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Business and Labor Committee  
February 29, 2016

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[LB828 LB981 LB982]

The Committee on Business and Labor met at 1:30 p.m. on Monday, February 29, 2016, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB828, LB981, and LB982. Senators present: Dave Bloomfield, Vice Chairperson; Sue Crawford; Laura Ebke; Sara Howard; and Jerry Johnson. Senators absent: Burke Harr, Chairperson; Ernie Chambers.

SENATOR BLOOMFIELD: The magic hour is upon us. I want to be sure to thank Senator Harr. He has three bills that he's heavily involved in today and decided he needed to go to Omaha. So you'll be getting a secondary Chair today. I want to welcome you all to the Business and Labor Committee and ask that you turn off your cell phones if you happen to have them on, or at least silence them. We have three bills today we're going to be dealing with. And I see a bunch of pretty familiar faces here in the crowd so I'm not going to get too involved in what we need to do. I'm going to ask the senators that are here to introduce themselves starting to the left.

SENATOR EBKE: I'm Senator Laura Ebke, District 32, which is Jefferson, Thayer, Fillmore, Saline, and the southwest portion of Lancaster County.

SENATOR JOHNSON: Senator Jerry Johnson, District 23, which is all of Saunders, Butler, and most of Colfax Counties.

SENATOR HOWARD: Senator Sara Howard, I represent District 9 in midtown Omaha.

SENATOR BLOOMFIELD: And I'm senator Dave Bloomfield from District 17, Vice Chair of the committee. I think we'll have another senator or two coming in before the day is over. I certainly hope so. But as you know it works, we'll be in and out as our demands require. We will start with LB828 and Jamison Wyatt is going to introduce that for us. So proceed if you would, sir.

JAMISON WYATT: Good afternoon, members of the Business and Labor Committee. My name is Jamison Wyatt; that's J-a-m-i-s-o-n W-y-a-t-t, and I am Senator Harr's legislative aide here to introduce LB828, which is an unemployment rewrite cleanup bill. And the bill currently has an amendment, AM1864, I think you all have copies of. So that's the new version of the bill. LB828 was introduced at the request of the Department of Labor to revise Nebraska's Employment Security Law. Senator Harr has worked extensively with the Department of Labor, and all parties involved can agree, the unemployment laws are too complicated and difficult to understand. The goal of the LB828 is to eliminate obsolete language and provide better understanding for all

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parties who read this law--specifically claimants, employers, policymakers, attorneys, and others. LB828 contains no policy changes. We wanted to keep the amendment free of policy debate, hence we have three different bills introduced this session related to unemployment that are not contained in LB828. A forthcoming amendment provides an operative date of January 1, 2018, to allow a full session for the Legislature to review this comprehensive clean-up bill. And we'd all like to thank the Department of Labor for all the work that they've done on this bill to provide better clarity on this important section of law. And I'll pretty much leave it at that, keeping in mind that Commissioner Albin will be behind me to answer any questions you may have. [LB828]

SENATOR BLOOMFIELD: Thank you, Jamison. It is kind of a longstanding rule that when the senator isn't here to introduce his bill we do not ask his LA questions. We will not ask him questions, but I think we may ask the next gentleman a question or two. And in my opening I forgot to mention the other folks that are up front here. And I made sure I had their names and I just didn't bother with it. We have committee clerk Lauren Williams, legal counsel Michelle--I did it; I told you I was going to do it--Meghan Chaffee, and we have pages Jordan Snader and Brenda Gallardo. Welcome, Commissioner. [LB828]

JOHN ALBIN: (Exhibit 1) Thank you. Senator Bloomfield, members of the Business and Labor Committee, for the record, my name is John Albin, J-o-h-n A-l-b-i-n, and I am the Commissioner of Labor. I'd like to thank Senator Harr for introducing LB828 and I'm appearing here today in support of the bill. The Employment Security Law was first passed in 1937 and is fashioned after the corresponding provisions of the Federal Unemployment Tax Act and the Social Security Act. While both acts have noble purposes, neither will ever be touted as exemplary acts of legislative drafting. In the years that I've worked for the Department of Labor, I've often been asked by employers, claimants, and their attorneys to please show them where in the Employment Security Law they can find a particular provision. The provisions are often hidden in obscure passages or scattered over several sections of the law. Last summer, Senator Harr, Ron Sedlacek from the State Chamber, Rodney Vlcek of the State AFL-CIO, and Department of Labor staff met to discuss this issue. We agreed to work on legislation that would eliminate obsolete language in the Employment Security Law and clarify other provisions to make the law understandable to both employers and claimants without making any substantive changes to the law. LB828, and more precisely the amendment thereto, AM1864, is the product of that effort and is a substantial upgrade over the existing law. I urge the committee to vote to advance LB828 to General File. Business and Labor Committee counsel, Labor's general counsel, and the Bill Drafter's Office have put a lot of time into this project and should be commended for the quality of the work they have done. The Employment Security Law, as it exists, contains a lot of obsolete and muddled language. Definitions are sprinkled throughout the Employment Security Law rather than being located in a single statute. AM1864 will address those issues. In a number of instances, definitions applicable under the act are not contained

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within the definitional section found at 48-602, but rather they are scattered throughout the act. The amendment moves those definitions to 48-602, making the definitions easier to find and the substantive sections easier to read. The amendment will remove obsolete references to an independent retirement plan separate from the state retirement plan that has been terminated, as NDOL employees are now a part of the state retirement system. The amendment also breaks out unnecessarily long and complicated sections into individual sections containing topic-specific provisions that are more easily understood. In addition, the amendment consolidates other provisions that are all topic-specific, but scattered over multiple sections. Here are some examples of the changes: 48-628, as is currently written, has 13 subsections relating to 13 different benefit disqualifications. The amendment breaks out the different disqualifications into separate sections so that each disqualification is more easily found and understood. The amendment consolidates all of the provisions relating to appeals of unemployment benefit determinations to the courts in Sections 48-640 and 48-641 into 48-638 so that's comprised of a single section. 48-649, which contains the provisions regarding the computation of employer tax rates, is currently spread out over 7 long and complex subsections. The amendment divides 48-649 into separate sections based upon specific topics relating to the tax computation process. The Employment Security Law has numerous references to effective dates that are no longer relevant. For example: 48-662.02 and 48-622.03 contain reference changes that became effective in 1996 and 2015. The amendment will remove references to provisions that are no longer applicable to any unemployment claim in both those sections and throughout the Employment Security Law. The amendment also corrects references to federal legislation, such as the now repealed and replaced Workforce Investment Act. Finally, the amendment contains a delayed effective date, so that employer and worker organizations will have a considerable period of time to review the changes and ensure that they really are policy neutral and do not inadvertently create any new issues. That concludes my testimony unless the members of the committee do have questions for me. [LB828]

