

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

General Affairs Committee
May 14, 2015

[CONFIRMATION]

The Committee on General Affairs met at 12:00 p.m. on Thursday, May 14, 2015, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: Tyson Larson, Chairperson; Colby Coash, Vice Chairperson; Matt Hansen; Dan Hughes; Mark Kolterman; Merv Riepe; and Ken Schilz. Senators absent: Bob Krist.

SENATOR LARSON: Welcome to the General Affairs Committee. I am Senator Tyson Larson of O'Neill, Chairman of the committee. Committee members: To my far right, Senator Matt Hansen is with us from Lincoln; at some point Senator Kolterman and Senator Coash may be...well, Senator Coash is introducing a bill on the floor so Senator Coash won't be able to make it. He's the Vice Chairman. And legal counsel Josh Eickmeier is to my right. On my far left, I have committee clerk, Jeff Fryman. Senator Riepe of Omaha is joining us. And at some point, Senator Hughes of Venango, Senator Krist of Omaha, and Senator Schilz of Ogallala might be joining us. There are three different sign-in sheets located on the tables at the back room. If you are going to testify, please fill out one of those sheets so the committee can record your presence. After each one of you come up and give a very short introduction and a little bit about yourself, I'll ask for proponents and opponents as well as neutral testimony. When you come up and testify, please speak clearly into the microphone and tell us and spell your name, first and last, and tell us who you're representing if anyone. Please turn off your cell phones or any other electronic devices that make noise or keep them on silent, would be good enough. Keep your conversations at a minimum. Also, the General Affairs Committee is paperless this year so senators will be using electronic devices during the hearing so please forgive that. Thank you for your cooperation and we'll begin today's hearings with Terry Scoville and the Nebraska Commission on Problem Gaming (sic).

TERRY SCOVILLE: (Exhibit 1) Good afternoon. I'm Terry Scoville, T-e-r-r-y S-c-o-v-i-l-l-e, and I'm on Problem Gambling Commission. I'm from North Platte and a lot of construction between here and there. (Laughter) [CONFIRMATION]

SENATOR LARSON: And can you tell...have you been...as...have you been on the Nebraska Problem Gambling Commission before? [CONFIRMATION]

TERRY SCOVILLE: I have been on this commission since July of 2013. [CONFIRMATION]

SENATOR LARSON: Okay. [CONFIRMATION]

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TERRY SCOVILLE: So this is a renewal for me. I think we've had excellent work within the commission. I do want to thank the Legislature because they have been very good in backing on what we've been trying to do. [CONFIRMATION]

SENATOR LARSON: Are you excited with where the commission is going or are there changes that need to be made or... [CONFIRMATION]

TERRY SCOVILLE: Absolutely. I'm pretty excited. We meet just about every month. It was supposed to be once every three months but it's been pretty much monthly now. And each month something new has come up that has taught me new things and has also, I think, been good for the commission. [CONFIRMATION]

SENATOR LARSON: Any other questions from the committee? Senator Riepe.
[CONFIRMATION]

SENATOR RIEPE: Thank you, Senator Larson. What would be the one or two things that you feel like remain to be accomplished? [CONFIRMATION]

TERRY SCOVILLE: Finances is always a struggle. As we get more counselors to come into the commission, of course they want more and more money to take care of their clients and it's going to be a struggle to keep up financially with them. And also getting good, qualified counselors is a struggle. We've set up a program through Bellevue University where somebody that wants to go into gambling counseling can take the classes through Bellevue and then at the end take a test and if they've listened to what they're supposed to have, they can be given a gambling counseling job. Out in western Nebraska, it's been really tough. We've had a lot in eastern Nebraska. Being from North Platte, we had one woman that could do it but she just chose to pretty much stay away from it. But we have a new counselor that's a supervisor out there and he's hit up Valentine, Scottsbluff, Gering, Sidney, and I think we're going to see a big influx of help out that way now. [CONFIRMATION]

SENATOR RIEPE: Okay. Thank you. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator Riepe. Any other questions? Seeing none, I appreciate you making it...making the drive. [CONFIRMATION]

TERRY SCOVILLE: It's a long drive. (Laugh) [CONFIRMATION]

