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Government, Military and Veterans Affairs Committee
February 08, 2017

[LB222 LB655 CONFIRMATION]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Wednesday, February 8, 2017, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments, LB655, and LB222. Senators present: John Murante, Chairperson; Tom Brewer, Vice Chairperson; Carol Blood; Joni Craighead; John Lowe; and Justin Wayne. Senators absent: Tom Briese and Mike Hilgers.

SENATOR MURANTE: (Recorder malfunction)...District 49, which includes Gretna and northwest Sarpy County and I'm the Chairman of this committee. We are here today for the purposes of conducting some public hearings, first on some gubernatorial appointees, and then on two pieces of legislation. We will be taking the items off in the order in which they appear on the agenda outside this room. If you wish to testify on any of the matters before us, we ask that you fill out one of these green sheets of paper. They're located on either side of the room. If you are here and wish to express support or opposition for any of the matters before us, we ask that you fill out this sign-in sheet which is located on either side of the room. If you do testify, we ask that you begin by stating and spelling your name for the record, which is very important for our transcriber's office. The order of proceedings is that the introducers of legislation will be permitted an opportunity to open and then we will listen to proponents, and then opponents, followed by neutral testifiers, and the introducer will be given an opportunity to close. The case of the public hearing, the appointee will be given an opportunity to open and then we'll listen to any proponents and opposition testimony for those appointments. We ask that you listen very carefully and try not to be repetitive. If anyone has articulated a point which has already...that you would like to make, we again ask you to fill in the sign-in sheet and your opinion will be given the same way as if you had testified. We do use the light system in the Government Committee. Each testifier is permitted four minutes to testify. You have one minute remaining when the yellow light comes on and we ask you begin concluding your remarks. When the red light comes on, your time has expired and we will open the committee up to any questions that they may have of you. If you have any prepared statements, exhibits, anything you would like distributed to the committee, we'd ask that you prepare 12 copies and give them to our page who will submit them to us. And if you don't have 12 copies, don't worry about it, just give it to the page and he will make copies for you. Our page for today is Joe Gruber. Joe is from Omaha, Nebraska. And I expect most, if not all of our committee members will filter in as we carry on, but the introduction of members, to the far right, Senator John Lowe represents Kearney, Nebraska; to his left is Senator Tom Briese, represents Albion, and I expect Senator Briese shortly; to his left, Senator Hilgers, represents Lincoln; State Senator Tom Brewer represents Gordon, Nebraska; Senator Brewer is the Vice Chairman of this committee; to my immediate right is Andrew La Grone, Andrew is the committee's legal counsel; to my immediate left and the gentleman walking in is State Senator Justin Wayne, Senator Wayne represents Omaha; Senator Wayne's left is Senator Joni Craighead, Senator Craighead also represents Omaha; and

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to her left, Senator Carol Blood, Senator Blood represents Bellevue; on the far left is Sherry Shaffer, Sherry is the Government committee clerk. So with that having been dispensed with, I understand that our first appointee, Mitch Glidden, is on the phone and is ready to take questions. Mitch, can you hear us? [CONFIRMATION]

MITCH GLIDDEN: (Exhibit 1) Yep, sure can. [CONFIRMATION]

SENATOR MURANTE: All right. Do you have any opening remarks? [CONFIRMATION]

MITCH GLIDDEN: I guess not. [CONFIRMATION]

SENATOR MURANTE: Why are you seeking reappointment to the Tourism Commission?
[CONFIRMATION]

MITCH GLIDDEN: Well, you know, had it before and, you know at that, we always felt like we needed to have somebody from a small business on there and Mike Kesselring had been on it and he got off and I knew Jeff Baker just from being on the commission and I was sorry to see Jeff want to resign. I told Jeff that if he thought they needed me, I'd be willing to serve again. And that's kind of how I got back in again, but it is...I think it is nice to have somebody from a small business on there. [CONFIRMATION]

SENATOR MURANTE: And what small business do you work for? [CONFIRMATION]

MITCH GLIDDEN: Patty and I had the Sandhills Motel. Bought it in '93 and then we started doing canoe rental and tank rental, kayak rental. In a few years after that, I think about 2009, we were first business in the state to do commercial bird viewing of the prairie chicken and the sharp tell and that type of thing like that. So we kind of bought a motel in '93 and then we kind of looked for ways to put heads into it ever since, you know, that type of thing. And now, you know, one thing when we started, weekends were real slow here at the motel and now we've got...we have most weekends in the summer are booked up already because they come to do the tankin, you know. So we've...and we were involved with the byway here from the start, Highway 2 byway from Grand Island to Alliance and we do the tank races. This is our tenth year in the tank race and any of the proceeds, any of the profit off the tank race we turn over to the byway for promotion. So we've always been real active in the Sandhills and we just like to have, like I say, a small business from out in the Sandhills on the committee to serve. We've been a member of the hotel, motel since the first year we bought the motel in '93. [CONFIRMATION]

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SENATOR MURANTE: All right. Thank you very much. Are there any questions from the committee? Seeing none, thank you very much. We will be in contact with you shortly about the results of the committee. Thank you very much for calling in. [CONFIRMATION]

MITCH GLIDDEN: Thank you for your time. [CONFIRMATION]

SENATOR MURANTE: Thank you. [CONFIRMATION]

MITCH GLIDDEN: Bye bye. [CONFIRMATION]

SENATOR MURANTE: Bye bye. The next appointee, Roger Dixon of the Nebraska Tourism Commission. Mr. Dixon, welcome back. [CONFIRMATION]

ROGER DIXON: (Exhibit 1) Thank you. Roger Dixon, R-o-g-e-r D-i-x-o-n. I'm the president and CEO of the Metropolitan Entertainment and Convention Authority in Omaha, Nebraska. Those that aren't familiar with that, we operate the CenturyLink Center, 18,300 seat arena, and approximately 200,000 square foot exhibit, home convention center, and then 25,000 seat TD Ameritrade baseball park for the college world series is played every year along with the Creighton University's baseball program. Been on the commission approximately five years. Have enjoyed it, working with a different...people from different parts of the state in promoting our state. Tourism is the third largest industry, I believe, in Nebraska and it's just coming with its own. I'd like to continue on. [CONFIRMATION]

SENATOR MURANTE: Okay. Thank you very much for your testimony. Are there any questions? Just one. As you know and it's been well publicized, Tourism Commission had some controversy in the last year. I just want to give you an opportunity to comment on it if there's...I see we have a bill coming up later that intends to address those issues. I just wanted to get your take on where we are and where you see the Tourism Commission going forward. [CONFIRMATION]

ROGER DIXON: Well, we did have a few bumps or craters with...basically I'll say that I was embarrassed by what happened. It was...we thought we had someone in the position that we could trust. We found out otherwise and not to get into the depths of it, with the Executive Committee then and with the Executive Committee now with our Chair Deb Loseke, we've got a new Executive Director in. We're headed in the right direction. We have DAS now supporting us and it makes a big difference. We've got a great staff and we just...we have to be more involved in the direction of this commission. [CONFIRMATION]

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SENATOR MURANTE: All right. Senator Wayne. [CONFIRMATION]