SENATOR BLOOMFIELD: Are there any questions for Mr. Albin? Senator Howard. [LB828]

SENATOR HOWARD: Thank you, Senator Bloomfield, and thank you for visiting us today. Because I'm new to the committee, could you walk me through sort of how the unemployment program works? [LB828]

JOHN ALBIN: Okay. Well, it's a creature of two federal acts that technically states don't have to have unemployment systems, but the impact on the employer community in terms of tax rates are so draconian if you don't that the state would be really unwise to not have a system, aside from the regular policy issues about taking care of people when they are unemployed. Under the sections it's a tax. It's only on employers. Claimants do not pay any tax. It's a rated experience system somewhat similar to the workers' compensation system in that the more claims that are filed against you, the more...the higher tax rate you are likely to pay. We divide out all of the

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employers into 20 categories and then use those categories, assign them experience ratings so that we can collect the tax that needs to be collected to pay for the benefits. There's...48-649 has a long formula that describes all the processes we go through with that. Basically in a nutshell, it's triggered to tie to the benefits that were paid the previous year. Back in 2005 everyone knew that the unemployment system in Nebraska was in trouble because the trust fund was too low and really couldn't respond to our serious recession. So we sat down with the employer and the business...and the worker communities. The employer community expressed a preference for a system that basically was a pay as you go. And the system we've adopted is about as close as to pay as you go as you could hope for. One of the things that the business community and the employee organizations all recognize was that you have to create a reserve fund because, you know, you don't get a warning on some recessions. They just hit all of a sudden and suddenly your costs go way up. So what we did in that regard is we contracted with Senator (sic) Ernie Goss from Creighton University to give us a guideline as to what that minimum reserve account should be and that is also taken into account in 48-649. On the benefits side, I mean there are a number of disqualifications that are applicable potentially in 48-628: quit without good cause, fired for misconduct, refusal of suitable work. I won't read you all 13 subsections. The benefits themselves are determined based upon your earnings in your base period, which basically is normally the first four of the last five calendar quarters. I always love that phrase because everyone looks at you and it's like, what did you just say? We also have an alternative base period in there so that those who don't qualify in that have a second chance if they have more recent earnings but don't have that longer history. The benefits are set up to be equal to one-half of your average weekly wage during your high quarter of that base period and then you can receive that one-half amount for up to 26 weeks. As I've often said basically under the system, best case...well, I shouldn't best case. The most money that anyone could receive in it is one-fourth of their annual income and that is set up on a benefit year. So it's one of the reasons we pushed for our reemployment project is because at best in that 12 months following unemployment we can replace one-quarter of your income and that's just not sufficient for the average household. There are a number of provisions as to who we have to include and who we don't have to include. We tried to straighten those out and at least make them clear. Agriculture is an example. It's an inclusion if it's...if they have a payroll of \$20,000 in a quarter but then it's otherwise excluded. And those were two of the definitions that were pretty mucked up. And so between Ms. Chaffee and Ms. Thurber, I think we have that straightened out now. So... [LB828]

SENATOR HOWARD: Can you tell me about the application process? [LB828]

JOHN ALBIN: The application process, right now the preferred method is that you file through an Internet claim. We have 14 offices across the state so you can use anything from your cell phone to your personal computer at home to going into one of those 14 offices to file your claim. And we have people there that have been trained and are going to get more training. So now that we've got through a session...one heavy session, we've learned where some of the sticking points

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are and so we want to get those smoothed out in the next session. But there's also an alternative available out there for individuals who have language barriers or physical handicaps or are just plain computer illiterate for lack of a better term. They can actually file those claims over the phone and during that...and one of the things that we quickly found out was, okay, since you have to register as a condition of eligibility, we initially didn't have the claims specialists, as we call them, set up so that they could get you registered and create that resume. That's been fixed. You now can do all of that over the phone if you have the language. We do try and hire a bilingual staff whenever possible. I think right now we have three languages. Fortunately our two highest, Spanish and Vietnamese, are both covered by live persons. With the Spanish claimants, speaking claimants, we're...our next step is we're in the process, it's pending, purchase orders pending approval by DAS. I don't anticipate any problems. We will create a Spanish module...or purchase a Spanish module so that the claim will be in Spanish. With our integrated system, we've got two systems that work together to create the claim. And so on the registration side we're going to have that covered. That also will handle the weekly claims. We're in the process of translating all of our screens on what we call the benefit payment side into Spanish as well so that we can deal with those claims. If they are the languages that we don't cover--Somali is one of the larger ones--we contract with LanguageLine to cover those languages...lesser spoken and we can't find interpreters to do that. So...and I should mention unemployment is different than a lot of claims... a lot of government benefit programs in that you have to come in and certify eligibility every week. And so that certification process will soon be covered by the new Spanish module. And then you list earnings and then benefits paid. So those are some...that's the application process and there's a lot of things that we've seen after we got into it that we can do to improve it and we certainly are intending to do that. We've been working with our vendor. Some of the things, you know, it was like if somebody...just an example and this we got fixed just a week or two ago because I actually...I'm kind of one of those people that I guess, I don't know, have enough common sense. But I actually like to have people call me with their complaints directly because I don't know that I can understand what all is going on unless I actually talk to them. And this was an individual who was an attached worker and when he went in to file his claim he got through all the stuff and he thought he was done and it said no records found. Well, the poor guy thought that somehow the system had not accepted his claim. Well, if you read the vendor's page carefully, and none of us do, it actually said that that no records found referred to certifications that he had done in previous weeks, which on your first week there obviously isn't one. We talked to the vendor about it. They said, yeah, that's...we can see how that's confusing. So that is a change they pushed just to make it read more friendly. There are some questions that we asked and we had a tendency I think to ask compound questions. And so we're trying to break those down. One of the problems that we've now ironed...I think we've got it ironed out and we're sure going to have it ironed out in a couple...a few more weeks and that was if someone goes into NEworks and sees a job at Cabela's and they click on to the Cabela's Web site and make the application for the job and all that, they've done everything they're supposed to do in regard to that job, plus they've satisfied their use of NEworks. But when it put

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over to the weekly certification page, the individual could if they wanted type over. And it was confusing then because when it came over it would say you applied here at NEworks. And they said, well no, I did at Cabela's. So they went in and typed in Cabela's and that created an issue because we couldn't find their NEworks search. Hopefully it's done. I'm told it was about done. We've eliminated that type over capability and also we've added a fail-safe question just in case to handle those sorts of workers. You know, there are professions that are limited and so if you go on NEworks and you make your search and there's nothing turns up turns up, you've done what you were supposed to do and we weren't doing a good job of catching that question. So we added a catch-all question: did you use...search for work on NEworks this week? So we've tried to eliminate as many fail points as we can. I think it's a much better product than when we started and I think it was pretty good straight out of the box, so. [LB828]

