

Transcript Prepared by Clerk of the Legislature Transcribers Office  
General Affairs Committee January 23, 2023

**LOWE:** [RECORDER MALFUNCTION] Chair of the Generals Committee-- General Affairs Committee and I represent District 37 and I'll be conducting today's hearing. We're here today for the purpose of hearing twelve gubernatorial appointments. If you wish to testify in person on any of these matters before us, we ask that you fill out one of the green sheets of paper. The green sheets are located on either side of the room. If you are here and do not wish to testify, but wish to state your support or, or opposition of any of these individuals before us, we ask you to fill out one of these sign-in sheets. If you do testify, please hang your sign-in sheet to the committee clerk, Ben over here, as you come up. We ask you to begin your testimony, testimony by stating and spelling your name for the record, which is very important for our Transcribers Office. The order of proceedings is that the bill introducers will be given an opportunity to open, then we will hear the proponents, opponents and then the neutral testimony for each bill. We ask that you listen very carefully to try not to be very repetitive. We do not use the light system in the General Affairs Committee.

\_\_\_\_\_ : The caller has joined the conference. The caller has joined the conference.

**LOWE:** Thank you.

**STEVE RAMOS:** Sorry about that.

\_\_\_\_\_ : [INAUDIBLE]

**LOWE:** Each testifier is afforded three minutes to testify. When the yellow light comes on, you have one minute remaining and we ask that you begin concluding your remarks. When the red light comes on, your time has expired and we will open up the committee to any questions the committee-- that they may have of you. At this time, I'd like to encourage anyone to turn off or everyone to turn off and silence their cell phones or other electronic devices, anything that makes noise. The General Affairs Committee is a committee that is equipped for electronics so you may see members referencing their iPads, iPhones, and other electronic devices. I can assure you that they're just researching the matters before us. If you have prepared statement--

\_\_\_\_\_ : The caller.

**JOHN PULVERENTI:** John Pulverenti.

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**LOWE:** --that you are wanting-- that you would like to distribute--

\_\_\_\_\_ : --has joined the conference.

**LOWE:** --to committee members, we ask you to provide 12 copies to our committee clerk. If you do not have 12 copies, don't worry.

\_\_\_\_\_ : The caller has left the conference.

**LOWE:** That's too bad-- provided to the-- we'll have one of the pages print off the material for you. With that, we'll, we will proceed to the introduction of the members of General Affairs Committee. Senator Brewer, on my right, please.

**BREWER:** Thank you, Mr. Chairman. Good afternoon. Tom Brewer, representing the 43rd Legislative District, which is 11 counties of central and western Nebraska.

\_\_\_\_\_ : The caller--

**ANN MICHELLE DUDLEY:** Ann Michelle Dudley.

\_\_\_\_\_ : --has joined the conference.

**J. CAVANAUGH:** John Cavanaugh, District 9, midtown Omaha.

**DAY:** Good afternoon. Jen Day, District 49 in Sarpy County.

**HUGHES:** Good afternoon. Jana Hughes, District 24. I'm from Seward, so Seward County, York County, Polk County and a little bit of Butler County.

\_\_\_\_\_ : The caller--

**SUSAN LUTZ:** Susie Lutz.

\_\_\_\_\_ : --has joined the conference.

**HARDIN:** Good afternoon. I'm Brian Hardin, District 48: Kimball, Banner, and Scotts Bluff County.

**SUSAN LUTZ:** Hi, Brian.

**HOLDCROFT:** Rick Holdcroft, District 36, south Sarpy County.

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**RAYBOULD:** Jane Raybould, Legislative District 28, the heart of the city of Lincoln.

