

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

General Affairs Committee
March 31, 2016

[CONFIRMATION]

The Committee on General Affairs met at 8:30 a.m. on Thursday, March 31, 2016, 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; John McCollister; Merv Riepe; and Ken Schilz. Senators absent: Dan Hughes and Mark Kolterman.

SUSAN LUTZ: (RECORDER MALFUNCTION)...I'm used to waiting. [CONFIRMATION]

SENATOR SCHILZ: There you go. Well, we...we appreciate you...I'm sorry we have been holding you up here. But anyway, we'll go ahead and get started here. Good morning, welcome to the General Affairs Committee. This is a public hearing for Nebraska Commission on Problem Gambling, I see, and the first person up today...first of all, I'll let the senators that are here introduce themselves and we'll start with Senator Riepe.

SENATOR RIEPE: Merv Riepe, District 12. Nice talking to you, even though I don't see your lovely face, and we're just getting started on another day.

SENATOR MCCOLLISTER: John McCollister, District 20, central Omaha.

SENATOR SCHILZ: And I am Ken Schilz, acting Chair, at this point, and I represent District 47 from Ogallala. And Senator Larson, who is the Chair of the committee, was held up momentarily; but he should be here any minute. So we'll just go ahead and start.

SUSAN LUTZ: Okay. [CONFIRMATION]

SENATOR SCHILZ: Susan, if you would go ahead and just give us a little bit of a synopsis of why you're interested in the Commission on Problem Gambling and what you see as your strengths and what you want to accomplish in going into this, we'd appreciate that very much. [CONFIRMATION]

SUSAN LUTZ: Okay. Can you hear me okay? [CONFIRMATION]

SENATOR SCHILZ: We can hear you just fine. [CONFIRMATION]

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SUSAN LUTZ: (Exhibit 1) Great. I am Susan Lutz. I live in Norfolk, Nebraska; have lived here most of my adult, married life; came from Tekamah, Nebraska, where I grew up. My interest in this...I had a friend who is a counselor in problem gambling and he asked if I would consider putting my name in the hat to be on the commission. That was three or four years ago. And it's been a very interesting process, just seeing how the commission works and how...what the issues are. I'm an accountant. I have been in accounting all of my professional life and am now serving as the CFO at Bank First in Norfolk. My interest in problem gambling is, just to be real honest, to make sure that the funds go to what the state thinks that they should go to. There's a lot of hands in the pot, and, you know, limited funds, so it's been a real interesting pursuit to try to get the funds to people who need the therapy. [CONFIRMATION]

SENATOR SCHILZ: Very good, I'll tell you what, Senator Larson has arrived so I will turn it over to him. Thank you. [CONFIRMATION]

SENATOR LARSON: Thank you. [CONFIRMATION]

SUSAN LUTZ: Certainly. Hi. [CONFIRMATION]

SENATOR LARSON: How are you? [CONFIRMATION]

SUSAN LUTZ: Good. [CONFIRMATION]

SENATOR LARSON: Well, I appreciate you making time this morning. I understand that you can't make it. [CONFIRMATION]

SUSAN LUTZ: Well, I appreciate you doing this over the phone. It saved me a day. [CONFIRMATION]

SENATOR LARSON: We try to accommodate whenever we can. I will take any proponents. Or actually, I should ask...are there any questions from the committee? Senator McCollister. [CONFIRMATION]

SENATOR MCCOLLISTER: Yeah, Mrs. Lutz, I assume it's Mrs. Lutz. [CONFIRMATION]

SUSAN LUTZ: Yep. [CONFIRMATION]

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SENATOR McCOLLISTER: Is it a big time commitment since this is a reappointment? You're aware of the time requirements for an appointee? [CONFIRMATION]

SUSAN LUTZ: What the time commitment has been to date has been once a quarter...once every two to three months, kind of depending on what the issues are. Sometimes we've met every two months, but usually it's every three months. It's a day. And it probably takes me...in the meantime, just time to get through the information that's sent out. We probably get, oh, I'd say, three to four e-mails a month just to look at and little issues, things to read, things to look at. That's been real interesting, and that's...but it's pretty much coming to Lincoln a day every other month or so. And so that's my time commitment with this, plus just the...getting to know the issues and making sure that I understand what's going to happen at the meeting so I can help. [CONFIRMATION]

SENATOR McCOLLISTER: Just one more question, I have to apologize, I'm not real familiar with how the commission works. What would a typical agenda look like for a meeting that you would hold in Lincoln? [CONFIRMATION]