SENATOR HOWARD: Do you require an e-mail? I received a note from a constituent who said that they weren't able to apply because they didn't want to share their e-mail. [LB828]

JOHN ALBIN: We do require an e-mail address but it doesn't have to be...they can set up a special e-mail address... [LB828]

SENATOR HOWARD: Is that by statute? [LB828]

JOHN ALBIN: That's by... [LB828]

SENATOR HOWARD: We require you to get an e-mail? [LB828]

JOHN ALBIN: That is by the software process. And the reason for that is fairly simple and that is most of the job contacts anymore come through the Internet. I mean, it's hard for a claimant to look for work without being able to access the Internet and not applying on-line. So we've created that Internet...we'll create a special one for them. So if they don't want to mess up...mess it into their individual accounts, but when we're trying to communicate with people that we found...there's a job out there that they want to apply to, the best way to get that information out to them most quickly is to push it out to an e-mail address and say there are jobs out there for you that you should...that fit your qualifications. So we've been working through that. And like I said, we're setting it up now so the individuals, they can...we will help them set up a dedicated account that doesn't mingle with their regular e-mail so they don't have to give up their...you know, they don't have to worry about getting spammed or any of that sort of stuff because it'll be this separate account. [LB828]

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SENATOR HOWARD: Even if they don't have a computer at home or maybe they're a little bit older, maybe not as computer literate? [LB828]

JOHN ALBIN: Well, I guess you can go for the 2 percent or you can go for the 98 (percent). I mean most people now have Internet access. You have to file and since 2013 have had to file your unemployment claims through the Internet. We have 97 percent compliance with that. And most of those that aren't are language issues. So I don't think there's a real issue of Internet access out there for the average claimant...I shouldn't say average. Ninety-seven percent are able to file claims through their...through the Internet, through their smartphone, through their tablet and all those different ways. [LB828]

SENATOR HOWARD: Thank you. [LB828]

SENATOR BLOOMFIELD: Senator Johnson. [LB828]

SENATOR JOHNSON: Thank you, Vice Chair Bloomfield. Thank you, Commissioner. Being Chair of another committee and do cleanup bills and things like that for committee structure in order to bring everything up to date, the revisions that you have worked on here, and I applaud everybody for the work you've done, how...is this the first major or how often have we had an update on this particular employment security...? [LB828]

JOHN ALBIN: The code has basically existed since 1937 with just patches and add-ons all over the place. There has not been a comprehensive effort to rewrite since that 1937 original draft. Everything just gets bolted on, on top of what's already there. [LB828]

SENATOR JOHNSON: Well, there's always a fear, probably a disclaimer somehow that something got changed in here that does have some effect on it. So I appreciate the time now that we have, everybody look through it I guess and make sure that everything is still the way the original wording is but more reader friendly I'm sure. [LB828]

JOHN ALBIN: Yeah. Well, and it really was a partnership. We've said that with the employer community and organized labor together that working with Senator Harr's Office, that we just want to make the thing readable again. And maybe it never was, I don't know. We'd like to make it readable now anyway. [LB828]

SENATOR JOHNSON: Thank you. That's all I have. [LB828]

SENATOR BLOOMFIELD: Senator Crawford. [LB828]

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SENATOR CRAWFORD: Thank you, Senator Bloomfield, and thank you, Commissioner Albin. And I apologize if you already answered this question since I was presenting in another hearing. I wondered if there's any way in which the software gets tested between the vendor and then being released by the Department of Labor. So you know, we've had some questions and comments about readability and understandability of the questions and things that we've caught, you know, that you've caught, and people have caught since. And I just wondered what your process was in terms of getting someone who is less familiar with all the ins and outs to look at...to test the program for you or if you had stakeholders that tested for you or something. [LB828]

JOHN ALBIN: We have not done a stakeholders testing group with this particular iteration. The software itself is built by Geographic Solutions. I want to say they're in...I can't remember whether 34 or 38 different states with the what we call the Wagner-Peyser side of that, the employment service side of that. There are only two states now, three when Tennessee comes up, that actually use the reemployment exchange process that we have in it. So our vendor, you know, they want to sell that product as many places as they can. They're more than happy to work with us on issues as they come up. We try to imagine and work through as many scenarios as we could. One of the limitations on bringing in outside groups to work on it has been that with our benefit payment system, which is newer than most but still antiquated by technological reasons, for whatever reason, when whoever set it up for the test part of it, it has to test using live data. So we would have had to expose individuals to live data from the tax side which really probably wasn't such a good...wouldn't be such a good idea. So we've tried...had to deal with the...one, our good common sense, and two, we've tried to react very quickly when we can to any issues that the claimants have. The Spanish speaking was far away the biggest and it was just, okay, we're going to do this, guys. This is the way to make it work, it's far and away our largest non-English speaking group and we just need to accommodate that. [LB828]

SENATOR CRAWFORD: So if people have...are running into those issues, they should contact you directly. [LB828]

JOHN ALBIN: Yes, if they have got a complaint, call me. It's 471-3405. (Laughter) [LB828]

SENATOR CRAWFORD: So the two that I've heard are, one, just a concern about rural areas of the state where you're required...if you're...if it requires you to check unemployment and there aren't employment opportunities in that rural area, if that disqualifies you from benefits. And then the second is the...it being set up to require the resume and that there are groups of people like attached and folks who aren't required to have a resume and that is a hiccup in the system. [LB828]



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JOHN ALBIN: Okay. [LB828]

SENATOR CRAWFORD: And again, if you've addressed those already... [LB828]

JOHN ALBIN: I have not and I'll walk you through them. I'll take them in reverse order. The resume issue, that was one that we struggled with when we were early on in putting up the system. We couldn't find...there's no system out there that I know of that was automatically allowing...well, there's basically only one product that (inaudible) employment exchange and it was not set up to allow someone to bypass all these issues for creating a resume and that if they claimed a tax status. Just programmatically, the problem with the attached status part of it was basically we were relying on self-attestation saying, oh yeah, I'm attached. And then we did not...and then we waited for the employer to respond and all of that stuff. But it was really self-attesting that, yeah, I'm an attached status whereas now we address that issue upfront. I think Senator Harr...I think it was Senator Harr. I know Carl Eskridge from the Ombudsman's Office was over and we kind of walked through it. Creating a resume is a five-minute process probably at most. It is new and is different and our attached workers, that was one of those things we had not anticipated as much as we might have that they would react strongly to it. It's really not a hard process, five minutes max and then you've got your resume on file. They don't have to touch it after that. And on their weekly certifications it would have no impact. And again, if they're just completely computer flummoxed, we're doing it over the phone now for them if that's what it takes. Remind me of your second issue. [LB828]

SENATOR CRAWFORD: The rural. [LB828]

