator Karpisek introduced it. [LB246]

SENATOR HEIDEMANN: Okay. Thank you. [LB246]

KORBY GILBERTSON: Okay. [LB246]

SENATOR NORDQUIST: Any other questions? Seeing none, thank you. [LB246]

KORBY GILBERTSON: Thank you. [LB246]

SENATOR NORDQUIST: Next proponent. [LB246]

LORI PLAUTZ: Hello. My name is Lori Plautz, and for the record that's L-o-r-i P-l-a-u-t-z. I was happily married to my husband for 21 years--Dan. He was an investigator with the Nebraska State Patrol for over 25 years. I never would have imagined that at the age of 46 I would become a widow. Two years ago, Dan had a heart attack while we were on a family vacation, and at that time our children were 14 and 18. Numerous times, while we were married--and I mean numerous times--Dan would come...retirement would come up in conversation and he would say, "You know, Lori, I don't care what you do. I don't care what you do or where you go, but if you ever get remarried I'm going to come back and haunt you." Now, I mean I don't know if you believe in ghosts, but I'm not going to test that with him because I think he'd come back. But seriously, he just wanted to make sure the kids and I were taken care of and that I continue to receive his retirement benefit. He didn't want all of his hard-earned money to just be lost. I currently work at the State Patrol; I will be there 30 years next month. So I see uniformed officers every day. I see their wives; I know their wives. Right now, I know what they go through. I'm not going through it anymore but I'm still part of that family. Dan and all the other officers put their uniforms on every day and they go out there to serve the citizens of the state of

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Nebraska. It's a life-threatening thing every day they go out there. He paid his money into it. It was...he did his time. It's his money and his family deserves to receive this benefit. Myself and other spouses in this situation should not have to choose between getting remarried or keeping his retirement. Through conversations, I believe most spouses--all spouses, according to the stats--are not going to be remarried again. I have already told my parents and my kids: I'm sorry, you know; I'm not going to get married. Not that they maybe care one way or the other, but I don't...you know, I don't think it's right that government should have the right to influence my decisions on if I get married or not. You know, I'm at a young age and I want to get remarried, and, you know, it's kind of sad to think that I'll have to say no if that comes up, if the question ever does. But I want to thank you for considering this bill, and a vote to pass it would be a positive influence for my family, my kids, and spouses that have lost their spouse and their families. So I want to thank you for your time. [LB246]

SENATOR NORDQUIST: Okay. Thank you for being here. Any questions? Seeing none, thank you. [LB246]

LORI PLAUTZ: Okay. Thank you. [LB246]

SENATOR NORDQUIST: Thank you. Next proponent. [LB246]

DENISE WAGNER: Good afternoon. I am Denise Wagner, and my husband was with the Nebraska State Patrol and he was killed in the line of duty March 4, 1999. So I'm a little further along than she is. Mark and I have three girls, all of which have graduated from college. With the Patrol retirement the way it is set up, you do lose everything if you decide to remarry. First off, I have all girls. I don't want to tell all of them their mom is going to be living with somebody the rest of her life, because I don't want them to do that. I do have a friend, Cindy Alderman, who went...her husband was a teacher. She went through basically lost her husband to cancer. She has now since remarried seven years later. She draws her teacher's retirement for life. She gets all the benefits, the cost of living raises, everything goes with it. It's a big...you know, and the troopers do believe that as they go out their wives are going to be taken care of when something happens to them. And it's not really set up that way. So I would like your consideration on this bill. It would make a difference in a lot of people's lives of where you're going to choose and what direction you're going to go. So I'd appreciate that. [LB246]

SENATOR NORDQUIST: All right. Thank you. Any questions from the committee? Could you spell your name just for the record? [LB246]

DENISE WAGNER: It's D-e-n-i-s-e W-a-g-n-e-r. [LB246]

SENATOR NORDQUIST: All right. Thank you. [LB246]