SUSAN LUTZ: David Geier is our executive director and he does an incredible job, but we go through the finances; we visit any request for funding. We have spent a good deal of time on...if...how we should spend money on our marketing, getting the message out to the most people. We've spent a fair amount of time doing that. We visit with...we go over the statistics. We analyze the information put before us, but a lot of it is spent on finances. [CONFIRMATION]

SENATOR McCOLLISTER: Understand. What is the budget of the agency...or of the commission? [CONFIRMATION]

SUSAN LUTZ: Oh, I don't even have that in front of me, and... [CONFIRMATION]

SENATOR McCOLLISTER: Well, we can certainly ask Mr. Geier at some point. [CONFIRMATION]

SUSAN LUTZ: Yeah, and he would have that. And I hate to give you a number because it's going to be wrong. [CONFIRMATION]

SENATOR McCOLLISTER: Right. Well, I'm just curious about how it works, so thanks for your answers. [CONFIRMATION]

SUSAN LUTZ: Sure. [CONFIRMATION]

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SENATOR McCOLLISTER: And thanks for your willingness to serve. [CONFIRMATION]

SUSAN LUTZ: Thank you. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator McCollister. Any other questions? Now I'll take proponents. Opponents? Neutral testimony? And that will close the hearing on Mrs. Lutz. Thank you so much for doing it over the phone and we will let you know. [CONFIRMATION]

SUSAN LUTZ: Okay. Have a great day. [CONFIRMATION]

SENATOR LARSON: You too; thank you. [CONFIRMATION]

SUSAN LUTZ: Bye. [CONFIRMATION]

SENATOR McCOLLISTER: Thank you. [CONFIRMATION]

SENATOR LARSON: All right, moving on--Mr. Canada. Welcome to the General Affairs Committee. [CONFIRMATION]

MARK CANADA: Thank you. [CONFIRMATION]

SENATOR LARSON: I understand you are a reappointment. [CONFIRMATION]

MARK CANADA: I am, yes. [CONFIRMATION]

SENATOR LARSON: Give the committee just a little bit about your history and why you want to continue on the commission. [CONFIRMATION]

MARK CANADA: (Exhibit 1) Sure, sure, thank you. Thanks for having me in this morning. I live in Hastings, Nebraska, currently. I work at Five Points Bank there in Hastings. I've worked there since college in 2005, so I've been there just over ten years now. Originally from Bertrand, Nebraska, very small town west of Holdrege, about 700 people. I was an original commissioner when this new commission was formed under LB6 back in, I believe, the summer of 2013, if memory serves correctly. Yeah, I've applied for reappointment. It's been a very interesting couple of years, kind of a hectic couple of years. David Geier and I were just talking on the way over how it was kind of a drop-dead date at the end of June that year, and July 1 we took over and it was a scramble to get contracts in place with providers and make sure that our certified

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counselors could keep doing what they were doing to help the people of Nebraska that struggle with gambling addiction. But not only that, but there was just an immense amount of information we had to pour over, not only educating ourselves, but figuring out what kind of direction for the program that we wanted to see moving forward. So that first year, year and a half, was very challenging, but it was very informative for me. I learned a lot, not only about how a smaller commission like this works, but also how it receives funding from the state of Nebraska, how it goes through appropriations, that kind of stuff. To answer your question from earlier, I want to say our budget is somewhere around \$1.8 million for this fiscal year is what we've been appropriated. And our biggest challenge, Susan touched on it a little bit, and I agree that we do talk a great deal about the finances of the program. And it's a very challenging task because we're trying to balance a goal on one hand to grow the program into areas of Nebraska that currently do not have counselors and services available, specifically in more rural, western areas of Nebraska. But we also have very limited funds to do that. So we need to be good stewards of the state's money and make sure we're getting the most bang for the buck and that entails, you know, like she mentioned, a marketing plan. How do we get the word out without spending hundreds of thousands of dollars on some marketing firm. How do we make sure that the providers we're contracting with are getting the most help that they can from us and providing the best services they can provide. So it's been a really great couple of years; I'm very glad I originally joined. I was...I guess the reason I initially became interested, I received an e-mail from the Hastings Chamber office with just a list of different boards and commissions that had openings in the state of Nebraska that year. And as a younger person, I was looking to get involved in something. And this one kind of caught my eye. I've personally seen in my life different family members and different friends that have struggled from a variety of different kinds of addictions--gambling being one of those. So I can...I'm certainly no expert in behavioral health-type fields. I mean, I'm a banker, I'm a numbers guy, I'm a finance guy, and that's my, I think, my strength and what I hope to bring to the commission. But I also have some real-world experience and seen how addiction problems really affect people in the state of Nebraska, not just in the state of Nebraska, but all over, obviously. And if you're a true problem gambler that truly has an addiction, it's just like, you know, smoking or drinking. I mean, science has proven that it truly is an addiction and it's not just as simple as--don't gamble; don't buy that lottery ticket; don't go to the casino; don't go to the horse track; don't bet on that football game. And it's...I mean, it's truly something that people struggle every minute of their life saying no to. And it's been very good for me personally to be a part of figuring out how we can help those people. [CONFIRMATION]