JOHN ALBIN: Rural issues, yes. We're in the process of examining the rural issues. We really haven't...I've had a handful but most of the claimants in rural Nebraska have not been, that I can tell, have not been impacted by the work search requirements. One of the things that we have done, our system, our benefit payment system did not provide very good information on the nature of the problems that were out there. It just kind of lumped anybody who didn't do quality work search for that week into one pile and you have to dig into every claim to figure out exactly what went wrong. So I wanted my directors and staffs working real hard to get it up and that is we're going to start breaking out determinations in terms of, okay, was it number of work searches, was it lack of using NEworks, was it...whatever. We've taken the reasons and it's like, okay, I want a separate determination on each one because we can't define where the pinch points are unless we can tell what's caused the disqualifications. And so that hopefully that gets up pretty soon and we can start getting a better handle on it. I have not heard a lot of rural people complaining about the job search part of it. I mean I grew up in rural Nebraska and practiced law there for a while. And it's like, people just know you're going to drive because the jobs are out...you know, the job is 45, 50 miles away and you're going to go there. So that part of it has

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not been a big issue. We're working on the orientation sessions, trying to come up with a little bit more flexible orientation (inaudible). I don't think anybody has been failed yet that actually wanted to go through the orientation session because we reschedule. We had an individual that wanted to go on...that was from South Sioux City. His closest local office was in Norfolk. He called us and said I never go to Norfolk but I'm going to Omaha next week. Could I do it in Omaha? And we said sure and so we switched him over to do that. So we're getting people set up. We've done it over the phone on orientation sessions. One of our sides of it that's a little bit more problematic is our...you know, really it's a combination of programs both unemployment-funded programs and Wagner-Peyser Employment Service-funded programs. And so we've had to...had all the different rules and so we're trying to...and RESEA, the new federal program, does require that the actual person be there in person. So we're revisiting that issue because it looks like we can create some distance rules on that and so that we can exempt them. Doesn't get them out of the orientation session. It moves them from you have to be here at this office to we can do this over the phone, through a Web service, or something like that. So we're trying to move along in that direction to trying to be more flexible. When you're first in the nation, you don't have a lot of history from other states to follow on. But we're optimistic. We're pleased with what we've seen so far. People really do like the orientation sessions. I know sometimes they are not so happy about the drive there in the rural areas or even...we had one lady who called us complaining because she had to walk three blocks. (Laughter) That one seemed a bit much. But I think by and large once they get in there, they see that it really is intended to help them get a job and I think that's what 98.9 percent or better of Nebraskans who are unemployed really want to do is get a job and we're providing them with a mechanism to do that and tailor their application process so they can find that work. And I think once they get into it they appreciate it and understand that we're not just trying to create another hoop for them to jump through. But sometimes that first step through the door there can be some pushback. [LB828]

SENATOR CRAWFORD: Thank you. [LB828]

SENATOR BLOOMFIELD: Are there any further questions from the committee? I'm going to have one. I kind of want to follow up on something Senator Howard touched on and that's the people that don't have e-mails or computers. You said that you would help them via phone create a resume. [LB828]

JOHN ALBIN: Yes. [LB828]

SENATOR BLOOMFIELD: Is there any way you can help via phone or some other way these people these that may or may not have an e-mail or a computer? [LB828]

JOHN ALBIN: Yes, we do. [LB828]

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SENATOR BLOOMFIELD: Is there a process to get to that and how do you do it? [LB828]

JOHN ALBIN: Well, one, if you just don't have an e-mail address, or like in the case Senator Howard mentioned, that you got somebody that doesn't want their personal e-mail receiving all this, we've now got it set up so we can...when they call in we can go ahead and we'll go out and give them their options. And they can create a separate e-mail. You know, if they're at Gmail now and they want to set up a Yahoo! account for all of this, we'll walk them through the process...we'll walk them through--we'll put them through the process and... [LB828]

SENATOR BLOOMFIELD: Commissioner, what if they don't have the computer? [LB828]

JOHN ALBIN: Well... [LB828]

SENATOR BLOOMFIELD: Can they go...can you help them set something up at the library because there are still people out in rural Nebraska that don't have computers. [LB828]

JOHN ALBIN: Oh, I understand that. And our...we had a project with the State Library Commission to provide special training so...because almost every...I think every, but almost...pretty close to almost if not all libraries have a computer. You can very much file this with any computer that has Internet access. It doesn't have to be a department. It doesn't have to be your personal. It doesn't have to be a phone. If there is a computer...or more...in a public library it will work for setting up your claim. [LB828]

SENATOR BLOOMFIELD: Is there knowledge within the department to tell people that you don't...if I tell you I don't have a computer, is somebody in that office going to know to tell me, well, go check in the library? [LB828]

JOHN ALBIN: Yes. [LB828]

SENATOR BLOOMFIELD: Or will that happen some other way? [LB828]

JOHN ALBIN: Yes, they will tell you. [LB828]

SENATOR BLOOMFIELD: Okay. [LB828]

JOHN ALBIN: And I know the library part of it works because a friend of mine has a daughter that works at Lincoln Public Libraries and she said her daughter keeps complaining to her that

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we've turned the Lincoln Public Library into an unemployment office. So I think it's working in terms of the public libraries. I realize there's not as...I think maybe in rural Nebraska there's a lesser understanding of the access and we've been working hard to try and make sure they're aware of that access so that they can get their claims filed. [LB828]

SENATOR BLOOMFIELD: Okay. Thank you, Commissioner. [LB828]

JOHN ALBIN: And any member of the committee or all the committee at once that wants to come over there and sit down and go through the process, we're more than happy to show you the process. I know Senator Harr has been over. I was trying to think who...there was one other senator that was over, but we're more than happy to show you the process so that you can see what's involved. And I think it will also help when you have constituent calls. You can help them a little bit more. And like I said, 471-3405 works pretty well as well. [LB828]

SENATOR BLOOMFIELD: Okay. Thank you. [LB828]

JOHN ALBIN: Thank you. [LB828]

SENATOR BLOOMFIELD: And I did not explain when we opened the light system to those who may not be familiar with it. You're allowed five minutes to testify. You'll have the green light for four minutes, amber light for one minute, and at that point we expect you to wrap up when the red light comes on. Are there other proponents? Seeing none, are there any opponents to LB828? Anyone in the neutral position? [LB828]

RON SEDLACEK: Good afternoon, Chairman Bloomfield... [LB828]

SENATOR BLOOMFIELD: Good afternoon. [LB828]

RON SEDLACEK: ...and members of the Business and Labor Committee. For the record, my name is Ron Sedlacek, S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce and testifying at this point in the neutral capacity. Just wanted to commend Commissioner Albin, his staff, the staff of the Business and Labor Committee, and others involved in this rewrite. Wanted to acknowledge also that we were contacted during the interim by the Labor Commissioner regarding the rewrite and our position was we're familiar with clean-up statutes and legislation, particularly in the areas of Transportation; Banking, Commerce and Insurance Committee; Revenue Committee; other committees of the Legislature. And in that regard, we committed that we, as long as the rewrite did not have substantive changes, that we would not ourselves pursue any amendments to that particular bill during the course of