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DENISE WAGNER: Thank you. [LB246]

SENATOR NORDQUIST: Seeing no questions. [LB246]

DENISE WAGNER: Thanks. [LB246]

SENATOR NORDQUIST: Any additional proponent testifiers? Seeing none, any opponent testifiers? Seeing none, any neutral testifiers? [LB246]

JASON HAYES: Good afternoon, members of the Retirement Committee. My name is Jason Hayes spelled J-a-s-o-n H-a-y-e-s, and I serve as legal counsel of the Nebraska Public Employees Retirement Systems. I'm here today to testify in a neutral capacity for LB246. I have additional information in this proposal seeking to eliminate the requirement that a spouse may not remarry in order to receive a death benefit under the State Patrol Retirement Act. To date, NPERS has no recorded instances where a surviving spouse of a deceased Patrol member has remarried and forfeited their retirement benefit. Currently, the agency has 57 spouses receiving a deceased Patrol members benefit. The total monthly benefit of this group is \$111,000. The annual benefit for this group is \$1.3 million. The fact that no surviving spouse has chosen to remarry and give up their death benefit suggests that this provision has been an impediment to a widow or widower moving on with their lives and remarrying if they chose. Because there have been no surviving spouses who have remarried to date, there is no fiscal impact, according to our actuary, with the adoption of LB246 to the plan. And this concludes my testimony for LB246 and you're welcome to ask me any questions. [LB246]

SENATOR NORDQUIST: (See also Exhibit 4) Thank you, Jason. Any questions for Mr. Hayes? Seeing none, thank you. Any additional neutral testifiers? Seeing none, Senator Karpisek, would you care to close? Senator Karpisek waives closing. That will conclude the hearing on LB246, and Senator Karpisek can open on LB307. [LB246]

SENATOR KARPISEK: Thank you, Senator Nordquist, members of the Retirement Committee. For the record, my name is Russ Karpisek, R-u-s-s K-a-r-p-i-s-e-k, and I represent the 32nd Legislative District. LB307 would require State Patrol retirement plan members who elect to enter the Deferred Retirement Option Program, or DROP, to continue making required retirement contributions while the member is enrolled in DROP. Currently, both the employee and employer discontinue contributions once the plan member enters the DROP. To be honest, I brought this bill for STAN. They are looking at some different ways to do things. And I know Ms. Gilbertson will be behind me and give you a little more history on it, but at the end I will ask that the committee IPP this bill. I'd be glad to take any questions. [LB307]

SENATOR NORDQUIST: Any questions from the committee? Seeing none, thank you.

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Next proponent. Any proponent testifiers? Seeing none, any opponent testifiers? Seeing none, any neutral testifiers? [LB307]

KORBY GILBERTSON: Chairman Nordquist, members of the committee, for the record my name is Korby Gilbertson, K-o-r-b-y G-i-l-b-e-r-t-s-o-n. I'm appearing today as a registered lobbyist on behalf of the State Troopers Association of Nebraska. I think this piece of legislation can be fairly called the proverbial swing and a miss. But STAN has been looking at different ways to try to save the plan money. As I said in my previous testimony, they take this very seriously and we are currently looking at other alternatives. This was one idea that was brought forth during the interim as a possible way to keep money coming into the plan. One of our fears was that it perhaps would cost more money to make this change in the plan than it would bring into the plan, and I think that that is very true without even doing the actuarial study. Because of the number of people that are in the DROP program, just having the plan members' contributions continued into the plan would probably not be enough of a money...not enough money to make a difference. There are some states that do require contributions to continue so that's where the idea came from. But as Senator Karpisek said, we would ask that you indefinitely postpone this piece of legislation. [LB307]

SENATOR NORDQUIST: Okay. Great. Any questions from the committee? Seeing none, thank you. Any additional neutral testifiers? [LB307]