SENATOR LARSON: That's excellent. I appreciate that. Any questions from the committee? Yes, Senator McCollister. [CONFIRMATION]

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SENATOR McCOLLISTER: Thank you, Chairman Larson. How does Nebraska do compared with the other states that you run across? Are we doing what you think we should be doing? [CONFIRMATION]

MARK CANADA: I think we're getting there. I would say we're just now...have been established long enough to get some valuable statistics. We contract with an individual; his name is Juan Paulo and he compiles information from all of our counselors. Whenever we have a new intake into the program, their data has to be entered into a computer system, you know, arranged under a variety of topics on the individual and then we can do a statistical analysis from that info. So it's...again, I mean, it's one of those things where in the short term the statistics don't tell you a lot. And David can speak a lot better about this than I can, but in general, other states have done much more in-depth studies than Nebraska has as far as what percent of the population you would expect to have a gambling addiction. And that number is right around 2 percent. And if that holds true in Nebraska, then we're not doing anywhere close to enough to what we should be doing. And that's mainly because we don't have the dollars available. I mean, I can't tell you exact numbers of people we have enrolled in the program, but I can tell you it's much, much less than the estimated 2 percent of the population you would expect to have this kind of addiction. As far as, you know, success rates and the counseling and recurrence, that kind of stuff, again, I wouldn't be the person to provide exact details for you there, but I...just from discussions we've had in our meeting, I can tell you we're pretty much in line with national averages as far as the information we've compiled so far. Does that answer your question? [CONFIRMATION]

SENATOR McCOLLISTER: Thank you very much, well done. [CONFIRMATION]

MARK CANADA: Okay. [CONFIRMATION]

SENATOR McCOLLISTER: Thank you. Mr. Chairman. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator McCollister. Any questions? Seeing none, I appreciate your time. [CONFIRMATION]

MARK CANADA: Okay. [CONFIRMATION]

SENATOR LARSON: I'll ask for proponents after you get out of the chair. (Laughter) Are there any proponents? Opponents? Neutral testimony? That will close the hearing on Mr. Canada. Thank you. [CONFIRMATION]

MARK CANADA: Thank you. [CONFIRMATION]

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SENATOR LARSON: And lastly, Mr. Patterson, James Patterson. [CONFIRMATION]

MARK CANADA: In my own defense, it's a very comfortable chair. [CONFIRMATION]

SENATOR LARSON: It is, we have them up here. Welcome to General Affairs Committee. [CONFIRMATION]

JAMES PATTERSON: Thank you. [CONFIRMATION]

SENATOR LARSON: Please state and spell your name and then begin...I understand you're a new appointment, so why are you interested? [CONFIRMATION]

JAMES PATTERSON: (Exhibit 1) My name is James Patterson, J-a-m-e-s P-a-t-t-e-r-s-o-n. And my background is...I'm...came to Omaha; been a Nebraska resident now for about 30 years by way of the military. Served about 11 years in the military as a cost analyst and background was...did a lot with business and economic analysis and cost analysis and things of that sort. And been very concerned...is very concerned about the community. After leaving active-duty military I became a pastor in north Omaha. And I left for that particular reason feeling called to serve people, the public. After arriving at my church, I felt like our church was supposed to have an impact on our community in a positive way and I looked around for ways to do that. And so we did a number of things including...and lastly there was a government housing area down the street from our project area probably about a half a mile which was one of the most heavily patrolled areas in Omaha...in north Omaha. And it had a lot of high crime and a lot of children there that seemingly did not have a lot of structure. And so as a result, we said we targeted that community. We said--how can we impact this community. So on a particular Saturday we...some of us dressed up like clowns and took a boom box and took lavender, pink, and all various color fliers and to advertise we were launching a new kids' program called the North Omaha Good News Bears. And where we saw a child, and the boom box was booming, and people came to see what was going on, and kids were attracted to kids and we asked them--do you belong to any kids clubs? They said, no. Do you take field trips on a regular basis? They said, no. Would you like to belong to one and it won't cost you any money; we do some fun things with kids? And they said, sure. And we passed out a bunch of fliers. And that afternoon we signed up 30 kids to launch a program called...and we start calling the North Omaha Good News Bears. And that program is celebrating its twenty-fifth year this year. And so my heart is to impact the community in a positive way in however I can serve. And the community that we targeted was a community where the income is very low. And this is not a community that was able to remunerate us and pay for fees and pay for our membership, otherwise they would not become a part of it. And so we raised the funds to do those types of things. And so why am I a part of the committee? My desire is to help impact the community in a positive way. I do that now with