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legislative consideration, hoping that it would be something like a consent calendar bill if it is true rewrite. We have not had the chance to fully review the amendment. What I see so far, it appears to be nonsubstantive changes and nothing that we have found would set off any alarm bells, so to speak. We would continue to review the legislation. If we have any particular concerns we will communicate that to the committee as well as to the Labor Commissioner. But as I say, we don't see at this particular time. We did meet with labor and also made that agreement with AFL-CIO, that we would not be pursuing any substantive changes to the legislation. And with that, I'll close my testimony. If there are any questions, I'd be happy to answer them. [LB828]

SENATOR BLOOMFIELD: Thank you. Are there any questions for Mr. Sedlacek? Seeing none, thank you again for coming in. [LB828]

RON SEDLACEK: Thank you. [LB828]

SENATOR BLOOMFIELD: Is there any further neutral testimony? Seeing none, do we have any...who is this from? (Exhibit 2) We have one letter from Ross Teske from Elmwood, Nebraska, in the neutral position. That will end the hearing the on LB828. Thank you. Ms. Chaffee, whenever you're ready. This will be on LB981. [LB828]

MEGHAN CHAFFEE: Good afternoon, Senator Bloomfield, members of the Business and Labor Committee. My name is Meghan Chaffee, M-e-g-h-a-n C-h-a-f-f-e-e, legal counsel for the Business and Labor Committee here to introduce LB981. LB981 are those claims against the state that are approved for payment and processed to the State Claims Board. These claims include some tort claims and agency write-off requests. Also, you'll see in your binder an amendment, AM2183, which includes a workers' compensation claim that arose after the day of bill introduction. The amendment also reduces the write-off requests from the Department of Health and Human Services. Here to testify for those tort and work comp claims we have representatives from the Attorney General's Office. We also have representatives of agencies present to talk about the write-off requests. And here to testify behind me is Shereece Dendy, the State Risk Manager who is involved in the claims process. Ms. Dendy can answer any additional questions regarding the claims in LB981, the process as a whole, and forthcoming amendments. Thank you. [LB981]

SENATOR BLOOMFIELD: Thank you. Who gets to come up first? [LB981]

SHEREECE DENDY: Good afternoon, Senator Bloomfield, members of the Business and Labor Committee. My name is Shereece Dendy, S-h-e-r-e-e-c-e D-e-n-d-y, and I am the State Risk Manager. I am here to talk about the claims bill, LB981. And just to give you a little bit of

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information about how these claims arose, tort, miscellaneous, and contract claims are filed with the Office of Risk Management. Claims up to \$5,000 are approved...can be approved by the Risk Manager. Any claim \$5,001 up to \$50,000 has to be approved by the State Claims Board. Anything above \$50,000 has to be added to the claims bill and so that is why we are here today. There are also miscellaneous claims such as write-offs that have to go on the claims bill for the Legislature's approval. We have one amendment, which Ms. Chaffee spoke about earlier, which is a workers' compensation settlement that was entered into after the bill was drafted. I would like to bring the committee's attention to that there are seven other amendments coming. We have a State Claims Board hearing scheduled for tomorrow morning. And within the last week there have been a few claims settled by the Attorney General's Office. So I just want to quickly just let you know what those claims are going to be and their representatives are here to speak about those amendments should you guys have any questions. We have a Susan Waters settlement in the amount of \$185,000 from the Attorney General's Office that will be amended after the State Claims Board. We have another worker's compensation claim in the amount of \$275,000 for Amanda Jajoo, also the Attorney General's Office will speak about that claim. We have a write-off from the Dodge County Treasurer and Ruth Sorensen will speak about that claim. We have a settlement from Gorden in the amount of \$400,000 that will also be spoken about with the Attorney General's Office. And then the Department of Health and Human Services has received a payment, so their write-off had been reduced to \$1,590,534.29. And then we also received one last write-off request from Game and Parks in the amount of \$5,246.61. Are there any questions for me? [LB981]

SENATOR BLOOMFIELD: Are there any questions for Ms. Dendy? Seeing none, thank you. [LB981]

SHEREECE DENDY: Thank you. And also just one correction to the list the testifiers, Doug Kluender is not here so Jim Smith, Assistant Attorney General, will speak on his behalf. [LB981]

SENATOR BLOOMFIELD: Okay. Thank you. [LB981]

SHEREECE DENDY: You're welcome. [LB981]

SENATOR BLOOMFIELD: Welcome. [LB981]

JAMES D. SMITH: (Exhibit 1) Welcome. Thank you. Senator Bloomfield and members of the committee, I'm James D. Smith; the spelling is pretty easy, S-m-i-t-h. I am from the Attorney General's Office. I am the chief of the civil litigation bureau of the Attorney General's Office and I've been with the Attorney General's Office since 1994. I'm here to essentially answer any

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questions, provide any further information concerning settlements and judgments that would require legislative approval. Stephanie Caldwell from our office was actually going to be making the presentation here today. She was in an auto accident. So I'm in essence pinch-hitting for her. I'm also covering for Mr. Kluender of the...he's an Attorney General with Department of Roads. And so I did prepare a separate summary. I think these matters in this summary are all presented in Ms. Dendy's summary that I did see. But I did provide additional copies so that the committee members would all have copies. Essentially what I would call...would describe as recent ones that would be amendments or forthcoming amendments, one, is Waters v. Ricketts. It's \$185,000. That's a settlement for attorney's fees and costs rising out of our federal lawsuit where Nebraska's same sex marriage constitutional amendment was challenged. It was found unconstitutional as a result of the U.S. Supreme Court decision and our federal court's decision. Because of that, the plaintiffs are entitled to attorney's fees. We did negotiate this down. They were seeking approximately \$215,000. We have negotiated it down to \$185,000 which would be the settlement amount rather than having the risk of the judge imposing a higher number. On the second page, there is a Gorden v. State \$400,000 one. This is for a settlement for a woman who suffered very severe injuries, permanent disabilities when she was stopped and rear-ended up on the highway by a Department of Roads employee's car in the course of duty and the person was driving about 60-65 miles an hour when she was rear-ended. So we mediated that case. The settlement demand prior to mediation was \$900,000. We settled it for \$400,000. On the second page, the second one there's Jajoo v. State that's a \$300,000 settlement that's going to be subject of an amendment. That is the result of we had a recent trial. Workmen's Compensation Court ruled for the employee, Ms. Jajoo, found that she was permanently disabled, and we were looking at she was definitely owed \$75,000 so far. State exposure for the rest of her life would be \$1.1 million for permanent disability plus her future medicals. And we did negotiate that to a lump-sum settlement of \$300,000. She is represented by counsel, by the way, who represented her in the Workmen's Compensation Court. And she had a back injury. She's had two unsuccessful back surgeries, including a fusion. But otherwise hopefully I did...I know I did. I accurately summarized the claims that are Attorney General settlements and judgments. And if the committee has any questions, I'd be happy to address those. [LB981]