SENATOR WAYNE: You also serving on the...with the Qwest Center and I do attend a lot of events there. Can you walk me through how you handle...well, I got a couple e-mails on this issue, so I'd just like to put it for the public record. How you handle any conflicts when the Tourism Commission starts talking about CenturyLink and those kind of things, how do you handle yourself in those situations? [CONFIRMATION]

ROGER DIXON: If there's any grants or support for...from the Nebraska Tourism Commission, and it's an event at our facility, I abstain. [CONFIRMATION]

SENATOR WAYNE: Thank you. Just wanted to put that on the record. [CONFIRMATION]

SENATOR MURANTE: Any additional questions? Seeing none, thank you very much for your testimony. [CONFIRMATION]

ROGER DIXON: Thank you. [CONFIRMATION]

SENATOR MURANTE: All right. Are there any proponents to Roger Dixon's confirmation as a gubernatorial appointee? Are there any proponents? Are there any opponents? Is there any neutral testimony? Seeing none, that closes the hearing on Roger Dixon's appointment confirmation. We'll proceed to the next item on the agenda, Tony Moody, also of the Tourism Commission. Welcome. [CONFIRMATION]

TONY MOODY: (Exhibit 1) Thank you very much. Good afternoon, Senators. My name is Tony Moody, T-o-n-y M-o-o-d-y. I am the general manager of the Embassy Suites La Vista, the La Vista Conference Center, and the Courtyard out at La Vista. I've been on the commission for approximately five years now. I have been in the great state of Nebraska now for just over 15 years. I mean, just looking to move on and do this again and as Mr. Dixon said, there's no place to go but continue to move this organization forward. There's a tremendous opportunity here for Nebraska. I've seen a lot of changes in the last 15 years and I look forward to the next 15 years. [CONFIRMATION]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions? Seeing none, thanks for coming down today. Much appreciate it. [CONFIRMATION]

TONY MOODY: Thank you. [CONFIRMATION]

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SENATOR MURANTE: All right. Is there anyone here wishing to testify in favor of Tony Moody's confirmation to the Tourism Commission? Are there any opponents? Is there any neutral testimony? Seeing none, that closes the hearing and we'll proceed to our next item on the agenda, Carol Schlegel of the Nebraska Tourism Commission. Welcome. [CONFIRMATION]

CAROL SCHLEGEL: (Exhibit 1) Thank you. My name is Carol Schlegel, C-a-r-o-l S-c-h-l-e-g-e-l, and I was appointed two years ago to the commission to finish an unexpired term from a commissioner that resigned and moved out of state. I'm currently the director for the McCook, Red Willow County Visitors Bureau, and I've been at that job for the last five years. My contact with the tourism industry started though when I was seven when my parents bought a motel in McCook and moved our family off of the Sandhills ranch into a town. My first paycheck came when I was twelve because I started washing dishes at our restaurant and I worked for the family for 37 years off and...more on than off. So I've learned the tourism industry from the bottom up. During that time I was also a member of the Red Willow County Visitors Committee that oversees the disbursement of lodging tax funds in each county. So I got to see and develop the philosophy that we not only had to promote our own business, we need to promote the community, but even larger than that, we needed more people coming into Nebraska so we could then bring them our way. So I...my experience kind of combines the private industry with the public service and I would like to continue on in that role with the Nebraska Tourism Commission. [CONFIRMATION]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions? Seeing none, thanks for coming down. Much appreciate it. All right. Is there any proponent testimony to Carol Schlegel's appointment to the Tourism Commission? Is there any opposition testimony? Is there any neutral testimony? Seeing none, that closes the public hearing and we will go to our last appointment for the day, Mary Shanahan to the State Personnel Board. [CONFIRMATION]

MARY SHANAHAN: (Exhibit 1) Good afternoon, Senators. My name is Mary Shanahan. It's M-a-r-y S-h-a-n-a-h-a-n. I have worked in state government for 36 years in the Human Resources field. Retired about three years ago and decided that once it gets into your blood, you just...you always have an interest. I felt that after being away from it for three years, that was a good opportunity to get back and do some HR work. Was familiar with the processes that they were using and why they're in place. And that was why I decided that I would like to be part of the Personnel Board. [CONFIRMATION]

SENATOR MURANTE: Sounds good. So what challenges do you currently see facing the Personnel Board and where do you see it going in the future? [CONFIRMATION]

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MARY SHANAHAN: Why, primarily, I think the State Personnel Board is looking at grievances of employees that have taken a step outside the agency, and are there to take an outsiders viewpoint, what transpired to make sure that the action that was taken by the agency was fair and just. So, and they're always going to have those, so, you know, management, needless to say, is not going to be right 100 percent of the time. And I believe that it's a good avenue for the employees to have their say in front of a neutral party. With anything else with the board, I think they do work on the state personnel, approval of the state personnel rules and regs which I don't believe have had many adjustments made in them in quite a few years. And I don't know if they anticipate that they do want to touch those again or not. [CONFIRMATION]

SENATOR MURANTE: Okay. Thank you very much. Are there any additional questions? Seeing none, thanks for coming down today. Much appreciate it. [CONFIRMATION]

MARY SHANAHAN: Thank you. [CONFIRMATION]

SENATOR MURANTE: All right. Is there any proponent testimony for Mary Shanahan's confirmation to the State Personnel Board? Is there any opponent testimony? Is there any neutral testimony? Seeing none, that closes the hearing on Mary Shanahan's confirmation and ends our public hearings for the gubernatorial appointments. I received a note that some of the testifiers for the next legislation are held up with the weather so we're going to stand at ease to see if we get Senator Stinner to come down and introduce his bill. [CONFIRMATION]

EASE

SENATOR MURANTE: Welcome back.

SENATOR STINNER: Thank you. Good afternoon, Senator Murante and members of the Government, Military and Veterans Affairs Committee. My name is John Stinner, J-o-h-n S-t-i-n-n-e-r and I represent the 48th District which is comprised of Scotts Bluff County. I bring LB222 to the committee as part of a longstanding effort to integrate oversight measures into the structure of Nebraska Tourism Commission. When I first came to the Legislature in 2015 I became aware of a few key oversight deficiencies in the commission throughout my work as a member of the Appropriations Committee. Many of those oversight deficiencies were fiscal in nature. One such deficiency was the lack of fiscal controls in the expenditure of the commission's funds. This resulted into a deficit request during the Appropriations process. In many organizations the expenditures of funds must progress through an elevated levels of approval often passing through four or five hands before the expenditure of funds may take place. As a result the Appropriations Committee's discussion with Tourism Commission, we became...we reached an agreement with the commission that would voluntarily transfer the