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kids; I do it in other areas. And I've seen some people who have addictions from drugs. I have family members who have gone through it. And so I want to be a part of...to help the problem. I don't come in as an expert; I don't have a lot of experience with regard to gambling issues. I understand statistics. I studied probabilities. I understand those types of things. As I said before, I have family members who was involved in drugs and went through some programs and it helped them a lot and I thank God for that. And so I'm here to serve. [CONFIRMATION]

SENATOR LARSON: Thank you, Mr. Patterson. Any questions from the committee? Senator Schilz. [CONFIRMATION]

SENATOR SCHILZ: Thank you. Good morning, and thank you for being here. [CONFIRMATION]

JAMES PATTERSON: Good morning. [CONFIRMATION]

SENATOR SCHILZ: And thank you for your service both to your country and the community service you do. [CONFIRMATION]

JAMES PATTERSON: You're welcome. [CONFIRMATION]

SENATOR SCHILZ: I think it's rare that you see someone that is willing to step out and do those kind of things, so I commend you on that. As you go into this, and this being your first time on the board, what...do you have any goals or things that you'd like to see done or accomplish while you are sitting on the board there? [CONFIRMATION]

JAMES PATTERSON: I'm coming in as pretty much a blank slate. I'm not...I'm not prejudicial, I'm not...in my time in the military, I learned how to be a problem solver. One of my jobs was I was an internal auditor. I was a management analyst. And as an internal auditor, you had no authority to walk into a new area and demand to see the books and because you had suspicions of anything that was less than what it ought to be, but you had to be invited in. And whatever you did, whatever the work you did, you turned over to the management and you empowered the management to do their job better. And so you studied problems and you were a problem solver. That's who I feel that I am, that I bring that to the table and openness and the willingness to learn, to study, to look at a problem, to analyze it, and to offer solutions to help turn around this problem. And in the community where our church is, we have a lot of problems there as well. Council Bluffs is very close to us. And so I'm open...I'm open to serve and just...I don't have the history, but I'm willing to learn. [CONFIRMATION]

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SENATOR SCHILZ: Okay, thank you. [CONFIRMATION]

SENATOR LARSON: Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: I don't necessarily have a question, simply want to commend you for someone that can start an organization like your North Omaha Bears and sustain it for that long of a period of time. A lot of organizations start, they just don't prevail for a long period of time. So thank you. And again, to echo the senator's comments, for your service to the military and also your service in your pastoral role. [CONFIRMATION]

JAMES PATTERSON: Thank you. [CONFIRMATION]

SENATOR LARSON: Senator McCollister. [CONFIRMATION]

SENATOR McCOLLISTER: Thank you, Chairman Larson. I also would like to commend you for your service to your community and also your country. How were you made aware of this opportunity? [CONFIRMATION]

JAMES PATTERSON: Yeah, a friend of mine, Pat Loontjer, mentioned that there are going to be some openings or that they'll be available and you might want to just look...go to the Web site and see what's out there. And I think you have something to offer to the state in service. And so I went and I did some...I went to the Web site and looked and there were several different positions. And so I applied for this one. [CONFIRMATION]

SENATOR McCOLLISTER: Just to follow up, do you see a difference between the goals of "Gambling for the Good Life" and the commission? [CONFIRMATION]

JAMES PATTERSON: I'm not sure. I have no idea. [CONFIRMATION]

SENATOR McCOLLISTER: Okay. [CONFIRMATION]

JAMES PATTERSON: My approach...I'm a...I am a blank slate. I will look at things analytically and I will evaluate things analytically and say what is best given the resources, given...given the resources and how they can be best distributed to reach the...have the biggest bang. And so I'm a blank slate. I feel that these are state funds that belong to the state and they need to be ministered to the entire state with regard to...fairly...fairly. [CONFIRMATION]

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SENATOR McCOLLISTER: Understand. You're continuing to serve as a minister?
[CONFIRMATION]

JAMES PATTERSON: I am. [CONFIRMATION]

SENATOR McCOLLISTER: Okay. Do you see any kind of time conflict with that?
[CONFIRMATION]