JASON HAYES: Again, good afternoon, members of the Retirement Committee. My name is Jason Hayes, spelled J-a-s-o-n H-a-y-e-s, and I serve as legal counsel to the Nebraska Public Employees Retirement System. I'm here today to testify in a neutral capacity for LB307, and I had some additional facts and figures I thought it would be important to get in the record for this. Currently, there are 25 Patrol members in the DROP benefit. By utilizing the current Patrol employee contribution rate of 16 percent, if the bill is adopted then the contribution of the DROP employee contribution would bring in an additional \$302,000 into the State Patrol retirement plan. This amount from DROP members would most likely diminish over time, because by requiring the continued employee contribution, the DROP benefit would be less advantageous for employees and, as a result, fewer State Patrol members may elect to take the benefit. In addition, the adoption of the bill would result in a one-time increase in NPERS operating expenses for programming necessary to implement it. These changes are estimated to be approximately \$5,600. And that concludes my testimony. [LB307]

SENATOR NORDQUIST: All right. Thank you, Jason. Any questions from the committee? Seeing none, thank you. Any additional neutral testifiers? Seeing none, Senator Karpisek will waive closing and that will conclude the hearing on LB307. I'll invite up Senator Smith to open on LB688. [LB307]

SENATOR SMITH: Good afternoon, Senator Nordquist and members of the Retirement

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Committee. For the record, my name is Jim Smith, J-i-m S-m-i-t-h, and I represent the 14th Legislative District. I am here today to introduce LB688. The primary reason for me to introduce this bill today is to begin discussion on certain public retirement and pension plans. As written, LB688 would require law enforcement officers and paid firefighters to work until age 55 in order to receive full benefits. In addition, under the measure any person who holds elective office would be prohibited from participating in any pension or retirement plan. I have already received considerable feedback on this bill and I have been made fully aware that there are some serious concerns, not to mention my own. For example, as currently drafted LB688 does not establish a minimum number of years a law enforcement officer or firefighter would have to have been employed in order to qualify for full retirement benefits at age 55. Also Section 1 of the bill would actually lower the eligibility age for retirement with full benefits for police officers employed for first-class cities. Regarding Section 2 of the bill, I have asked the Revisor's Office to compile a list of all elective offices that could fall under this language, and have received a lengthy and unintended list. And listed on the fiscal note estimate you'll see some of those elective offices that would be affected. It is...again, it is not necessarily my intent to have this bill advance from committee this session. As I stated, I introduced this bill to get the discussion on this issue started. There is no doubt that the CIR will be a dominating issue this session. I do not believe that we can have serious and effective reform of the CIR without also considering the various pension and retirement plans that have been an integral part of recent decisions and that have played into local government budgetary problems. There is no consistency with respect to the public plans across the state. The minimum age of retirement, minimum number of years worked, defined benefit versus defined contribution, whether or not those holding elected office can even participate in retirement or pension plans--those are all issues. All these factors play into local government budgets which, of course, are funded by taxpayer dollars. While I do not support the state micromanaging the local government benefit plans, I do think we can lead the way by exploring best practices for our cities and counties to address budget shortfalls. The state has the responsibility to promote more efficient government at all levels, including providing a template for pension plans that are fair, that are sustainable, and that protect taxpayers from the liability of costly CIR judgments and large fluctuations in the economy. I appreciate the committee's time today and your assistance in facilitating this important discussion. I would ask that you hold LB688 in committee. I do intend to introduce an interim study and will work with this committee to develop a sound and sensible policy. I appreciate your time and welcome any questions. [LB688]

SENATOR NORDQUIST: Great. Thank you, Senator Smith. I guess my first question is kind of on your last comments there about providing a template. It's something we haven't done in the past but it's something that's going to cross my mind about our role related to local government pensions from the state perspective. I would kind of like your thoughts on what role we should play, knowing that, you know, we've always erred on the side of local control in this state and how we balance that with state oversight



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and guidelines on local pensions. [LB688]