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accounting responsibilities to the Department of Administrative Services. This management practice has worked quite well, both for the state and for the commission. This not only allows...not only allows for the responsible expenditure of the commission's funds, but has relieved of it administrative task related to transacting of those funds. However, as you are all aware, the fiscal situation...the commission came to a head when its director was fired in May 2016 for the misuse of state appropriated funds after a scathing audit was released by the Auditor of Public Accounts in April of 2016. I'd like to take a moment, however, to acknowledge that corrective action the commission has taken and to say that I'm proud of the work it does for the vital industry in Nebraska...for this vital industry in Nebraska. The commission has already began to work on developing policy handbooks that would address some of the previously mentioned oversight issues. This item is addressed in the bill. LB222 would clarify a number of changes in response to these issues. The primary change the bill would bring about is the restructuring of the board. The attempt behind the restructuring is to diversify the board by including professionally qualified board members. Due to the multifacet nature of tourism industry, this bill institutes a district system based on geography as well as lodging revenues. It would include 11 districts in total with the requirement that four of those representatives have professional experience sitting on other boards of directors. These could include a variety of business, nonprofits, other governmental agencies. In addition...or other governmental entities. Excuse me. In addition to the restructuring of the board, LB222 would also clarify the definition of tourism industry for the purpose of specifying to which industries oversight of the board would apply. It implements other provisions that would transition the board to a new structure, stipulates the adoption of procedures regarding the use of appropriated funds, clarifies the rules regulating the use of contracts by the commission and clarifies guidelines for the commission's innovative grant program. In the spirit of Nebraska's tradition of fiscal responsibility, I am confident that the previous mentioned changes to the commission and the passage of this bill will accomplish the oversight objectives discussed. I'd be happy to take questions. [LB222]

SENATOR MURANTE: Thank you, Senator Stinner. Senator Blood. [LB222]

SENATOR BLOOD: Thank you, Senator Murante. And thank you, Senator Stinner, for being such a good steward of taxpayer dollars taking the audit seriously and really trying to create effective change. But the questions I have, we spoke a little bit in reference to already, they're specifically on page 8, line 9, or for in Section 8. Section 81-3713 which specifically is the commission's duties in awarding them contracts. I have no issue with the performance-based contracting that you want to move to. I think it's a wonderful thing and I understand why you're going to that. The issue that I'm hoping that you can help me with is in reference to line 15. The commission shall develop a statewide strategic plan to cultivate and promote tourism in Nebraska. And then as you go through, certain things were taken out, certain things were left in, certain things were added in. And you had expressed to me that the reason things were taken out so they had already been accomplished or that it needed to be accomplished is what was put in.

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And the question that I have, and I'm sorry it's a really long question and I apologize for that. So, strategic planning is different than long-term planning. Strategic planning is, you start from what your ultimate goal is and you work your way backwards. When you do a strategic plan, which has been done because I went ahead and looked at the Nebraska tourism site and I'm guessing they spent a lot of money to have somebody help them with this, probably a lot of money. They already have a mission statement, a vision statement, their values and strategic goals. And when you look at their strategic goals, what was set in 2014, has already been set. And so when I look at this and they're using the words "strategic plan" and I know that a competitive advantage has already been set. When an organization sets that competitive advantage would create that strategic plan, that if they're constantly changing it as opposed to revisiting it, then they're in a constant state of reactiveness. So the question that I have, because I'm leading up to that, is that is statewide strategic plan truly the phrasing that we want to use in this. And if so, shouldn't we be amending it to say things like, to define goals or objectives and a sequence of steps to achieve the following. And then is it the expectation that we expect this new board to do in this strategic plan, and if so, I think we're barking up the wrong tree. That was a really long question, wasn't it? [LB222]

SENATOR STINNER: And I'm trying to...first of all, I want to say this that not only some of these things accomplished, the places that are struck out, this commission used to be under the Department of Economic Development. [LB222]

SENATOR BLOOD: Right. [LB222]

SENATOR STINNER: So some of that needs to be struck just to show that it's an independent agency now. Now when we get back to the question of strategic plans, strategic plan was put in here and it's kind of made it to the idea of what tourism's mission is. So we're trying to give them a little bit of an idea of what that mission should be. We're leaving it up to the board to create a mission statement. Then you kind of work your way through some kind of a strategic plan. If you want to add additional language that broadens that, I don't have a problem with it. [LB222]

SENATOR BLOOD: Okay. So the question that I have...when you say that, is that...because I just want to make sure this point is clear, and I'm sorry that I have to use so many words to make a question so long, but I want to make sure it's really clear. A strategic plan has already been created. Once this strategic plan is created, you already have your mission statement, your vision statement, your value statement. They already have a mission in value and they're actually very good regardless of who was in charge or regardless of who did this. So knowing this is a living, breathing document that is very effective, it's about implementation, not necessarily changing what's in the strategic plan, why would we ask them to redo something if it's not broken. [LB222]

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SENATOR STINNER: I will say this. If I'm a new board member setting a whole new board up, I think reviewing of what you have in place to see if it aligns with what reviewing the mission, aligns with what you...what your vision is, what the collective vision is. And then readjusting or maybe redoing a strategic plan would be something that I would do if I was a board member. Now, if the plan is already in place and it covers all the areas that I think need to be covered as a board person, I'm fine. But reworking and redoing a strategic plan on a periodic basis maybe every two, three years where you kind of rethink, are we doing the right things. Is there something out there that we need to get covered in a plan. Long-term plans, as you talked about, doesn't necessarily correlate with strategic plans, but you could have some targets out in the future that need to be accomplished. That's all part of governance. That's all part of that board function. [LB222]

SENATOR BLOOD: So you were actually saying what I'm saying, so let me clarify... [LB222]

SENATOR STINNER: I think I am, but if you want to use broader language or better language than what's in here, I'm more than happy to make any changes. [LB222]

SENATOR BLOOD: Here's...and the good strategic plan to be revisited every year and you measure what you treasure. So if there's concerns about things not being accomplished, then they need to implement ways to measure this, which was not on their Web site. Here's...here's issues that I have. You and I agree that it needs to be tweaked because it's a living, breathing document and you have the ability to update and amend and tweak. You don't want to change it because it's either a good plan or it isn't, but the sentence says, the commission shall develop a statewide strategic plan. [LB222]

SENATOR STINNER: Okay. [LB222]

SENATOR BLOOD: One is already developed. So do you hear what I'm saying? [LB222]

SENATOR STINNER: We sure could tweak the language to say, we have a strategic plan, it needs to be revisited and reworked, reconformed, to what the new board wants to do. [LB222]

SENATOR BLOOD: And I would suggest if you're indeed you're comfortable with it, because again, I completely respect the body of this work and I understand where you're coming from and God bless you for doing such a good job. But this one sentence, takes away I think the strong foundation that you're trying to create and I would encourage you to do too maybe even put in words like, defined goals or objectives, and a sequence of steps to achieve the following. Because it isn't...so, you and I are gone and somebody picks this up and it's like, oh, we need to

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develop a new strategic plan. Well, having...then somebody gets paid to do strategic plans, people that come in and do government ones make a lot of money and that's a lot of taxpayer dollars. So we can save some pennies by doing this too. [LB222]

SENATOR STINNER: I would suggest that you get with my...your people get with my people and we'll try to carve some language or craft some language that lays that all out. How's that? [LB222]

SENATOR BLOOD: It's a date. It will probably be me, but not my people. [LB222]

SENATOR MURANTE: Okay, Senator Blood. Senator Brewer. [LB222]

SENATOR BREWER: Thank you, Mr. Chairman. Hi! Senator Blood is a much deeper thinker than I am, (laughter) so we're going to keep it simple. By doing what this bill is asking us to do and to exude, how does it make it better? What is the end state that's going to change by this? [LB222]

SENATOR STINNER: One of the things that was our mission was to correct some of the fiscal problems. The second one was is to try to keep it as an independent agency as opposed to being back into DED, Department of Economic Development. Based on what we were seeing, a recreation of a board geographically and by lodging tax, those two criteria, and mixing the board's composition, we felt would build a stronger board for corporate governance, because these are all oversight governance issues from a board of directors. So we think we have a more diversified board, a board that can focus in on these issues of corporate governance that will put oversight in place. [LB222]