**SUSAN LUTZ:** Awesome. Thank you.

**LOWE:** Thank you very much. And we have our committee counsel, Laurie Holman, and committee clerk, Ben Earhart. We also have our pages today who are both political science majors, Luke and Audrey. So--

**SUSAN LUTZ:** Hello, everyone.

**LOWE:** We have Brenda Davis, an appointment to the Nebraska Arts Council.

**BRENDA DAVIS:** Hello.

**LOWE:** Hello.

**BRENDA DAVIS:** So--

**LOWE:** Take, take a deep breath.

**BRENDA DAVIS:** Yes.

**LOWE:** Pronounce your-- say your name, pronounce it.

**BRENDA DAVIS:** My name is Brenda Davis, D-a-v-i-s.

**LOWE:** And go ahead.

**BRENDA DAVIS:** Yes. I have been living in Nebraska since 2008, but prior to that, I grew up here. Southeast High School here in Lincoln. I was a very-- very involved in the arts, drawing classes and as well as theater. And then I left to go to college in Chicago because I wanted to pursue a career in theater. I went to Loyal-- Loyola University there as a theater major, a philosophy minor, and graduated. And by the time I graduated, I realized I was a set designer, not an actor. And it was wonderful because it sort of unifies my ability to draw with my ability to provide lots of theater. So therefore, I started assisting a professor of mine at the time, freelanced in Chicago. His shows went all over the United States. One of his shows went to Australia. Some of them were on Broadway, one of them written by a local Nebraskan named Mary Zimmerman, if you've heard of her. Her parents were both professors at the University of

Nebraska. So after freelancing in Chicago for four years and assisting Darren Ostling, I then went to grad school at Yale in Connecticut as a-- at the Yale School of Drama, has since changed its name to the David Geffen School of Drama, which I sort of opposed, but I'm sure he gave many dollars so that's wonderful. But I went to Yale and there-- then after graduation, I was pregnant with my first daughter and came running back to Nebraska, which is an amazing place to raise children. My mother works for the district court here in Nebra-- in Lincoln. And my husband's an attorney and he was looking for work in 2008, which was a terrible time to look for law jobs. But she knew a lawyer down in Beatrice named Rob Schafer and was hired and is now a partner of Rob Schafer's in Beatrice. And so what is there for me to do? I, I, I design regionally. I also teach at the University of Nebraska part time, and I've taught at Doane on, on occasion. And this semester I'm very excited. I'm designing a show for Doane and one for Wesleyan as well. Recently appointed to the Nebraska Arts Council and happy to serve.

**LOWE:** Thank you very much. Are there any questions for Ms. Davis?

\_\_\_\_\_: The caller--

**MATTHEW JOHN MONHEISER:** Matt, Matt Monheiser.

\_\_\_\_\_: --has joined the conference.

**LOWE:** Yes, Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman Lowe, and thank you, Ms. Davis, for your willingness to serve on the Arts Council. Just try to break the ice for everybody here--

**BRENDA DAVIS:** Yeah.

**J. CAVANAUGH:** --can you just tell us what is the Arts Council?

**BRENDA DAVIS:** The Arts Council. Ah, it's a wonderful organization, which before I was involved with it, I have to say I was, I was concerned that-- you know, after being in Chicago and close to New York, you know, what is Nebraska doing in the arts? Nebraska Arts Council is an organization that both supports local artists that might not feel like they have a very strong voice and also educates people who are not involved in the arts about all the artists, all the talent that we have in Nebraska. I was so thankful to get involved and to

start digging through all of the events and the artists that they support and to get, to get to know all the festivals that I otherwise might not-- with now three children, might not have been aware it was even going on. So they have a wonderful infrastructure for supporting the artists and sharing the news of the arts in Nebraska.

**J. CAVANAUGH:** And it does it through grants?

**BRENDA DAVIS:** Yes, yes.

**J. CAVANAUGH:** What's the source of the grant funding?

**BRENDA DAVIS:** The source of the grant-- this is my-- this is why I married a finance major who became a lawyer because he does my taxes. He takes care of all-- I am the artist. I draw the pictures. Mike Markey, our wonderful interim director, is, is also a wizard at the finances. But it comes from-- you're going to have to fill in for me.

**J. CAVANAUGH:** I didn't mean to put you on the spot. I'm just curious.

**BRENDA DAVIS:** Anyway, it comes from grant-- it comes from tax dollars, of course, and it comes from National-- or the Nebraska endowment, so yeah.