SENATOR BLOOMFIELD: Are there any questions? I'm going to have a quick one, Mr. Smith. [LB981]

JAMES D. SMITH: Sure. [LB981]

SENATOR BLOOMFIELD: On the Gorden v. State... [LB981]

JAMES D. SMITH: Yes. [LB981]

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SENATOR BLOOMFIELD: Was that a state-owned car or was he driving his own vehicle while he was at work or what was the situation there? [LB981]

JAMES D. SMITH: My recollection, he was...I can't recall if it was a state car or a private vehicle but he was driving a car in the course of the Department of Roads employment. And I'd have to check on whether it was a state car or private car, but he was working from the Roads Department at the time of the accident which would make the state liable. [LB981]

SENATOR BLOOMFIELD: Okay. Thank you. [LB981]

JAMES D. SMITH: Sure. [LB981]

SENATOR BLOOMFIELD: Are there any other questions? Seeing none, thank you, Mr. Smith. [LB981]

JAMES D. SMITH: Thank you. [LB981]

KYLE SCHNEWEIS: (Exhibit 2) Good afternoon, Senator Bloomfield, members of the Business and Labor Committee. I'm Kyle Schneweis, K-y-l-e S-c-h-n-e-w-e-i-s, Director of the Nebraska Department of Roads. I appreciate having the opportunity to testify in support of the approved state claims and, specifically, the \$248,168.09 write-off amount for the Department of Roads. The Department's duty and responsibility includes protecting and maintaining the 10,000 miles of state highways and our numerous yards and other facilities across the state. From time to time, that infrastructure gets damaged due to negligence of others. Common examples include damaged guardrails, sign installations. The driver in these accidents may only be thinking about the damage to his or her vehicle, but we make diligent and aggressive efforts to recover the damage to our property. We have a systematic and well-established process in place and ultimately some claims must be written off. As the Director, I'm confident that the department's damage recovery process is thorough and effective. And I'm just here to answer any questions you might have. [LB981]

SENATOR BLOOMFIELD: Are there any questions for the Director? I think you're getting off easy today. [LB981]

KYLE SCHNEWEIS: All right. [LB981]

SENATOR BLOOMFIELD: Thank you for coming in. [LB981]



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KYLE SCHNEWEIS: Thank you. [LB981]

RUTH SORENSEN: (Exhibit 3) Good afternoon, Senator Bloomfield and members of the Business and Labor Committee. My name is Ruth Sorensen, R-u-t-h S-o-r-e-n-s-e-n. I am the Property Tax Administrator for state of Nebraska and am here to testify on one of the claims in the amendment. It is 2016-15438. It is payable to the Dodge County Treasurer in the amount of \$261,862. This claim seeks return of real property tax credit monies that were erroneously returned to the state over a period of six years from tax years 2009 through 2014. To provide a little background, the Real Property Tax Credit Fund began in 2007. Each year by September 15, the credit amount to be disbursed to each county is determined and certified to the State Treasurer. The State Treasurer will disburse the monies to each of the counties in two equal payments: one on or before January 31 and the second on or before April 1. The county treasurers determine the amount of credit for each of the real property parcels in that county and apply that credit. The county treasurer then retains 1 percent of the monies for costs before allocating any of the remaining credit monies to the political subdivisions to make them whole. If there are any unused real property tax credit monies--it could be due to a county board of equalization determination, it could be a homestead exemption, tax list correction, etcetera--the county treasurer is to return those monies to the State Treasurer by July 1 of each year. In this case, the State Auditor's Office completed an audit of the Dodge County Treasurer's Office in October 2015. During that audit it was discovered that the Dodge County Treasurer was not distributing a portion of the real property tax credit monies as certified to those associated with the centrally assessed property in Dodge County. Centrally assessed property is that property that we at the Department of Revenue assess and we determine their taxable value and notify the counties and the counties put it on their tax rolls. These will include your pipelines. These will include your railroads. These will include your public utility companies and the sort. As a result of the county treasurer not distributing these monies, a larger amount of unused property tax credit money was returned to the State Treasurer which should not have been returned. This of course resulted in the Dodge County political subdivisions not being made whole. They were shorted the state property tax credit money for all centrally assessed property in Dodge County. This is the county's error that has now been corrected. The Department of Revenue has reviewed this claim and recommended approval of the claim. The Dodge County Treasurer provided a lot of documentation with the claim that was filed. The breakdown of the claim is as follows: For 2009 they're requesting \$34,614.74; 2010, \$39,669.30; 2011, \$43,927.38; 2012, \$46,001.84; 2013, \$45,199.26; 2014, \$52,449.48. This will total the \$261,862.00. There appears to be nothing in the Property Tax Credit Act which is found in the statutes from 77-4209 to 77-4212, that limits the number of years a county can go back when requesting erroneously returned property tax monies, even if it is the county's error. This is not something that we can find in these statutes. And at this time, this will complete my formal testimony, if you have any questions of me on this unique situation. [LB981]

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SENATOR BLOOMFIELD: I do. Are there any other questions through the committee?  
Seeing...go ahead, Senator Johnson. [LB981]

SENATOR JOHNSON: Thank you. These are the totals. Were these the same people each year  
or does this...? What was the consistency of the errors that were made and how many people  
were maybe involved? [LB981]

RUTH SORENSEN: It did not affect any of the companies or any of the individual property  
owners or taxpayers. This is affecting the political subdivisions. [LB981]

SENATOR JOHNSON: Okay. [LB981]

RUTH SORENSEN: This money should have been distributed by the treasurer to the political  
subdivisions to make them whole. [LB981]

SENATOR JOHNSON: That's where... [LB981]

RUTH SORENSEN: And she didn't do that. [LB981]

SENATOR JOHNSON: Okay, thank you. [LB981]

RUTH SORENSEN: Yes. [LB981]

SENATOR BLOOMFIELD: Thank you. Is it of any interest or anything adding to this, any sort  
of a penalty that we're paying because the county erred? Are they getting more than they would  
had they done it correctly? [LB981]

RUTH SORENSEN: No, we have verified all of the data. We have gone back all of these number  
of years to look. And we have confirmed that they returned a larger number of unused property  
tax credit monies for those years. [LB981]

SENATOR BLOOMFIELD: Okay, and are you looking possibly to find a senator next year that  
would help you remedy this possibility? I won't be here, but it sounds to me like it would...  
[LB981]

RUTH SORENSEN: Might be a good idea, Senator. [LB981]