SENATOR BREWER: Very good. Thank you, sir. [LB222]

SENATOR MURANTE: Thank you, Senator Brewer. Any final questions? Seeing none, thank you very much for your testimony. [LB222]

SENATOR STINNER: Thank you. [LB222]

SENATOR MURANTE: Appreciate it. And we will proceed to proponent testimony on LB222. Welcome. [LB222]

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TODD KIRSHENBAUM: Hello. Chairman Murante and members of the Government, Military and Veterans Affairs Committee, good afternoon. My name is Todd Kirshenbaum, T-o-d-d K-i-r-s-h-e-n-b-a-u-m. I'm the chairman of the Nebraska Travel Association, better known as NETA. We are a grassroots organization of convention visitors bureaus, chambers of commerce, attractions, restaurants, lodging, event planners, and more from all corners of the state. I'm also representing the Seward County Visitors Committee as the director. I have over 30 years of experience working in this industry and that's why I was so excited to be here to endorse LB222 and encourage you to do the same. I want to personally thank Senator Stinner for his leadership in developing this bill. It means a lot to us. I also appreciate the Unicameral creating the Nebraska Tourism Commission. I believe it deserves to be an independent agency to represent the state's third largest industry. The commission is now under the dynamic leadership of a new director, and this bill will be the next logical step to make the commission even better by having representation across the state on the commission. Eleven new districts create a guarantee of a much more diverse voice regarding the tourism industry. And as Senator Stinner pointed out, lodging tax receipts was part of the decision making. For the last six months, needed and numerous groups and organizations of all sizes from all over the state have gathered information and statistics for Senator Stinner to use to create this bill. Last October at the Nebraska Traveler conference in Gering, we had over 100 people in a meeting to discuss this bill. We had lots of great discussion and by the time the meeting ended, all 100 people were all on the same page. Many of you represent parts of the state with enormous tourism assets from the Sandhills crane migration in central Nebraska to the historic trails and landmarks of western Nebraska to all the amenities and attractions of our two largest cities. There are also many additional wonderful treasures across the state that adds to the appeal of attracting visitors and their dollars to Nebraska. The members of NETA are all excited to work with the commission to grow tourism in all parts of the state with a variety of viewpoints to make our industry stronger. Thank you for your consideration and I'll be happy to answer any questions. [LB222]

SENATOR MURANTE: Thank you very much for your testimony. Are there any questions? Seeing none, thanks for coming down today. [LB222]

TODD KIRSHENBAUM: Thank you very much. [LB222]

SENATOR MURANTE: Additional proponent testimony? [LB222]

KEITH BACKSEN: Good afternoon, Senators. My name is Keith Backsen, first name is K-e-i-t-h, last name is Backsen, B-a-c-k-s-e-n. So thank you for the opportunity this afternoon. I'm the executive director of Visit Omaha, Omaha's tourism authority, and I'm also a member of NETA and have spent a lot of time on different conference calls throughout the last few months talking about specifically LB222. And again thank you to Senator Stinner for all the work that he has put

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into this. I was going to speak from two specific areas. One is the composition of the board and why our organization is supportive of this is Visit Omaha. You know, first off, it expands the commission to 11. This allows us to have a more diverse group of people from all across the state and not just have it represented by seven. By adding the four additional that are at-large, meaning that they have some involvement to some degree in tourism but it may not be directly related, again provides us more insight and actually allows them to have a better understanding of what we do in the tourism industry. I also like that it...we now spell out specifically the staggered terms of this so that we have a consistency which is important in the commission along with, ever so often, new ideas are important and having new people brought on to the board. And again back to the diversity of the board, I think, is really important. It can't just be all of us that are directly day in and day out in tourism, but by having maybe a banker that somewhat involved with it, can also provide some business aspects of it. The other area that I see is the accountability. And again, thank you to Senator Stinner and also to Senator Mello to helping us address this over the last number of months is the accountability issue, Senator Brewer you mentioned earlier. This spells out the oversight of how we need...how the commission needs to be specifically doing their jobs. What's important what they should be doing and also then what the actual staff are doing. Establishes the written policies and procedures. It ensures that all contracts that are awarded through by state tourism will follow the rules and regs of the Department of Administrative Services. And so, we are asking for your support today. I'm happy to answer any questions. [LB222]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions? Seeing none, thanks for coming in. [LB222]

KEITH BACKSEN: Thank you. [LB222]

SENATOR MURANTE: Appreciate it. Welcome. [LB222]

SCOTT MERRITT: (Exhibit 1) Good afternoon. Mr. Chairman, members of the committee, my name is Scott Merritt, S-c-o-t-t M-e-r-r-i-t-t. I currently serve as the executive director of Nebraska Hotel and Lodging Association. We are here to support LB222 as it's drafted. We think it will improve the commission and allow it to expand tourism in the state and fill out its role and its goals. Nebraska Hotel Association is an affiliate member of the American Hotel and Lodging Association. Our industry...in lodging industry in Nebraska has approximately 29,000 rooms available and continues to grow. And we're concerned that they're going to have to grow through tourism and outside the visitors from the state. We want to thank the Senator, Senator Stinner and the staff of the Unicameral. They've been working on this since last summer. We think they have done a lot of due diligence in it. We are very supportive of the fact that it remains a standalone agency. We are appreciative of the fact that it will be under more DAS oversight to

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provide checks and balances and to keep the confidence high in the commission. We also appreciate the allocation of the directors. We think it gives a good geographic overview of the state and also brings in some professional expertise. So today we're here to support LB222 and if there's any questions, I'd be happy to try to answer them. [LB222]

SENATOR MURANTE: (Exhibit 2-4) Thank you very much for your testimony. Are there any questions? Seeing none, thanks for coming down today. Much appreciated. Is there additional proponent testimony to LB222? Any additional proponents? Is there any opposition testimony to LB222? Is there any neutral testimony on LB222? Seeing none, Senator Stinner waives closing. Before we close the hearing on LB222, I do have letters of support from Traci Jeffrey, the executive director of the Norfolk Area Visitors Bureau; Mark Zimmerel, president and CEO of the Norfolk Area Chamber of Commerce; and Bruce Bohrer of the Lincoln Chamber of Commerce. And that concludes our hearing on LB222. [LB222]

SENATOR BREWER: And welcome to your committee. [LB655]

SENATOR MURANTE: (Exhibit 1) Thank you, Vice Chairman Brewer and members. For the record, my name is John Murante, J-o-h-n M-u-r-a-n-t-e. I'm the State Senator for District 49, which includes Gretna and northwest Sarpy County and I am here today to introduce LB655. LB655 would allow government employees to volunteer at a public school or a nonprofit that focuses on public school education without the loss of compensation. In a time of tight budget cuts and belt-tightening in all levels of government, it is our duty to find creative solutions to ensure that Nebraska's children aren't ask to carry the load. LB655 is my attempt at creating a piece of that solution. There are many private sector institutions that allow their employees to get involved in the community without loss of compensation. For example, Deloitte allows its employees 48 hours of paid volunteer time per year. PayPal, which has a significant presence in the state of Nebraska, also allows employees paid volunteer hours. Allowing and encouraging employees to volunteer makes business sense. A study by United Health Group found that 81 percent of employees who volunteered were more engaged at work, and a study by the Research Organization, PwC, found that engaged employees put in 57 more effort on the job. A recent study by the University of Georgia echoed these results. It found that employees who volunteer through work experience see an increase in job productivity and performance. LB655 appropriates this concept and applies it to government employees but limits it to volunteering in public schools or through a nonprofit that focuses on such education. What I envision is government employees taking the opportunity provided by LB655 to go into public schools and mentor students that need individual attention. This would ensure that our tax dollars are being put to work to give every Nebraska child the opportunity to succeed. Agency directors and other heads of government entities know if their employees have the time to help in this way. That is why the bill and the amendment which has been distributed to you, I understand, gives them the authority to determine whether their employees can participate and the manner in which they can