**J. CAVANAUGH:** Can I ask one more question? And it's--

**BRENDA DAVIS:** Yeah.

**J. CAVANAUGH:** --out of left field. What's it-- is it-- are you a dramaturg?

**BRENDA DAVIS:** I am a set designer. So all the beautiful scenery that you see on stage, some of it moves. Sometimes you watch a play and it's a unit set. That is, that's the set designer's job is to create the world that you're seeing on stage, yeah. So I draw architectural drawings. I build three-dimensional models to turn in-- well, to show the director and then we sort of make changes. And then it turns it over to the technical department, who builds it and paints it and does all the-- they gather the props and all that stuff, so.

**J. CAVANAUGH:** Thank you.

**BRENDA DAVIS:** You're welcome.

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**LOWE:** Are there any other questions? Seeing none, thank you very much.

**BRENDA DAVIS:** Thank you.

**LOWE:** Our next appointee is Crystal Dunning. Excuse me. Are there any opponents? Are there any proponents? I had those in the wrong order. Are there any in the neutral? OK, thank you. Now, Crystal, Ms. Dunning. Welcome to the General Affairs Committee.

**CRYSTAL DUNNING:** Hello.

**LOWE:** How are you?

**CRYSTAL DUNNING:** Doing all right.

**LOWE:** All right.

**CRYSTAL DUNNING:** Crystal Dunning, D-u-n-n-i-n-g.

**LOWE:** OK. Tell us a little bit about yourself.

**CRYSTAL DUNNING:** So I am actually originally from Louisiana, south Louisiana. I moved to Nebraska when I began my master's program at UNL in voice performance. During that time and slightly before, I had the opportunity of spending the summers in northern Michigan working for a nonprofit called Interlochen. And that's really where, I guess you would say, my love of performance and my love of administration combined. I started to really recognize just how much went into putting on a performance. And shortly after finishing my master's, I started working for the Lincoln Community Playhouse, doing their development and also educational programs. Really enjoyed that. I had to move to Louisiana for a short stint and then moved back and now work remotely for a company, but have really enjoyed living here in Nebraska. I guess what I would say I'm most excited about with being-- having the opportunity to work with the Nebraska Arts Council is helping individuals in a state that I have flourished as an artist and a teacher and being able to-- or knowing how much the grants and the funding impact local nonprofits and local organizations and having an opportunity to be a part of that, to help those organizations. I myself know that the arts are an undeniable and undeniably important aspect of any young person's education. I also know that I myself have been able to develop as a person and really look forward to being able to serve in this capacity.

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**LOWE:** All right, thank you very much. Are there any questions for Ms. Dunning? Yes, Senator Raybould.

**RAYBOULD:** Yes. Thank you, Ms. Dunning. I have a question. Are you going to still participate in performances? Are you involved in-- still involved in the Lincoln Community Playhouse?

**CRYSTAL DUNNING:** I am. I-- actually, there is a show that opens this Friday that I am stage managing. So if anyone is interested, please join us.

**RAYBOULD:** Terrific. Thank you.

**LOWE:** Yes, Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman. Well, first up, what's the show?

**CRYSTAL DUNNING:** The Mountaintop. It is a reimagining of the evening before Dr. Martin Luther King Jr.'s assassination.

**J. CAVANAUGH:** Thanks for sharing that. So my question was-- I was looking at your application. So you're a reappointment, right?

**LOWE:** No.

**J. CAVANAUGH:** No? Am I reading-- did I misread this? Apparently, I did misread it. I apologize. Well, anyway, but my question still stands of so you're-- you wrote you're passionate about making art accessible to all individuals. Is there a particular way that you see that the Arts Council could facilitate that? Is there something-- like, I don't know if you have any particular ideas or suggestions or things--

**CRYSTAL DUNNING:** Yeah, I'd say the one that comes to mind is while I was working at the playhouse, I had the opportunity to serve on a grant panel, several grant panels for the Nebraska Arts Council. And what I enjoyed most about those was being able to not personally, but know that the applicants were able to get feedback on their grant.

\_\_\_\_\_: The caller--

**MATTHEW JOHN MONHEISER:** Matt Monheiser.

\_\_\_\_\_: --has left the conference.

