

Transcript Prepared By the Clerk of the Legislature
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Nebraska Retirement Systems Committee
May 18, 2015

[CONFIRMATION]

The Committee on Nebraska Retirement Systems met at 8:30 a.m. on Monday, May 18, 2015, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: Jeremy Nordquist, Chairperson; Al Davis, Vice Chairperson; Rick Kolowski; Mark Kolterman; and Heath Mello. Senators absent: Mike Groene.

SENATOR NORDQUIST: Good morning. Welcome to the Retirement Systems Committee. I'm state Senator Jeremy Nordquist from District 7 in downtown and south Omaha, Chair of the committee. Today we will hear appointment, confirmation hearings on four gubernatorial appointments. Just a couple of housekeeping items. Please silence your cell phones so we don't distract the recording, the transcription of this. If you have...if you are going to be testifying, all of the appointees and if there is anyone wanting to testify in regard to the appointments, please fill out the testifier sheets and turn those in to Laurie Vollertsen, our committee clerk. Please state and spell your name for the record at the beginning of your transcription. I introduced Laurie. To my left is our legal counsel for the committee, Kate Allen; we have Senator Rick Kolowski from Omaha; Senator Mark Kolterman from Seward. I believe Senator Davis from Hyannis and Senator Mello from Omaha will be joining us as well. We have to wait for one more of them, I believe. Yeah, we need to wait for one more of them to show up before we get started, but those are the housekeeping items and we'll get started in just...as soon as one of them shows up. We'll take them in the order...when we get started here, we'll take them in the order they're posted, so Denis Blank, Dennis Lennard, Kelli Ackerman and Judge Derr will be the order we take. All right. And Senator Davis, the Vice Chair of the committee from Hyannis is here. We'll go ahead and get started. Denis. Welcome.

[CONFIRMATION]

DENIS BLANK: (Exhibit 1) Thank you. Thank you. Good morning, Senator Nordquist and members of the committee. My name is Denis Blank and that's D-e-n-i-s B-l-a-n-k. And I'm up for reappointment to the Public Employees Retirement Board and for the record, this would be my fourth appointment. I was originally appointed in 2001 by then-Governor Johanns and reappointed twice by Governor Heineman. And for the record also, I served a short term, I don't remember the exact year, as a substitute for a person back in the Orr administration, so I did a little bit of activity with the Retirement Board back then. I represent the state employees on the Retirement Board and my career with the state started in 1971 when I got out of the military and was looking for work and came to Lincoln and applied at the Department of Agriculture and was hired, and was going to go back to graduate school a year or two later, and in 2001 I retired from the department after 40 years. So that's the way that went, so. (Laugh) My last job with the department for 28 years was a chief administrator with the Department of Agriculture. My wife is also...we've been married 48 years next week and she's a retired Lincoln public school teacher, so we both have interest in the retirement systems. So

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that's the short story. [CONFIRMATION]

SENATOR NORDQUIST: Just let me say thank you for your service. I know you spend a lot of time and are really engaged in these issues and if you have any thoughts to the other appointees as well, just...any just general thoughts about the operation of PERB and anything you'd like to relate to us. [CONFIRMATION]

DENIS BLANK: My thoughts are very positive. I think we've got a great executive director in Phyllis Chambers and I think her staff is doing great work. Let me give you one example of something that's happened over the years. I don't know how many years ago it was, probably let's say in the last eight years, we were having great difficulty with our audits and because of our staff and because of the board, we made that one of our top priorities to clean up our audits. And this last year with the state judges, state...excuse me, the school, judge and the patrol audit and the state and county audit in total, we only had one audit point out of both audits. And so to me that's a big deal. I remember sitting in exit conferences with then Auditor Foley and we'd have maybe 20-30 audit points and so I think we've got that all cleaned up and that's because of the staff and the work that they're doing. [CONFIRMATION]

SENATOR NORDQUIST: Okay. Any other questions from the committee? Seeing none, thank you. [CONFIRMATION]

DENIS BLANK: Thank you very much. [CONFIRMATION]

SENATOR NORDQUIST: Any additional testimony on this appointment? Seeing none, we'll move on to the reappointment of Dennis Leonard. Welcome. [CONFIRMATION]