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participate. The amendment addresses two issues that were raised with the original bill. First, there was concern that vesting all administrative authority in the director of Administrative Services wouldn't provide enough flexibility for inherent differences between entities. The amendment addresses this by allowing each entity to choose whether they will use this authority and to administer it internally. Second, the original bill only included state employees. The amendment also grants the authority to political subdivisions should they choose to use it. LB655 is my attempt to be creative to ensure Nebraska's children don't bear the weight of our budget problems and I urge your adoption of the amendment and the advancement of the bill to General File. And I want to share with you, aside from my prepared remarks, a conversation that I had very recently with a representative of Millard Public Schools. And he had articulated the point to me on a bill that dealt primarily with the Education Committee that kids who are in Millard Public Schools who participate in an athletic and a school activity have the highest GPAs of any metric that Millard Public School uses. Students who do one or the other have extremely high GPAs, and students who are not involved in any activities are struggling, they're falling behind. And what this bill purports to do is there are many, many great organizations in the state of Nebraska who have great mentoring programs who are...who participate in schools and help facilitate the education that our school districts provide. By allowing a greater infusion of mentors, we are going to see a proliferation in programs, more students are going to be involved. As a small business owner, I can tell you some of my best employees are now high school kids who are involved in activities. Twenty years ago, we wouldn't have said this. We would have said high school kids who were involved in activities were challenges because they have busy schedules, they're difficult to schedule from the point of view of an employer. Today, they are the responsible kids. Today, they are the kids that you want to work for you. and I think that something like this helps encourage that which will be beneficial for our small businesses in the Omaha area and across the state of Nebraska. It will be good for the kids because it will help expand and grow the great nonprofits that we already have in the state of Nebraska. It will be beneficial to our state employees who will now have an opportunity to be more engaged at the local level in their schools, and it's good for the state of Nebraska as state government as a whole because what this bill does is it's permissive. It's not a mandate. It's not the creation of a government program. It tells agency directors, including our legislative counsel, if your employees have the time to do this, you can create a program within your own agency to allow your employees to engage in these sorts of mentoring programs. I would envision that there are going to be departments in state government that determine that they do not have that ability. The most obvious is probably the Department of Corrections where they simply do not have the time to expend beyond what they have right now. And the director of Department of Corrections probably will not permit it. But the legislative counsel, we can take a look and determine for ourselves, is it possible that perhaps just during the interim, our legislative aides and administrative assistants can spend some time in schools teaching some kid...teaching kids how to read? I think that's a wise investment of time for what we have, but it allows the department

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heads to make that determination for themselves. So I encourage you to support the bill and I encourage the amendment. I'd be open to any questions you may have. [LB655]

SENATOR BREWER: Thank you, Senator Murante. Let me start with the first one, just so I kind of get a visual. In the summertime, the Nebraska Commission on Indian Affairs has a Native American Youth Leadership seminar that they put on at Doane College. The kids are taken from schools all across Nebraska. It's kind of on a...well, it's a volunteer basis and then they hand-pick them on those who are both in need but have great potential and they just want to see them develop leadership skills. It is in the summer we could utilize, let's say the legislative staff. Would they be able to be used? Otherwise we have a government that would bring them here, but there's also other leadership activities that we have around. That would be a scenario where you could use them where they would leave their positions here and go and teach or mentor? [LB655]

SENATOR MURANTE: That's a difficult question for me to answer because I'm not familiar with the program you're referencing. I think the parameters that we have laid out is volunteer activities at a public elementary school, middle school, or high school, or a nonprofit organization that focuses on such education. So if it checks either box, the organization you're talking about checks either box, then employees... [LB655]

SENATOR BREWER: Well, they're actually under the umbrella of the Nebraska Indian Commission which would be an agency of the state government. So I'm not sure if they would or not. [LB655]

SENATOR MURANTE: Well, I'll tell you what. I would be open if there are beyond the activities within the schools, if there are other ways that we can work this. The problem that we had when we first started discussing this bill was that any sort of benefit like this, if it's too wide open, could allow government employees to be spending time doing things that I think we could all agree they shouldn't be doing, which is why we so narrowly focused the bill. [LB655]

SENATOR BREWER: Yeah, I understand. Now, so understand, too, the idea of the bill and the development of it, how did that start? How did that come about? [LB655]

SENATOR MURANTE: There have been a lot of great conversations, and you'll probably hear some testifiers behind me who will share their experiences. The fact remains that there has been an effort to...there is an ongoing effort in the private sector to do this among private sector employees. Businesses are making the decision. The problem is currently state law prohibits even the Governor from signing an executive order to permit this sort of activity amongst state

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employees. In order for him or agency heads to have that authority, we need to pass legislation to give them that authorization. [LB655]

SENATOR BREWER: All right. Other questions? Senator Blood. [LB655]

SENATOR BLOOD: Thank you, Senator Brewer. Senator Murante, I actually want to build on what he said. He kind of beat me to the punch. I'm hearing you talk about employee engagement and I did a lot of research and I agree that especially millennials are more engaged, are better employees, are more productive employees when you allow them an opportunity to volunteer within their community. In fact, if you look at a lot of the marches and protests that are going on, you'll notice that a lot of them are millennials because they like to be involved in their community, whether you agree with it or not. It's a really good example. [LB655]

SENATOR MURANTE: Sure. Absolutely. [LB655]

SENATOR BLOOD: So, I hear what you're saying about keeping it narrow and I see the benefits to groups like TeamMates, boys and girls clubs and those are very positive things, but I do if we're truly, if the goal is truly to engage our employees, I don't know if you would be open to maybe expanding it even more. I thought that was a really good example in our vest to the Native American organizations. I think of Bellevue when we had the floods and we were sandbagging. And I was out there sandbagging with the volunteers. And had we not had volunteers, we would not have been able to probably saved our park that was right next to the river. And those are opportunities. I mean, very good opportunities. I think of when you're here in Lincoln and other communities when there's opportunities for emergency reenactments and they're looking for volunteers. So I think these are, again, wonderful things and I'm very supportive of what you're trying to do. If the goal is only about education, then, of course, what I'm saying is a moot point. But if the goal is truly to engage employees, would you be open to see if we can find a way to broaden it in a way that will still protect us legally? [LB655]

SENATOR MURANTE: Sure. [LB655]

SENATOR BLOOD: But open more doors for other opportunities. [LB655]