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SENATOR LARSON: I understand. You've got three of us sitting here that are from Venango and then Ogallala and I'm from O'Neill. [CONFIRMATION]

TERRY SCOVILLE: Ogallala is just...skip over it, Senator. [CONFIRMATION]

SENATOR LARSON: Well, so we're all familiar with the drives of rural Nebraska but I appreciate you making it and thank you for the work that you've done on the commission. [CONFIRMATION]

TERRY SCOVILLE: All right. Thank you. [CONFIRMATION]

SENATOR LARSON: Thank you. Are there any proponents to Mr. Scoville? Nope, you can... [CONFIRMATION]

TERRY SCOVILLE: I can go? [CONFIRMATION]

SENATOR LARSON: Yeah, yeah. [CONFIRMATION]

TERRY SCOVILLE: Okay. [CONFIRMATION]

SENATOR LARSON: Are there any opponents? Any neutral testimony? And with that, I will close the hearing on Mr. Scoville and move to Paul Leckband, also with the Nebraska Commission on Problem Gaming (sic). Welcome to the General Affairs Committee. [CONFIRMATION]

PAUL LECKBAND: (Exhibit 1) Thank you. My name is Paul, P-a-u-l, Leckband, L-e-c-k-b-a-n-d, and I have been serving as executive director of Lutheran High Northeast in Norfolk. I came in January of 1997. We opened our school in August of 1997. I...my first appointment was for two years and when I was contacted by the Governor's office to see if I was interested in a second appointment, a reappointment, I said, yes, I've enjoyed my work on the commission very much. When I was contacted the first time, I have to say that I didn't think I had much of a chance coming from a small Lutheran high school in northeast Nebraska so I said, sure, why not? And then I got an e-mail that required me to fill out a questionnaire and there were portions of the questionnaire that, honestly, I couldn't answer. So I thought again, well, I don't have much of a chance. So I just filled in what I could, left the rest blank, sent it in, and forgot. And so one day, the Governor's office called me. Somebody said, congratulations, you've been appointed. And my response was, seriously? And the Governor's aide said, why, you don't want to be appointed? And I said, no, I just...I'm surprised. So, anyway, it's been a wonderful experience. I've enjoyed it

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very much. As one who's been involved in secondary education for many years, I take special interest in the welfare of adolescents, educating our youth, young adults, and what we can do as a commission when it comes to working with our providers in the area of providing help for students in...when it comes to gambling, making good choices. [CONFIRMATION]

SENATOR LARSON: Thank you. Any questions from the committee? Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: Senator Larson. Do you have a sense of urgency about any particular thing? And if so, what is that? [CONFIRMATION]

PAUL LECKBAND: Well, I would agree with Terry that we always...the needs, like with most things, with most commissions, the needs far exceed what the funding capabilities, apparently, are. So that's always heavy on our mind, is continued funding. And that's...we spend a lot of time talking about, how can we provide for the needs of the citizens of the state? Gambling addiction is real. I have to admit, originally I was somewhat skeptical. I am no longer skeptical about that. And so providing adequate funding, using our resources wisely... [CONFIRMATION]

SENATOR RIEPE: Do you have a sliding fee schedule? [CONFIRMATION]

PAUL LECKBAND: I'm sorry? [CONFIRMATION]

SENATOR RIEPE: Do you have a sliding fee schedule? [CONFIRMATION]

PAUL LECKBAND: Every time a contract comes up for review or a provider wants to add to their contract, we look at each of those contracts on a case-by-case basis. We look at their proposals very, very carefully. Those proposals have to include not just fees that they charge for their services but they also have to include some funding for education and promotion. So there's not necessarily a fixed fee that we have in mind in each case. [CONFIRMATION]

SENATOR RIEPE: Okay. Okay, thank you. [CONFIRMATION]

PAUL LECKBAND: Yes. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: Thank you. [CONFIRMATION]

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SENATOR LARSON: Any further questions? As I said to Mr. Scoville, we really appreciate what you guys are doing. And obviously, we set aside money in all of our gaming programs to make sure that you guys are funded and want to continue to do so... [CONFIRMATION]

PAUL LECKBAND: Yeah. [CONFIRMATION]