JAMES PATTERSON: Well, what I looked at it was like the commission meets three times a...or four times a year...quarterly basis...on a day. And I anticipate receiving e-mails and things like that, and I have been, and now I'll be reviewing those...reading those things. And it will be a learning process, I'm sure, it is...it will be a learning process. And I'm not naive to that.
[CONFIRMATION]

SENATOR McCOLLISTER: Thank you very much. [CONFIRMATION]

JAMES PATTERSON: But if the time...if it look like the timing problem was a lot more than that, I will definitely bail, but I think I...this will not be a problem. [CONFIRMATION]

SENATOR McCOLLISTER: Thank you, Mr. Patterson. And thanks for your willingness to serve. [CONFIRMATION]

JAMES PATTERSON: You're welcome. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator McCollister. Real quick--and Senator McCollister started down this path to a certain extent--what would you say your relationship with Mrs. Loontjer is? [CONFIRMATION]

JAMES PATTERSON: A friend. [CONFIRMATION]

SENATOR LARSON: And again, I see where Senator McCollister was going with this...or when he started the line of questioning, do you view--and maybe he didn't ask the question quite the same way--do you view the Commission on Problem Gaming as a tool to demonize gaming or help those that have a problem with gaming? [CONFIRMATION]

JAMES PATTERSON: To help. [CONFIRMATION]

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SENATOR LARSON: Okay. [CONFIRMATION]

JAMES PATTERSON: To help those. Again, as I view it, the state has recognized that we have a certain number of people who have problem...who are problem gamblers. And the commission is designed to serve those individuals. [CONFIRMATION]

SENATOR LARSON: But not necessarily take a stance on the pros and cons of gaming in the state of Nebraska. It's there to help those that have a problem. [CONFIRMATION]

JAMES PATTERSON: Correct. [CONFIRMATION]

SENATOR LARSON: Okay. Do you feel that the relationship that you have...because you did list her as a reference as well, do you feel that relationship that she would be able to have a voice in terms of your decisions on the commission or will those decisions be more of your own? [CONFIRMATION]

JAMES PATTERSON: More of my own. I want you to understand, I operate off the integrity. Integrity is a big issue with me. In whatever I do, I have to...I am sincere; I give my best judgment and that's what I will follow. Politically, I know people...I'm from north Omaha. That's where my church is, just in case you didn't know. Okay? [CONFIRMATION]

SENATOR LARSON: Where in north Omaha? I spend a lot of time at 28th and Bennie. [CONFIRMATION]

JAMES PATTERSON: Okay, my church is off 42nd and Sorensen. However, our North Omaha Good News Bears is off 45th and Bedford. [CONFIRMATION]

SENATOR LARSON: Okay. [CONFIRMATION]

JAMES PATTERSON: And so for the last 20-some years, that's who I am. And I worked very strongly in that community. [CONFIRMATION]

SENATOR LARSON: There's a brand new Walmart up there, isn't there? [CONFIRMATION]

JAMES PATTERSON: Pardon me. [CONFIRMATION]

SENATOR LARSON: Brand new Walmart right up there. [CONFIRMATION]

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JAMES PATTERSON: There is and it was long overdue. [CONFIRMATION]

SENATOR LARSON: It was. I know the area well. [CONFIRMATION]

JAMES PATTERSON: So we rejoice...we rejoice with this arrival. [CONFIRMATION]

SENATOR LARSON: I know the area well. All right, well thank you, Mr. Patterson. Oh, Senator McCollister. [CONFIRMATION]

SENATOR McCOLLISTER: Will you continue to serve on Gambling with the Good Life and this commission as well? [CONFIRMATION]

JAMES PATTERSON: I don't really serve on Gambling with the Good Life.
[CONFIRMATION]

SENATOR McCOLLISTER: You don't have a board position or... [CONFIRMATION]

JAMES PATTERSON: No. [CONFIRMATION]

SENATOR McCOLLISTER: ...there's no formal membership? [CONFIRMATION]

JAMES PATTERSON: No. [CONFIRMATION]

SENATOR McCOLLISTER: Okay. Well, thank you. [CONFIRMATION]

JAMES PATTERSON: I'm passionate about a lot of different things, sir. Okay?
[CONFIRMATION]

SENATOR McCOLLISTER: Thank you, sir...thank you, Mr. Patterson. [CONFIRMATION]

SENATOR LARSON: Thank you, Senator McCollister. Any further questions? Seeing none, appreciate your time. [CONFIRMATION]

JAMES PATTERSON: Thank you. [CONFIRMATION]

SENATOR SCHILZ: Thank you. [CONFIRMATION]

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SENATOR LARSON: Do we have any proponents? Opponents? Neutral testimony? That will close the hearing on Mr. James Patterson. [CONFIRMATION]