SENATOR MURANTE: So my goal is really both. My interest in it really became heightened with my work with a nonprofit group called Partnership for Kids, which is a mentoring program. It focuses on intercity schools in Omaha Public Schools. And as an organization, Partnership for Kids just like every mentoring organization understands that their fundamental challenge is, they've got great resources, they have great tools, they just need more mentors. [LB655]

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SENATOR BLOOD: Sure. [LB655]

SENATOR MURANTE: So, am I willing to expand this concept to more things? Absolutely, because, you know, it's sort of a pendulum that if we make it too restrictive, then we can all come up with great organizations that don't have anything to do with public schools that we could all agree should be included, or could be included without a problem. The other end of the spectrum we can come up with activities that government employees should not be doing while being paid. So we're trying to find a balance. I'm open to what that balance could be, but that's where I'm coming from. That's my background and that's my intended goal. [LB655]

SENATOR BLOOD: Well, and I do think with such a nicely intended goal, that if you're going to do it and we can get more done, that's going to benefit everybody, especially people that we volunteer for. And you also know like...you also know what they always say about if you really want something done, who do you give it to, right? [LB655]

SENATOR MURANTE: Yep. [LB655]

SENATOR BLOOD: Give it to the busiest person and who is that usually? The people who step up to the plate and volunteer. So I would like to be able to give, especially our millennials who are coming into the work force an option because they will be better employees, which will give the taxpayers a better return on their investment. [LB655]

SENATOR MURANTE: I agree. [LB655]

SENATOR BREWER: All right. Other questions? Seeing none, thank you Senator Murante. You'll stick around to close, right? [LB655]

SENATOR MURANTE: I will. I'm not going anywhere. [LB655]

SENATOR BREWER: Okay. Good. Good afternoon, sir. [LB655]

TOM OSBORNE: (Exhibit 2) My name is Tom Osborne, T-o-m O-s-b-o-r-n-e, and I'm testifying in favor of LB655, and I want to thank Senator Murante for introducing it; Brandon Leppke for doing some of the research that we've handed out to you; Mike Yanney for...in supportive of mentoring. And I'd like to reiterate what Senator Murante said. This is not a mandate. This is optional, but it makes a lot of sense. So there are really four different entities which will benefit from this legislation. Number one would be the mentees, the students. And what we've found is that...and I'm speaking primarily from the standpoint of mentoring. There may be other interests

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that you might have here. Represent TeamMates which mentors 8,000 kids in 150 school districts across Nebraska into Iowa. And so what we've found is that if a young person has a mentor that in about 85 percent of the matches, attendance improves. When attendance improves, then grades get better. Dropout rates decline and the percentage of kids going on to college increases by about 50 percent. So that's a pretty big thing. Secondly, we found that discipline episodes, antisocial behavior decreases. So there's less trips to the principal's office, there's less substance abuse, less teenage pregnancies. Thus getting membership of all those kinds of things, which are disturbing. And then thirdly, we find that young people who have a mentor are much more hopeful, much more optimistic about the future. A mentor can show the way through where they can somehow get an education where maybe they can have a good job or they had not expected to ever be able to do that. So hope is a big deal. And if you have hope in your life, things get better. If you don't have hope, you tend to fill your life with all the wrong stuff. The second group of individuals that benefit are mentors, those who provide the volunteer work whether the mentoring would be sandbagging or whatever it may be. But it seems that when you do something for somebody on the surface can do nothing for you in return, and it adds a dimension of meaning and purpose to your life, which you might not have otherwise experienced. And so most mentors will tell you that they think that they get as much or more out of it than their mentee does. And says it makes them better parents and provides a window into the lives of young people who sometimes they had not previously discovered or seen. So mentors certainly benefit greatly. The third group are the employers and I think this is important to focus on. I think there are many state agencies where there's a lot of turnover where sometimes morale isn't always the best. And there's a lot of research that indicates that those corporations, those businesses, those agencies which allow for volunteer activities definitely have a better ambiance, a better working climate. And research indicates that those individuals who work 39 hours and volunteer one hour are more productive in those 39 hours than somebody who works 40 hours in a week and does not do anything in the way of volunteering. So this is not something that's going to lessen productivity because I know you're all going to be concerned about the impact on tax dollars which are somewhat limited. So it will not lessen, it will probably enhance productivity. And then the last thing that I'll mention which I think is important to think about is really the tax dollar issue because right now our graduation rate in Nebraska is about 89 percent, which is good. But we have 10 percent who will not get a GED or a diploma at any time. And each one of those young people will cost society \$240,000 during their lifetime in social costs. That's unemployment, aid to dependent children, food stamps, incarceration, all those kinds of things. And so right now if there are about 1,500 young people who drop out each year in Nebraska, if you multiply that out, what that means is that the cost to the state of Nebraska is about \$350 million per year on average in social costs, which the taxpayers are picking up. We know the mentoring will reduce dropout rate by at least 15 percent. Probably more, but at least 15. That's \$52 million a year in savings. And so we know that it's very cost effective. We did a study recently up at the Med Center. They found that return on investment for mentoring is 8-1. For every \$1 you invest in mentoring, you get \$8 back. And the last thing I'll mention is that there are

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12 states that currently have laws like this on the books and very similar. Those are contained in your packet which you can take a look at. So I really strongly urge that you consider passage. I think this makes a lot of sense, particular in view of the budget shortfall that you're all experiencing at this point. So if you have any questions, I would be glad to try to answer them. [LB655]

SENATOR BREWER: All right. Thank you, sir. Questions? Yes, Senator Wayne. [LB655]

SENATOR WAYNE: Thank you for coming today. Back in 1998 I was one of the best offside linebackers and I waited 20 years to ask you this question. No, I'm joking. (Laughter) And I ran because I knew Senator Murante was going to introduce this bill and you would be here, so that's the only reason. But no, in all seriousness, I want to ask you a question about coaching and the role that plays in mentors. I'm good friends with Damon Benning, Clinton Childs, people that I grew up...I mean, watching them play for you and the impact they talk about you had on them outside of football. If you can just humor the committee for a minute, your philosophy on why coaching can have such a big impact as a mentor. [LB655]

TOM OSBORNE: Well, first of all, there are formal mentors and there are informal. So there are teachers, there are coaches, there are Scoutmasters and I don't know, those are informal. And then there are formal like Big Brothers Big Sisters and TeamMates and on and on. And right now there's 46 million kids that are caught between the grades of 3 through 12. And nine million of those kids cannot name any single adult in their life that they can count on, somebody that would serve and somebody who cares about them unconditionally, somebody who serves as a mentor. And those disconnected kids are the ones that are really involved in a lot of the difficulties that we see. And so it seemed to me that in coaching if the player knew that you cared about them as a person, that you valued their education, you cared about their health, you cared about their family, you knew their name, that they would respond and then sometimes you asked them to do pretty difficult things, but if they knew that it was in, what you thought was their best interest, that you're there to serve them and try to do the best you could to make them all they could be, then they would respond. And they would do sometimes very difficult things for you. And so there's no question that coaches, teachers, informal mentors have a tremendous impact on a lot of young people. And there is a ripple effect because if you influence one person for the better, they will in turn have a positive influence on their family, people they work with, people they coach, people they interact with. And so that ripple effect goes on down through the generations, so it's not just one person impacting one person for a short period of time. So I'm sorry I didn't offer you a scholarship, Justin. (Laughter) I made a lot of mistakes. [LB655]