SENATOR LARSON: ...because regardless of it's alcohol, tobacco, gaming, there's a small percentage of people that are...fall within that addiction, and so... [CONFIRMATION]

PAUL LECKBAND: Understand that. We appreciate that very much. [CONFIRMATION]

SENATOR LARSON: ...we appreciate it and thank you for the time. [CONFIRMATION]

PAUL LECKBAND: You're welcome. [CONFIRMATION]

SENATOR LARSON: Are there any proponents to...you...unless there are...are there any further questions? No? Thank you. I'll call for proponents. [CONFIRMATION]

PAUL LECKBAND: If you look at my record, you'll see that I came to Nebraska in January of 1997. I was principal of the Lutheran High School of Hawaii. I hope the committee does not hold that against my professional judgment. (Laughter) [CONFIRMATION]

SENATOR SCHILZ: We'll do our best. [CONFIRMATION]

PAUL LECKBAND: Thank you. [CONFIRMATION]

SENATOR LARSON: I don't... [CONFIRMATION]

SENATOR HUGHES: Coming to Nebraska or leaving Hawaii? [CONFIRMATION]

SENATOR RIEPE: He had Hawaii. [CONFIRMATION]

PAUL LECKBAND: I had lived in Nebraska for 13 years, actually in Lincoln, when we went out there. But again, I just bring that up as a matter of... [CONFIRMATION]

SENATOR LARSON: We won't. [CONFIRMATION]

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PAUL LECKBAND: Okay, thank you. [CONFIRMATION]

SENATOR LARSON: (Laughter) I appreciate it. I have to call for proponents. Are there any proponents? You can...are there any opponents? Is there any neutral testimony? And with that, I will close the hearing on Mr. Paul Leckband and move on to James S. Brummer. Is that correct? [CONFIRMATION]

JAMES BRUMMER: Yes. [CONFIRMATION]

SENATOR LARSON: Mr. Brummer, welcome to the General Affairs Committee.
[CONFIRMATION]

JAMES BRUMMER: (Exhibit 1) I'm James Brummer. I'm here for the confirmation with the State Electrical Board. I've been on the board not quite a year. I work for Nebraska Public Power District which we feel is very important to have that kind of tie between the types of work that we do with what the State Electrical Board works with or what...the issues that they have are or may come up with work hand in hand with a lot of the inspectors, state electrical inspectors, with projects between...from residential projects to commercial is what I roughly...we have...from information, I know that we roughly have about 9,500 licenses and just a little under 5,000 permits for the year, so. [CONFIRMATION]

SENATOR LARSON: All right. Are you a reappointment as well? [CONFIRMATION]

JAMES BRUMMER: Yes. I'm sorry. Yes. [CONFIRMATION]

SENATOR LARSON: Have you enjoyed your time on the State Electrical Board?
[CONFIRMATION]

JAMES BRUMMER: Yes. Yeah, very informative, really good board, good communication, just enjoy doing it. [CONFIRMATION]

SENATOR LARSON: Excellent. I appreciate that. Are there any questions for Mr. Brummer? Seeing none, you got off easy just with me, I guess. So all right. Well, I appreciate your time.
[CONFIRMATION]

JAMES BRUMMER: Okay. Thank you. [CONFIRMATION]

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SENATOR LARSON: Thank you for coming down. Are there any proponents? Welcome to the General Affairs Committee. [CONFIRMATION]

RANDY ANDERSON: I will keep it brief. I know you gentlemen have places to be. I'm Randy Anderson, R-a-n-d-y A-n-d-e-r-s-o-n. I'm the director of the State Electrical Board and I just wanted to say, Mr. Brummer was appointed to fill out a term for a person that no longer worked for the power company and in that time, very active in the board and he's very big on education and continuity. He sponsors meetings between Nebraska Public Power, the inspectors in the Norfolk area, and the contractors. And we've now started giving continued ed because, as you know, we have a 12-hour requirement and those meetings that Nebraska Public Power now kind of filters across the state...works great for some ideas he's had, I mean, things he's been active in that bring contractors, inspectors, and the power company together to keep everybody on the same page. And I just wanted to give a big kudos to him for...he's been an excellent board member in his short time. [CONFIRMATION]

SENATOR LARSON: Excellent. Did you spell your name? I'm sorry. [CONFIRMATION]