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SENATOR BLOOMFIELD: Do I see any suspects? (Laughter) But I would encourage you to look into it because I don't think we should be going back, and that's personal opinion only. But if the county makes an error, I don't see any reason why we go back five years later and correct it. [LB981]

RUTH SORENSEN: There is a statute where...this did happen in Lancaster County, not with centrally assessed, but what happened was they were doing homestead exemptions incorrectly and they could only go back three years. [LB981]

SENATOR BLOOMFIELD: Okay. If you don't find somebody else to talk to, visit with my office if you would, please, and I'll find somebody. [LB981]

RUTH SORENSEN: Okay. I appreciate that. [LB981]

SENATOR BLOOMFIELD: Thank you. [LB981]

RUTH SORENSEN: Thank you. Anything else? [LB981]

SENATOR BLOOMFIELD: Anyone else? [LB981]

DAVID McMANAMAN: (Exhibit 4) Good afternoon, Senator Bloomfield, members of the Business and Labor Committee. My name is David McManaman; last name is spelled M-c-M-a-n-a-m-a-n. I'm an attorney with the Department of Health and Human Services and I'm here today to testify in support of LB981, specifically Section 3 which would allow the department to write off certain debts owed for fiscal or accounting purposes and to provide additional information. The total debt to which the department is asking for write-off authorization is the amount of \$1,590,534.29. And as Ms. Dendy testified to, that is a reduction from our original amount of about \$57,000. That reduction is due to our having pulled six of the debts previously identified for a write-off and included in our request to the State Claims Board. Those debts were pulled due to our office having received payment on four accounts. And that is a typo in my testimony, I realize that. It says three, but there were four accounts that we pulled for having received payments and because two other debts are subject to restitution orders that were part of the debtors criminal sentencing. The remaining requested write-off amount relates to debts owed to the department by way of assistance provided through 12 programs. The debts are due to over payments made or for services provided for which we have not been reimbursed. Prior to submittal of these debts for write-off, the agency pursued recovery through one or more of the following efforts: (1) through regular billing statements; (2) through recoupment; (3) through demand letters signed by the program or the agency's directors and/or by one of the agency's

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attorneys; (4) referral to a collection agency and use of credit reporting; and (5) litigation. Over 99.9 percent or \$1,589,751.50 of the debt being submitted for write-offs are being submitted because (1) the debtor has passed away with no probate being filed; (2) because the debtor had the debt discharged in bankruptcy; or (3) because the applicable statute of limitations has passed to include money owed from persons who remained on his needs-based assistance. Category three includes 81 percent of the debt, \$1,289,288.64. The debt now barred by the statute of limitations was not collected mostly because the debtors were on needs-based assistance where a determination had already been made that they were of very limited resources without a likelihood of recovery or because the debt was either referred to an outside collection agency or submitted to the agency's legal department and returned due to an inability to garner recovery. An additional reason for one's debt submission as uncollectable is because the debt was reduced by way of an approved settlement agreement. These four categories and the department's presentation of these debts for write-off is consistent with the department's collection policy, a copy of which I believe is attached my written testimony. Thank you for the opportunity to be here today and testify. I'm happy to answer any questions you might have. [LB981]

SENATOR BLOOMFIELD: Are there any questions? I'm going to throw one out quick. You said we collect some by referral to collection agency and use of credit reporting. How effective is that? [LB981]

DAVID McMANAMAN: My experience is it's not been effective. And my understanding, although I don't work primarily with collections with the agency, I primarily work with employment law but it's an area that I've kind of continued to do over a number of years, is that we are looking at any and all different possibilities right now with the addition of a new Chief Financial Officer. We're looking at new collection policies. We're going to new collection processes. [LB981]

SENATOR BLOOMFIELD: Okay. Thank you, sir. [LB981]

DAVID McMANAMAN: Sure. [LB981]

SENATOR BLOOMFIELD: Looks like that's it. [LB981]

DAVID McMANAMAN: Thank you very much. [LB981]

SENATOR BLOOMFIELD: Thank you. [LB981]

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SHAWN FITZGERALD: Good afternoon, Senator Bloomfield and members of the committee. My name is Shawn Fitzgerald; that's S-h-a-w-n, Fitzgerald, F-i-t-z-g-e-r-a-l-d, and I'm here representing the Nebraska Military Department as the agency controller. I'm here to request or to speak on the agency write-off request that we have for \$2,487.34. And that is a write-off that has been approved by the Risk Management Committee and this is for our state tuition assistance program. And the state's students...when student soldiers voluntarily drop out of a college level class that the Military Department state tuition assistance program has paid for, what needs to be done then is for reimbursement of that class or reimbursement of the expenditure that the Military Department has made. This \$2,487.34 write-off request is a collection of three individuals who have already discharged from the National Guard and through several attempts that we have made to regain or to have that money reimbursed, it has not yet been. This is...write-off requests are a routine thing that we do generally every year. We do a review in February and September. The State Auditors Office has claimed that this is an accounts receivable and is an uncollectable debt that we should turn over to the State Claims Board. [LB981]

SENATOR BLOOMFIELD: Are there any questions for Ms. Fitzgerald? Senator Johnson. [LB981]

SENATOR JOHNSON: Thank you. So we're not able to locate the three individuals? [LB981]

SHAWN FITZGERALD: We have contacted them on several occasions via telephone, letters. This goes back all the way to 2001 for one individual. We have listings of the letters sent, when they were sent, and the amount owed for each. [LB981]

SENATOR JOHNSON: So we don't have any ability to keep a garnishment out there or anything to collect at a future date because the statute of limitation on 2001 is...you know, it is what it is. [LB981]

SHAWN FITZGERALD: Correct. We really do not have a mechanism in place. There is some statutory language regarding that. However, we have some agency do not have the opportunity to set up a garnishment unless of course they work for another state agency or are getting something else. I have explored the possibility of perhaps a garnishment on state internal revenue, you know, but we really don't have any laws or any mechanisms set up for that at this point, sir. [LB981]

SENATOR JOHNSON: Okay. Thank you. [LB981]

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SENATOR BLOOMFIELD: Thank you. Any further questions? Ms. Fitzgerald, would you fill out that green form and hand it in before you leave? [LB981]

SHAWN FITZGERALD: Yes, I will. Thank you. [LB981]

SENATOR BLOOMFIELD: Thank you. Any further testifiers? [LB981]