DENNIS LEONARD: (Exhibit 2) Thank you, Senator Nordquist and members of the committee. My name is Dennis Leonard, D-e-n-n-i-s L-e-o-n-a-r-d. For the record, I was just appointed and confirmed a year ago to fill a vacant position on the board for the State Patrol plan and it's been a year of good learning and good experience. I've been working with and exposed to some very knowledgeable and dedicated people both on the board and in the Retirement Systems Office. A little bit about myself. I've been...I am currently an employee of the Nebraska State Patrol. I'm an investigative services lieutenant in Grand Island. I've been employed by the State Patrol since 1986, so I've been a participant for some time. I've served in three different troop areas of the State Patrol permanent, and then in headquarters on a temporary assignment here a few years ago, so I know a lot of people, been here a long time, served in a lot of areas. I was even, many, many years ago, back in the '90s, I was an executive board member with the Troopers Association. So, I'm familiar with the people that I represent. I also understand that I represent the agency and the citizens, but. [CONFIRMATION]

SENATOR NORDQUIST: Okay. Just any thoughts generally on...as the appointment for

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Nebraska Retirement Systems Committee
May 18, 2015

the State Patrol, any thoughts just about the system and the benefit of the system, what do you hear from your fellow workers about the importance of it? Is it still a strong recruitment and retention tool to have the defined benefit plan like we have for our troopers? [CONFIRMATION]

DENNIS LEONARD: I think that it's a very strong retention tool. It...in all honesty, new guys have no idea how valuable it is. So, you know, when you're recruiting new troopers that are 22, 23, 24 years old, the last thing on their mind is retirement. And you could sell them until you're blue on the value of it, but they just want a flat hat and a fast car. (Laughter) And I mean, I'm telling you, that's where I was then, so. But I can...I have regular conversations with the men. Right now, I don't have any women working directly under me that are sworn. So I have regular conversations with my group supervisors and investigators reminding them of the value and I tell them my own story. And I don't think until somebody get's maybe their children up into high school or out of school and they start looking at retirement, that's when they really realize how valuable it is. But before that even, they recognize that they've got something invested in it, but the value for a man who came from rural working-class family is...it's incredible. [CONFIRMATION]

SENATOR NORDQUIST: Thank you. Questions of the committee? Senator Kolowski. [CONFIRMATION]

SENATOR KOLOWSKI: Thank you. Dennis, I just want to thank you for your service. My brother was a 20-year Illinois State Trooper and so we know very deeply in our family and not many people understand all that you go through sometimes and it's really a...thank you. I just want to say thanks on behalf of our committee is all. [CONFIRMATION]

DENNIS LEONARD: Thank you very much, Senator. [CONFIRMATION]

SENATOR NORDQUIST: Thank you. [CONFIRMATION]

DENNIS LEONARD: Is that it? [CONFIRMATION]

SENATOR NORDQUIST: Yep. Thank you. Any additional testimony regarding the appointment of Dennis Leonard? Seeing none, we will move on to the new appointment of Kelli Ackerman. Welcome. [CONFIRMATION]

KELLI ACKERMAN: (Exhibit 3) Good morning. I'm Kelli Ackerman, K-e-l-l-i A-c-k-e-r-m-a-n. I'm currently the business manager of Holdrege Public Schools. I grew up in Gothenburg and graduated from Kearney State College with a business administration degree. So that ages me a little bit. (Laugh) Not UNK. I have been married for 32 years to my husband, Rick, and we've been blessed with three children

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

Nebraska Retirement Systems Committee
May 18, 2015

and three grandchildren and they are a lot of fun. I have 22 years' experience as a business manager and 8 years' experience in private accounting. School finance is my passion. I've really enjoyed doing what I do and I love mentoring new superintendents and business managers across the state. We have a great organization of administrators in schools and it's really a lot of fun to see the young people come up, and have some of us veterans that have been there for a while help them along the way. I currently serve on the NCSA executive board and the NASBO executive board and then I am past president of the NASBO Association which is the school business officials in the state. I bring to the PERB board 22 years of experience in school finance and a good understanding of the school retirement system. Thank you for your consideration. I'm deeply honored to be selected to serve on the PERB board.
[CONFIRMATION]

SENATOR NORDQUIST: Thank you. Thank you for your interest in serving. Someone from the outside, but as someone who has worked at least with PERB as a business manager, can you speak maybe to your interaction and how that's been?
[CONFIRMATION]