RANDY ANDERSON: Yes, I did. [CONFIRMATION]

SENATOR LARSON: Okay. I wanted to double-check. I appreciate you coming down and testifying for Mr. Brummer. Are there any questions? Seeing none, thank you. [CONFIRMATION]

RANDY ANDERSON: Thank you. [CONFIRMATION]

SENATOR LARSON: Are there any opponents? Any neutral testimony? With that, I'll close the hearing on Mr. Brummer and move to Janell Beveridge with the State Racing Commission. Welcome to the General Affairs Committee. [CONFIRMATION]

JANELL BEVERIDGE: (Exhibit 1) Thank you. My name's Janell Beveridge, J-a-n-e-l-l B-e-v-e-r-i-d-g-e. I've been...this is a reaffirmation of...I've been on the commission before and enjoyed it. I enjoy my time. I'm from Ken's district out west, the long drive, Paxton, so us mountain time zone people know what that's about. So anyway, I enjoy doing what I am doing. It's very interesting. I grew up in the middle of the state in Gibbon, so familiar with the third district track which is Fonner Park. And my grandparents and uncles, family members who are connected with the horse racing industry had a couple horses back in the '60s and the early '70s. And as a kid, I was interested in it. So I'm pleased to be able to serve on this commission and I enjoy the work. [CONFIRMATION]

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SENATOR LARSON: I appreciate you coming down. Are there any questions for Ms. Beveridge? [CONFIRMATION]

SENATOR SCHILZ: I can't let her get out of here. I've got a couple. [CONFIRMATION]

SENATOR LARSON: All right. Senator Schilz. [CONFIRMATION]

SENATOR SCHILZ: Janell, how are you doing today? Good to see you again. [CONFIRMATION]

JANELL BEVERIDGE: Be careful. [CONFIRMATION]

SENATOR SCHILZ: How long have you been on the commission now? Do you... [CONFIRMATION]

JANELL BEVERIDGE: Longer than I can remember. [CONFIRMATION]

SENATOR SCHILZ: (Laugh) Can't remember? Okay. That's fine. [CONFIRMATION]

JANELL BEVERIDGE: I ended up as the same thing. I filled in a spot for a guy that was ill. And I filled his term out. That was Mr. Young from Cozad years ago. And so I think it was under Ben's administration. But that was back when there was a representative from each district and now we have two from the other, first and second, and I'm the only one from the third so two or three appointments. [CONFIRMATION]

SENATOR SCHILZ: And...right. And then, over that time you've obviously seen a change in the industry and what's going on here in Nebraska. [CONFIRMATION]

JANELL BEVERIDGE: I got on board in the turbulent time right when AK-SAR-BEN went under. And that was...you know, racing was either lost or it continued. And I was glad to see it survive. I've seen the economy take a toll on it. I've seen almost...you know, there's a real...I always felt that it was good for the economy and the ag part of our state, put a lot of jobs out there for some people. But there's a lot of negatives that went with it too. And I know it's kind of on the line all the time. It's...everybody kind of...well, back in...when the economy went the other way, it was probably one of the things that people thought they might be able to live without. But I'm here to testify that I think it's a strong...I've never...I didn't get back to Grand Island only but two times, I think, this year. Every time I've been there, it was just packed. Of course, they only

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have three-day racing now. In the old days, it was a whole week. And...but it seems to be very healthy right now and they've just had...their handle, if you will, has been way above expectations the last few years. And I attribute that to the economy getting better.

[CONFIRMATION]

SENATOR SCHILZ: And as you talked about the constriction of the days that the racing is happening, are we seeing the effects...are we starting to see effects of fewer trainers, fewer horses coming through and making that more difficult? Or how would...how do you see that?

[CONFIRMATION]

JANELL BEVERIDGE: The tracks struggle. Therefore, their purses struggle. Therefore, the quality of the horses struggles. Some of them like to go out of state. It's hard to fill a card. But the ones that are here...the only thing...I mean, there's...it's steady. It has increased in the last several years that I've...about three or four or five years ago, it was down but now it's come back, so... [CONFIRMATION]

SENATOR SCHILZ: So horse racing is not a dead industry as we've heard here.