SENATOR SMITH: Well, Senator, I believe at the very least to have a forum for that discussion to have various parties there. You know, my home district, Mayor Black of Papillion has been in the media recently talking about what...you know, what a fine template they have had for negotiations in their city. I think there are probably some success stories we have out there across the state, but we also have some nightmares. And I think just at the very least being able to have that forum I think would be a huge advantage for the state, and from that I believe we may be able to have a template that, by default, some of our municipalities could use. [LB688]

SENATOR NORDQUIST: Okay. Okay, great. Thank you. Any additional questions from the committee? Seeing none...oh, Senator Mello. [LB688]

SENATOR MELLO: Senator Smith, and I think you mentioned this and I guess it was just more of a clarification. On line 12 of the bill...on page 2, line 12, it states...I'll read the section, Section 2. It starts on line 11: "A person shall not participate or receive any pension or retirement plan or benefits as a result of service in an elective office." Your question is, what did you mean...what do you mean to include in the word "benefits," other than retirement? Or did you, I should say was it your intent to include anything else with that word besides retirement benefits? [LB688]

SENATOR SMITH: No, Senator, not necessarily. I think in the broadest sense benefits would include health and life and some of the other insurances. But no necessary intent here in that language. [LB688]

SENATOR MELLO: Okay. Because I think it's...and to some extent I think it might be a little vague in the sense of knowing this, for an example, this would apply to the Governor, and whether or not a benefit the Governor does receive is protection services from the State Patrol. So the question is, does that State Patrol protection fall within that defined word "benefit"? And I think that was the question some of us had discussed. [LB688]

SENATOR SMITH: And you're correct, Senator. That is an extremely vague...and based on the type of role that's occupied, benefits could range from protection to certain discounts on services. So, yes, you're absolutely correct on that. [LB688]

SENATOR MELLO: Okay. Thank you. [LB688]

SENATOR LOUDEN: Any other questions for Senator Smith? Seeing none, thank you. [LB688]

SENATOR SMITH: Thank you. [LB688]

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SENATOR LOUDEN: And the first proponent? Any proponents? Are there any opponents? [LB688]

LARRY DIX: Good afternoon, Senator Louden, members of the committee. For the record, my name is Larry Dix, spelled L-a-r-r-y D-i-x. I'm executive director of the Nebraska Association of County Officials appearing today in opposition to LB688. When our group looked at this, certainly what piqued their interest was Section 2--Section 2 only. And I think as was mentioned, there's a list of county officials that certainly would be impacted by that. We believe that for our elected officials and for our employees that having a good, sound retirement package for them is something that we should be providing to our officials. And as far as from the county side of the benefits or the retirement, ours are pretty much tied to what's in state statute, and so we don't have a whole lot of options out there that we can go and, county by county, make changes to our retirement package. All of our officials are pretty well tied to that. Certainly I appreciate the conversation that I've had with Senator Smith in regards to this. And if we do move forward with an interim study this summer, certainly we'll participate in any manner that anybody feels adequate for us to be there. So with that, nothing more than if you would simply chop out Section 2 we would simply go away, and so I'll just leave it at that and be happy to answer any questions anybody would have. [LB688]

SENATOR LOUDEN: Any questions for Larry? Seeing none, thank you. [LB688]

LARRY DIX: Thanks. [LB688]

SENATOR LOUDEN: Next opponent. [LB688]

JOHN FRANCAVILLA: (Exhibit 1) Good afternoon, Senators. My name is John Francavilla; that's J-o-h-n F-r-a-n-c-a-v-i-l-l-a, and I'm the president of the Fraternal Order of Police representing approximately 40 law enforcement agencies and just over 2,800 law enforcement officers. I have prepared written testimony that was already turned in for you, so I will be brief on this issue. When our organization reviewed this piece of legislation we had several issues that came to mind. (1) Currently we represent the majority of first-class cities in the state of Nebraska; and sheriffs departments, they already mandate it to age 55 for retirement. Also those agencies that have lower retirement ages have been looking into the issues with their current retirement systems and have made substantial changes to bring their age up to 55, and they did that through the collective bargaining process which we feel this bill would hinder. In the collective bargaining process, both sides are at the table. Both sides can work on the problem that is considered to be local to them, and they will handle their own issues instead of being micromanaged by Nebraska state government. We also oppose this bill in regards to the paragraph 2 or Section 2 dealing with the elective officials. There are many members of our organization that are deputy sheriffs. They move through the