KELLI ACKERMAN: It's been great. I work with a lot of teachers that are getting ready to retire and kind of go over the plan with them. And I agree that when they're young they don't realize the kind of benefit they have. And as they get older and start thinking about retirement, they realize what a great plan they have and I always encourage them to go to the workshops and get educated. And I think it's a great plan and it's well-funded and we're happy that that Tier II has helped the longevity of the plan to us, so. [CONFIRMATION]

SENATOR NORDQUIST: Great. Questions from the committee? Senator Davis.
[CONFIRMATION]

SENATOR DAVIS: So, I know that, you know, there's a fairly extensive process in terms of when you retire and the workshops and things. Are there improvements that need to be made to that that you know of, or...? [CONFIRMATION]

KELLI ACKERMAN: I think the retirement office is doing everything they can. I think as business managers and superintendents in our school districts, we need to do a better job of encouraging them to attend earlier and that's what we've been trying to do. If we know that they're within five years, we'll send out e-mails and I personally contact some of them too because many teachers just love teaching and they don't want to think about retirement. And I met with a staff member a couple of weeks ago that is retiring that's in her 70's and she said, I just never thought about it until last year when we sat down and...so I think we just need to encourage them to go to workshops and get educated and start thinking about when they want to retire, so. [CONFIRMATION]

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Nebraska Retirement Systems Committee
May 18, 2015

SENATOR DAVIS: Thank you. [CONFIRMATION]

SENATOR NORDQUIST: Any additional questions? Seeing none, thank you.
[CONFIRMATION]

KELLI ACKERMAN: Thank you. [CONFIRMATION]

SENATOR NORDQUIST: Any additional testimony to this appointment? Welcome.
[CONFIRMATION]

MIKE DULANEY: Good morning. Senator Nordquist, members of the committee, my name is Mike Dulaney, D-u-l-a-n-e-y. I'm privileged to serve as the executive director for the Nebraska Council of School Administrators, and Mrs. Ackerman is a member of our organization. Very proud to say that. I think she's going to do a fantastic job on the PERB. She is among school business managers, she is considered one of the best and I certainly am very proud to say that we wish for her to be confirmed today.
[CONFIRMATION]

SENATOR NORDQUIST: Thank you, Mike. Are there questions from the committee? Seeing none, thank you. Any additional testimony on this appointment? Seeing none, we will move on to the new appointment of Judge Derr. Welcome. [CONFIRMATION]

J. DERR: (Exhibit 4) Thank you. Good morning, Senator Nordquist and members of the committee. My name is J. Derr, D-e-r-r, and I'm pleased to have the opportunity to appear before you this morning. Briefly, I am a, about a 48-year resident of Omaha. I graduated from the University of Nebraska at Omaha, a graduate of the Creighton Law School. I've been a lawyer for about 33 years and I have a 20-year practice of law, civil practice primarily. And I was appointed by Governor Johanns as district court judge and I'm serving in my 13th year right now. Serving on the board was not something that was high on my horizon until the Chief Justice contacted me and asked if he would send my name to the governor and the governor nominated me, and this fine committee would confirm my appointment, would I serve, and I said, yes, I would be proud to serve as a member of this committee. The retirement is...I don't want to say a major factor, but it is a factor in judge's who decide to apply and serve. Most of us are in our late 40's or early 50's when we receive these appointments and, obviously, those are for many of us, is probably our highest earning years. And the retirement is a significant aspect for many of us in terms of deciding whether we can provide...do this public service. And I have a lot to learn. I did have the opportunity to speak with Judge Rehmeier last week and we're going to meet again and he told me an awful lot about the board and how it works, and...but I do have a lot to learn. I do not profess to know a whole lot about it. I know how many members or how many employees the state are served by this committee or board or pension and I know that there's nearly thirteen billion dollars, I think, in funds. So it's a big job and I'll...if you confirm me, I'll do the best I can. [CONFIRMATION]

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Nebraska Retirement Systems Committee
May 18, 2015

SENATOR NORDQUIST: Great. Thank you, Judge, and thank you for your willingness to serve. Are there questions from the committee? Seeing none, thank you.
[CONFIRMATION]

J. DERR: Thank you very much. [CONFIRMATION]

SENATOR NORDQUIST: Any additional testimony on this appointment? Seeing none, that will conclude our hearing today. Thank you all for being here and we're going into an Exec Session so I'll ask you to move out as soon as possible. [CONFIRMATION]