[CONFIRMATION]

JANELL BEVERIDGE: No. No, not in my...no, it's rebounded per the economy, in my opinion. And it seems to be something fun for the kids...the younger generation to do. I could say that now. They have a little bit more...they make it a...you know, some social. It's very social anymore. It doesn't seem to...and I...believe me, I've seen all of it. I've seen the ones that are there that shouldn't be there that have kids to feed at home. I've seen that. But we have...as in anything, it's both sides of the table. They did...the big thing that has gone on in the last several years has been the controlling of--I don't want to say illegal--drugs, drugs and medication in the horses. And our...a big part of the commission and what I've served with and regulate is the following of the rules and not...you know, they have the drug tests if you win. And if you have a trace of this drug or that drug in it, it's not legal. It leveled the playing the field for the trainers and horses out there that aren't doing the...breaking the rules. So that...we're just, like...you know, we're the referees, I guess. And that's big. And that's...the industry all over the country is big. I would have to say, Tom Sage is our executive director and he has been working on RCI, which is Racing Commissioners International. He has just recently won one of the more prestigious awards because of his work with them and his involvement in drug testing and making sure everybody...and we refined...this year, I think we're refining the rule book. We do that every five years, I think. An most of it is traces and levels of acceptable medications and when they can be given. I mean, they're not all illegal. You can give it to them but not just 24 hours before a...you know, and you can't do it the day of the race, you know? So that's basically what it is now is

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making sure everything is legal for the betting public and not making it illegal.
[CONFIRMATION]

SENATOR SCHILZ: Okay. Do you find many issues with a lot of horses or there's just a few here and there that... [CONFIRMATION]

JANELL BEVERIDGE: Just a few. It's...somebody is always going to try and get an edge. It's..let's see, what other things have gone on in the sports world? Well, you know, the footballs...
[CONFIRMATION]

SENATOR SCHILZ: (Laugh) Yeah. [CONFIRMATION]

JANELL BEVERIDGE: ...deflating air, yeah, okay... [CONFIRMATION]

SENATOR SCHILZ: Thank you, Janell. [CONFIRMATION]

JANELL BEVERIDGE: ...but, yeah, you, just little things like that. [CONFIRMATION]

SENATOR SCHILZ: For sure. [CONFIRMATION]

JANELL BEVERIDGE: And that's what our commission is for and that's what we do is we meet and we look at all these issues and situations. And if it's brought to our attention, with a five-member board, we usually come to a pretty good agreement. [CONFIRMATION]

SENATOR SCHILZ: I have one more question and then I'll stop. If...is...if the Racing Commission continues to see higher...you know, more people kind of... [CONFIRMATION]

JANELL BEVERIDGE: Activity? [CONFIRMATION]

SENATOR SCHILZ: ...yeah, more people coming to the races, will they reexamine the number of days that they race at certain racetracks or how does that work? [CONFIRMATION]

JANELL BEVERIDGE: I don't know. And I can ask that question. I don't think so right away because Grand Island is the healthiest facility that is running. Lincoln, Omaha, Columbus, all of those have reduced it to three days, five days, maybe two, you know seven...two, three weeks. Grand Island always picks up the majority of the days because it's the healthiest track meaning they do the most business. [CONFIRMATION]

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SENATOR SCHILZ: Sure. Thank you. [CONFIRMATION]

JANELL BEVERIDGE: So I don't...to answer your question, I don't know. If it continues, the trend, like that and these other tracks get busy, I...yes, I could maybe see that.
[CONFIRMATION]

SENATOR SCHILZ: Okay. Thank you. [CONFIRMATION]

JANELL BEVERIDGE: Yes. [CONFIRMATION]

SENATOR SCHILZ: And thanks for coming in, appreciate it. [CONFIRMATION]

JANELL BEVERIDGE: Yep. [CONFIRMATION]

SENATOR LARSON: Thank you, Janell. Any further questions from the committee? Seeing none, thank you for coming. [CONFIRMATION]

JANELL BEVERIDGE: Okay. Thank you. [CONFIRMATION]

SENATOR LARSON: Are there any proponents? Any opponents? Neutral testimony? Then that will end our General Affairs hearings for the day. I appreciate everybody coming.
[CONFIRMATION]