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organization, spend numerous years, some of them up to 30 years, before they seek elected office in their counties. And therefore, we feel that these benefits should not be taken from them and that they should be able to continue to make contributions into their defined contribution 401 plans that they currently have in place for first-class cities and for the sheriffs officers. With that, you do have my written testimony. I will be brief on this issue since the senator said it was just a shell bill. But the Nebraska Fraternal Order of Police would like to be at the table in any negotiations or talks dealing with retirement benefits for police officers in our state. And I'll stand for any questions. [LB688]

SENATOR LOUDEN: Thank you. Any questions for John? Seeing none, thank you. [LB688]

ANGELA AMACK: Good afternoon, Senators. My name is Angela Amack, A-m-a-c-k. I'm a registered lobbyist appearing before you today on behalf of the Nebraska Professional Firefighters Association. I'm real nervous in front of this big powerful committee. It's the first time I've been in front of Retirement officially. And I do want to just say that I have some written testimony too that I maybe won't read it all for you today since the senator made such efforts to hold the bill, but. We do have some real concerns with the bill. First, it only applies, of course, to police and fire employees with civilian retirement plans. Further, we have some concerns that why the State Patrol is exempted when they have very similar roles. The bill raises serious questions as to how employers would comply with the legislation to meet their obligations under current retirement plans in the event that a firefighter is disabled as a result of a duty-related accident. First responders shouldn't be punished because they've been injured in the course of protecting citizens. An additional concern is the loss of funding for current pensions that may occur if this new requirement forces changes to existing plans. The reality with regard to retirement benefits is that employees have the ability to start work at a fairly young age, and requiring them to work 36-37 years after their potential start date would require them to contribute more to the retirement than the cost of the benefit, and that is just simply unfair in an era when public safety officers are placed at a daily risk in a society that has grown increasingly violent. We ask the committee to allow employers and employees--this is probably the crux of it, of our position--we would ask that you would allow employers and employees to continue to establish retirement benefits through mutual agreement. The evidence establishes that this particular subset of the labor market experiences a reduced life expectancy also, which lends further support to the conclusion that the parties be free to negotiate a benefit that best serves their particular needs locally. So with that, I'd be happy to try to answer any questions. I'm not a retirement or a pension expert, but. [LB688]

SENATOR LOUDEN: Any questions for Angela? Seeing none, I guess you're home free. [LB688]

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ANGELA AMACK: Thank you. [LB688]

AMY PRENDA: Senator Louden and members of the Retirement Committee, my name is Amy Prenda. It's A-m-y P-r-e-n-d-a, and I'm the registered lobbyist for the Nebraska Sheriffs' Association. I won't belabor my testimony; I can just say ditto. One of our major concerns is Section 2, and I think a prior testifier, John from FOP, hit the nail on the head with his testimony that we have a number of very qualified deputies that would be discouraged from running for sheriff if this was in place. So I'd be happy to answer any questions that you have. [LB688]

SENATOR LOUDEN: (Exhibit 2) Any questions for Amy? Seeing none, thank you. Any more opponents? Anyone in a neutral? Seeing none, then I close...Senator Smith waives closing. Oh, I guess we got this letter from the Public Service Commission to enter into the record as being against this bill. Neutral? Okay. It doesn't say in the letter, but anyway we'll put it neutral. So with that, we will close the hearings on LB688, and I guess that ends the hearings for today. (See also Exhibit 3) [LB688]