SENATOR WAYNE: It's probably best. I had some knee surgery, so, yeah, I'd probably been just cheering on the sidelines, so. (Laughter) [LB655]

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SENATOR BREWER: Okay. Other questions? Well, sir, thank you for everything you're doing for our youth and everything you've done for Nebraska. [LB655]

TOM OSBORNE: Thank you, Tom. [LB655]

SENATOR BREWER: Okay. More proponents. [LB655]

DEB DENBECK: (Exhibit 3) Good afternoon. My name is Deb Denbeck, D-e-b D-e-n-b-e-ck. I am the president of Partnership 4 Kids, a local mentoring organization in Omaha, Nebraska, that currently serves 5,400 kids in 22 schools in the Omaha Public School district. Some people ask why do we only serve Omaha Public Schools? It's the school with the greatest need right now and 93 percent of the young people that we serve are living in poverty today. I'm here to really testify that mentoring really does work and I hope that all of you will see why. We start in pre-kindergarten with our students and we work all the way through college. So ours is a funnel effect. We start early and we stay with them all the way through school just like TeamMates, Big Brothers Big Sisters, One Hundred Black Men, many of the great organizations. But we know that mentoring does work. Ninety-three percent of our young people are graduating from high school; 91 percent are going on to college; 83 percent of those young people are enrolled in universities and two-year schools within the state of Nebraska. Those are big statistics. That means that those people are going to be giving back and they're going to be working their way out of poverty. When we send them to college, our students have little to no debt going in. We work very hard with other organizations such as Avenue Scholars college possible to really make that happening. But the real deal is the mentor, is the magic. They really help. So what do you see when you see a young person and what increased benefits that they have. Tom Osborne mentioned hope. That is the greatest thing that you are really providing young people that there is hope for a brighter future. You are going to see less trips to the principal's office. You're going to see better attendance rates in the schools. They are going to be more engaged. We run a study in the schools that can show you that our students are actually more engaged in school because they're in a mentoring program. Their academic performance improves and graduation rates improve. But what really happens is that the social skills that they develop are really those skills that are going to help them be that productive student and be that protective citizen as they're going out. Our students also all do community service. They're doing community service in many of the organizations that are helping them. And in law more, it keeps them out of prisons, it keeps them out of the youth areas which are costing the state of Nebraska money. We know right now that there's an increased amount of people going to prison; \$36,000 or more per one prisoner; \$92,000 plus in the juvenile court system. So it costs us about \$500 in most...all of the mentoring organizations are spending about \$500 per student. When you start to put all that together, if you put your money on the front end, it's going to save the money and it's going to help our systems is going now. These people are becoming productive citizens and as Tom said, it is also decreasing the reliance on social welfare, which I think all of us are hoping to do. But it

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really is an investment in our future. If we don't invest in our students, in our young people, our future is not going to be very bright in this state. And we're also having brain drain in the state. This is keeping some of the brightest students here. And it's keeping diversity in the state. We deal with, I think, 86 percent of our students are diverse populations. That's keeping that diversity in the state. That is important for our state to have that type of diversity. And so to have state employees have the time to be able to help, we can really lead the way. There's only 12 other states that are doing this. Nebraska could be on the map of really pushing mentoring forward. Look at Minnesota. Look at the state of Minnesota and how much they do with mentoring and the return that they're getting off of that. It's unbelievable. We can be that leader and we can be the people that can really lead that. But we also talk about what does a mentor get. Well, as Tom said, and I will reoccur that, is that we hear every day, sometimes I think we get more out of this than maybe even the kids do because they see such joy in helping young people. So it really helps people in the work force with better interpersonal skills. I can tell you that we have a great amount of volunteers from Omaha Public Power District. They will tell you that this increases their job satisfaction and it keeps them at OPPD and many of OPPD employees have been there 20-plus years. And one lady said to me, she goes, I can't write the check, but I can give them my time to help a young person become better. I think that they also have improved job performances because as Tim Burke will tell you, who sits on our board who is the CEO of OPPD, will tell you that it's not that his people are leaving early and not getting their work done, they're coming earlier and getting their work done and making sure that that happens on the days that they have mentoring. And it also gives the employers a deeper understanding diversity and I can tell you from several people...David Brown at the Chamber will tell you this, Tim Burke will tell you this at Omaha Public Power District, John Sorrell at Core Bank will tell you the same thing, that it helps them employ...have better employee retention. It works. And we're seeing better results from it. And I just want to encourage all of you to really push this bill forward. It's a game changer. It can change lives and it's the future of the state of Nebraska. Thank you. Any questions? [LB655]

SENATOR BREWER: All right. Questions? I kind of think you had us from go, so thank you. [LB655]

DEB DENBECK: Thank you. [LB655]

SENATOR BREWER: All right. More opponents...proponents. Welcome. [LB655]

JOHN BONAIUTO: Thank you. Good afternoon, Senator Brewer and members of the committee. For the record, my name is John Bonaiuto, J-o-h-n B-o-n-a-i-u-t-o, here representing the Nebraska Association of School Boards. And public school board members, these elected officials, really appreciate the work that mentors do in our public schools and the difference that

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these programs make. We appreciate Senator Murante recognizing how important this is and expanding these collaborative linkages. And so school boards have a position that...a standing position to work with both a public and private organizations to bring experiences and assistance to the students. And with that, I'm going to go with what the previous testifier said and think I'll be ahead, so concluding my testimony. (Laughter) [LB655]

SENATOR BREWER: I think that would be a very good call on your part. All right, questions? Seeing none, that you, sir, for your time. [LB655]

JOHN BONAIUTO: Thank you. [LB655]

SENATOR BREWER: Additional proponents? Opponents? Neutral? Welcome. [LB655]

BO BOTELHO: (Exhibit 4) Thank you, Vice Chair Brewer and members of the committee. My name is Bo Botelho, B-o B-o-t-e-l-h-o, chief operations officer and material administrator of the Department of Administrative Services. I'm here to provide neutral testimony in regard to LB655. I have not seen the amendment so I can't speak to the amendment, so this testimony is really just focusing on the bill as it was originally proposed. LB655 is a bill which would permit the Department of Administrative Services director to allow state employees with the authorization of their supervisor of volunteer time at public schools or nonprofit organizations that focus on education during work time, during normal work hours, without loss of pay, vacation time, sick leave, or earned overtime. DAS director would be given the authority to adopt and promulgate rules and regulations as necessary. Our concern, and really the only concern in regard to this, is that if such commission is granted, would be the potential loss of productivity to the state. State employees could be drawing their state salary even though they're not performing their duties which they're employed to perform. And any such program would have to be constructed in such a way to minimize exposure to state budgets. The taxpayers have a vested interest in how their tax dollars are spent and although this bill has the best intentions and allows the employees to contribute to their communities in a way above and beyond, the current role is public servants. It could also create the perception that state employees would be unduly compensated. Typically volunteer work is unpaid and outside the normal course of one's employment and this bill will allow those state employees to participate and use volunteer programs in essence in lieu of their employment duties and be compensated at the same rate. We're happy to continue to work with Senator Murante on this bill and if it should become law, we would implement the program at least in accordance to the original bill as proposed and, of course, we would factor in any potential fiscal impact. With that, anybody have any questions? [LB655]

SENATOR BREWER: All right. Questions? Yes, Senator Blood. [LB655]