SCOTT SUMMERS: Good afternoon, Senator Bloomfield, members of the committee. My name is Scott Summers, S-u-m-m-e-r-s. I'm an attorney with the general counsel's office at the Nebraska Department of Education here to give a real brief overview and explanation and answer any questions you might have on I think the last of the write-off claims, 2016-15437. Department of Education is requesting to write off \$10,480 in debt that we were unable to collect for various reasons which I'll explain. This stems from a statutory program of the Department of Education that's been in place since 2000, the Attracting Excellence to Teaching Program, AETP. There's a companion program for teachers that are already teaching to go back to get their master's, Enhancing Excellence to Teaching Program, EETP. These are both I call them contingent loans. If the person satisfies the criteria coming out of high school or going into graduate program once they're teaching, they can receive what is now \$3,000 a year loan from the Nebraska Department of Education to pursue their teacher education. If they then graduate within the designated amount of time from undergrad or get their master's if they're a teacher and they get certified and they obtain employment as a teacher in a Nebraska school, those loans are forgiven. You can teach them off. You get one year, \$3,000 forgiven for each year you teach. So that's a very simplistic overview, but when you're in the business of that you do get some that are difficult to collect. We have eight individuals. We've had pretty good luck with the program considering it's 15 years in. Of the eight that make up the reason for the \$10,000, two are deceased, three have declared bankruptcy, one met the regulatory provision that forgave repayment in event of total disability per Social Security standards. We have one who moved out of state and we've been trying to find that individual. We even filed a complaint in county court. We couldn't get her served. And then the last one has not responded and we've been unable to find that one but the unpaid remaining amount was only \$87. So there you have it. So we're requesting the \$10,480.50, which includes the statutory interest rate that we ran up until the date that the State Claims Board did approve these claims back in December. So I'd be happy to try to answer any questions you might have. [LB981]

SENATOR BLOOMFIELD: Okay. Thank you. Are there any questions for Mr. Summers? Seeing none, thank you. [LB981]

SCOTT SUMMERS: Thank you. [LB981]

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SENATOR BLOOMFIELD: Are there any further testifiers on LB981? Seeing none, do we have anything? I guess that wraps us up on that one. And we will move into LB982. [LB981]

MEGHAN CHAFFEE: Good afternoon, Senator Bloomfield, members of the Business and Labor Committee. My name is Meghan Chaffee, M-e-g-h-a-n C-h-a-f-f-e-e, legal counsel for the Business and Labor Committee here to introduce LB982 which is the counterpart to LB981 in that this is the disapproval claims bill brought by the Department of Administrative Services Risk Management Division. For those claims filed against the state that are denied by the State Claims Board, such claims may be appealed to the Legislature. The claimant listed in LB982 has requested legislative review which was submitted by the State Risk Manager for disapproval. Again, Shereece Dendy is here to testify to explain the board's reasoning for denying that claim. And I'm not sure, there may be others here to testify as well. Thank you. [LB982]

SENATOR BLOOMFIELD: Okay. Thank you. Ms. Dendy, welcome back. [LB982]

SHEREECE DENDY: Thank you. Good afternoon again, Senator Bloomfield and Business and Labor Committee. My name is Shereece Dendy, S-h-e-r-e-e-c-e D-e-n-d-y, and I am the State Risk Manager and I'm here to testify regarding the denied claims bill. To get on the denied claims bill, a possible way is to file a miscellaneous claim with the Office of Risk Management. When that claim goes before the State Claims Board if it is denied and the claimant requests legislative review, we place it on the denied claims bill for the Legislature to make a decision on that claim. We have one claim here today and it was filed by claimant Lanet Asmussen. And a memorandum went out to the Business and Labor Committee on or about January 6, 2016, outlining the claim with supporting documents. And I believe that Corey Steel from the Supreme Court is here today and possibly the Assistant Attorney General James Smith to speak more on this claim if you have any questions. [LB982]

SENATOR BLOOMFIELD: Are there any questions? Thank you. [LB982]

SHEREECE DENDY: Thank you. [LB982]

SENATOR BLOOMFIELD: Welcome back again. [LB982]

JAMES D. SMITH: Welcome back. It was a state car, by the way. [LB982]

SENATOR BLOOMFIELD: It was a state car? [LB982]

JAMES D. SMITH: It was a state car. [LB982]

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SENATOR BLOOMFIELD: Thank you. [LB982]

JAMES D. SMITH: Senator Bloomfield, members of the committee, James D. Smith, Assistant Attorney General with the Nebraska Attorney General's Office. I'm here to essentially answer any questions, but to reinforce our view that the claim should be denied. And just procedurally, this is a \$14,000 claim in which if the person wanted to litigate it, normal process, file suit, can be litigated. You can get into all kinds of discovery as far as the merits of the claims. And just to me there would be potentially bad precedent if you wanted to start reviewing these type of claims rather than let them go through the regular type of course. And of course since the amount that she indicated she's willing to settle for is \$14,000, if it really did have merit that would be within the limits that it wouldn't require legislative approval. So it's essentially, to me, you potentially would establish bad precedent by approving the claim. Plus the amount of the claim involved if a person would go through the normal litigation process, it's not, as a matter of policy by state statute, high enough amount that you would typically even require the Legislature to consider it because of the cutoff, so. Otherwise, the merits of the claim it's very obvious it was something that was long ago, should have been raised if it had merit and wasn't. So if anyone has any questions. [LB982]

SENATOR BLOOMFIELD: Do we have any questions? Seeing none, thank you again, Mr. Smith. [LB982]

JAMES D. SMITH: Thank you. [LB982]

COREY STEEL: Since my name was mentioned I felt I better come up to answer any questions. My name is Corey Steel. I'm the State Court Administrator, C-o-r-e-y S-t-e-e-l, and I'm here as a proponent for LB982 and happy to answer any questions the committee may have. [LB982]

SENATOR BLOOMFIELD: That was short. We do have questions. Senator Crawford. [LB982]

SENATOR CRAWFORD: Thank you, Senator Bloomfield, and thank you for coming to answer questions. I just want to establish is the main point from your letter really the time delay, or if you're summarizing sort of key arguments that you would make for denying the claim? One is the time delay, is that the primary point? Is there anything else you want to reinforce? [LB982]

COREY STEEL: That is one. The second is our Clerk of the Supreme Court is not a contracted position but is an employee position. Currently we have no judicial branch employees that are contract employees. We do have contracts for services or for performing duties, but not a



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contracted employee as Ms. Asmussen claims. So our stance is she was an employee due to our personnel policy and procedures. [LB982]

SENATOR CRAWFORD: Thank you. [LB982]

SENATOR BLOOMFIELD: Any further questions? Seeing none, thank you, Mr. Steel. [LB982]

COREY STEEL: Thank you. [LB982]

SENATOR BLOOMFIELD: Do we have further testimony? Seeing none, I guess that concludes the hearing? [LB982]

SENATOR JOHNSON: Opponents? [LB982]

SENATOR BLOOMFIELD: Any opponents for LB982? Neutral? I still think we're done. [LB982]

SENATOR JOHNSON: There's still people there so (laughter) I was curious. [LB982]

SENATOR BLOOMFIELD: It surprised me. And that will end the hearings for today. Thank you. [LB982]