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SENATOR BLOOD: Thank you, Senator Brewer. I want to ask you a question. In your opinion, do you think a happy employee tends to be a more productive employee? [LB655]

BO BOTELHO: Yes. [LB655]

SENATOR BLOOD: Okay. So with that in mind, if statistics were to show you that happy employees that volunteer tend to be 76 percent, out of that grouping, more productive, would you feel differently than what you just testified? [LB655]

BO BOTELHO: No, Senator, I think there is no doubt that state employees would participate in this and they would benefit from it. And there's no doubt that the children that they were working with in schools would benefit from this. [LB655]

SENATOR BLOOD: Without a doubt. [LB655]

BO BOTELHO: Our concern here is...would be the perception. There is probably no other employer in the state of Nebraska whose employees receive as much exposure or perhaps even scrutiny, than the state of Nebraska. So because we are not a private entity and these are tax dollars, we have to be careful how citizens would see...would see this. So in essence they're paying for these individuals to perform jobs which are important and now they're not. So we'd have to be careful of how much time would be spent. And that's really the extent of my testimony. The benefits of this program are not being contested at all. There's just other considerations that we have to be concerned of and make sure we factor that in, in any type of program like this. [LB655]

SENATOR BLOOD: And I hear you saying, and statistically what we find is that you receive the same amount of employees performing your jobs as you do whether they're volunteering or not. In fact, there's usually a substantial increase because they want to come to work. And so, in the long run it's truly the taxpayers are going to get more bang for their buck because you have people who are more energized who want to work, who want to come to work. And so what I hear you saying, and please correct me if I'm not hearing it correctly, is that it sounds like it would be a priority for us to find a way to educate the public as to its benefits. Perception is reality, so we need to create a new perception. Does that sound right? [LB655]

BO BOTELHO: I would suggest that that would be extremely helpful in a program like this because actually...we would have to do that. There would be that concern without a doubt. [LB655]

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SENATOR BLOOD: Educate, market, and brand. [LB655]

BO BOTELHO: Yes. [LB655]

SENATOR BLOOD: Thank you. [LB655]

SENATOR BREWER: Okay. Other questions? Thank you for your testimony. [LB655]

BO BOTELHO: Thank you. [LB655]

SENATOR BREWER: All right. Any others in the neutral? Senator Murante, can you close, please. [LB655]

SENATOR MURANTE: Thank you, members. First of all, I'd to thank all the testifiers. I am happy to continue to work with the Department of Administrative Services that the amendment clearly changes their responsibility as it relates to this law and we'll see if we can't work something out. With that said, ultimately the determining factor of how much bills cost are the fiscal notes. And if you will review the fiscal note on LB655, it says plainly, there is no fiscal impact to this bill. This bill does not cost anything. So there will be none. There will not be an A bill associated with this if we advance it to the floor. That's just how our process works. And I think the statistics that you sighted, Senator Blood, are absolutely crystal clear. It's correct, but I would say this. Even if someone disagreed with that point, they disagreed with the statistics, it doesn't change the fact that the bill before us is...that is before us is permissive in nature. If you don't think the program is productive, then the agency directors won't initiate the program. So, really what we're asking is should agency directors, should the legislative counsel, should political subdivisions, should the Bellevue City Council, or Omaha Public Schools have the right to make the determination for themselves. That's what this bill does. I think it is a step in the right direction. I'm extremely passionate on this subject. It is...this is a bill that I am strongly considering prioritizing and I would encourage your support of it. [LB655]

SENATOR BREWER: Yes, sir. [LB655]

SENATOR WAYNE: Just for the record because Senator Blood brought up, perception is reality. I do sit as president of the Midwest Trailblazer youth organization and it is a mentoring organization. I don't believe I'm in conflict, but I will file a conflict form today. I just reaffirm that. But the reason I'm not in conflict is because of the scope of this bill and it deals with education in particular. And we operate outside of most governmental hours as we use sports as a hook to our mentoring program. So I don't think a government employee will be missing work to

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come to practice and tutor a kid. However, I think it's important...and I want to say this on the record, that we make sure the scope stays where it's at in this bill because using my organization as example, I don't think it's permissive for a government employee to go to Las Vegas for a basketball tournament under the guise of mentoring. Although he is a mentor in my organization, or she is a mentor, it's not for the educational purposes. And I think it's clearly defined in this bill and that's why I'm extremely supportive of it because I do see the benefits of mentoring every day, but this bill would have no impact on our organization, that's why I'm not in conflict. And I don't receive any money from our organization. In fact, I probably pay in more than I'll ever get out of this organization (laugh) as we drive kids all over Omaha, across the country. But I did think it was important for the record that people understand it. This...or a bill will not impact my organization at all, but I'm the president of. I don't receive any money from the Midwest Trailblazers and I think it's important we keep the scope where it's at so we can limit it that it's focused on education. Thank you for giving me that opportunity to say that. [LB655]

SENATOR BREWER: Well, let me just make a quick comment that that was well said by an attorney. I feel better now. (Laughter) All right, you're up. [LB655]

SENATOR CRAIGHEAD: Senator Murante, I just want to thank you. As someone who has been involved with over a dozen mentoring programs for students and for women, I want to thank you for bringing this bill to the committee. [LB655]

SENATOR MURANTE: Thank you, Senator Craighead. And if I may just elaborate very briefly, to say that I realize the perception is a concern for some on this bill. I think if the news got out that state employees were in schools educating kids and teaching them how to read, I don't think there would be a terrible negative impact on that. I don't think the perception would be too problematic that we would have to worry about it. I think this is focused on something that all Nebraskans can support. [LB655]

SENATOR BREWER: I think it's just a matter of supervisors managing their people on time and we will be fine with it. All right. Anything else, sir? [LB655]

SENATOR WAYNE: Vice Chairman, Senator Blood. [LB655]

SENATOR BREWER: Oh, sorry. Go ahead. [LB655]

SENATOR BLOOD: I was beginning to think I was invisible. Thank you. I thought maybe you had a super power. Bottom line again, perception is reality and we know that people that have hearts are going to be in favor of a bill like this, but then there's the people that go home and kick

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their dogs. And there's the people who in a culture like, especially state employees, you know half the struggle is to change a culture. And there's going to be people who are going to not be supportive of it because they don't understand that it's in their own best interest. And so I just again want to stress...and I don't know if you can do that to the bill as much again as changing the culture, but it's something that I know with your intelligence that perhaps you'll be able to find a way that we really, truly, can plan this so you can move forward. And it is an effective tool. I actually disagree with Senator Wayne in the fact that we should just keep it as it is because I do see an opportunity to really move Bellevue...not Bellevue, sorry, Nebraska belt forward that we could expand it without going overboard because I do think there are other opportunities to volunteer as well. Not everybody is going to be comfortable mentoring, but they might be comfortable sandbagging or they might be comfortable working in a nursing home or...I think that we don't have to go overboard but we can probably still keep it within the legal guidelines that you're talking about. And I'm hoping that we can at least discuss it when we go into Executive Session. [LB655]

SENATOR BREWER: (Exhibit 5) All right. Any other discussions? All right. Thank you. And that concludes our hearing on LB655. Now, I have a letter. I have a letter somewhere. Letter of support from NSEA, Maddie Fennell. [LB655]