**CRYSTAL DUNNING:** And that is something that, having worked with grants in the past, isn't always accessible to the nonprofit. And I think that it's, one, important and two, very helpful for the nonprofit because as they're able to strengthen their grant application and become more likely for funding, they're able to strengthen their overall funding and programming. And organizations who are maybe smaller or in less populated areas are often the organizations I see that maybe struggle with that, so.

**J. CAVANAUGH:** Thank you.

**LOWE:** Thank you, Senator Cavanaugh. Are there any other questions? Seeing none, thank you very much.

**CRYSTAL DUNNING:** Thank you.

**LOWE:** And are there any proponents? Seeing none, are there any opponents? Seeing none, are there any in the neutral? All right, thank you.

\_\_\_\_\_ : The caller--

**MATTHEW JOHN MONHEISER:** Matt Monheiser.

\_\_\_\_\_ : --has joined the conference.

**LOWE:** The next appointment for the Nebraska Arts Council is Karen Harris. Welcome to the General Affairs Committee. State your name and then spell it, if you would, please.

**KAREN HARRIS:** Karen Harris, H-a-r-r-i-s.. I live in York, Nebraska, a little bit in Lincoln in a condo here. I was born and raised in Nebraska. I went-- gone to school in Nebraska and graduated from the university. My father was associated with the university so it's never been very far from my life. I've always lived in Nebraska. My husband is a retired, is a retired mortician, an ex-mayor of York. So I've been involved in a lot of community things, sort of as the support system. I, I don't--I'm not an artist or anything artistic. I am what every artist and art endeavor needs: an audience, a supporter of the arts. And I have, have been volunteering and doing that for my adult life. I'm currently involved with-- I've been involved with the Lied for a number of years, as a Friends of Lied and actively involved with that. And now on the Lied Advisory Board. I have-- I'm on the Hixson-Lead Board. I've been involved in the Stuhr Museum. I've been



involved-- most of the things that-- where I live, I have been involved in either as a docent or part of the board and the planning and facilitating. I think for me, one of the important things that I have found, you know, the arts are so vital in all of our lives, but you have to be exposed to them to appreciate and to know that. And in Lincoln and Omaha, we're very spoiled. We have, we have so much right at our fingertips, but that's not the case in most-- much of Nebraska. And so some of the programs that I've worked with and facilitated, especially through the Lied, were things like Arts Across Nebraska and artist in residence programs where part of what we do is make sure that the artist takes their talent to the community so that the kids involved can have a hands-on experience. And appreciate that we've helped secure funding for various communities [INAUDIBLE].

**LOWE:** You're fine.

**KAREN HARRIS:** That was the yellow light.

**LOWE:** You got-- you can finish up through the yellow.

**KAREN HARRIS:** Oh, oh. Anyway, to bring children in to be exposed to art performances, art exhibits, have art shows and, and display their, their crafts and vary-- our artwork in various places, and for the first time in their lives, have been able to appreciate what it's really like. Sorry.

**LOWE:** Thank you, Ms. Harrison. Are there any questions? Well, I'd just like to say thank you for being a supporter of art and by doing it most of your life. That's quite a commitment.

**KAREN HARRIS:** Thank you.

**LOWE:** Any other questions? None?

**HUGHES:** Make a statement.

**LOWE:** Yes.

**HUGHES:** You're from my district.

**KAREN HARRIS:** I am.

**HUGHES:** I'm proud to be--

**KAREN HARRIS:** Yeah.

**HUGHES:** --proud that you're on this, so that's great.

**LOWE:** OK, thank you, Senator Hughes. Well, thank you, Ms. Harris. I'll ask if there are any proponents? Any opponents? Anybody in the neutral? All right, thank you.

**KAREN HARRIS:** Thank you.

**LOWE:** As we screen through Nebraska Arts Council-- yes-- we have Sharon Hofschire.

**SHARON HOF SCHIRE:** Good afternoon. I'm Shari Hofschire. It's H-o-f-s-c-h-i-r-e.

**LOWE:** I was just told if you could spell your whole name.

**SHARON HOF SCHIRE:** Oh, OK. I-- the official name is Sharon, S-h-a-r-o-n, and you got the Hofschire part. I live in Omaha. I grew up in Nebraska. I was originally appointed to the Arts Council Board, so I'm asking for your reappointment confirmation. And it was two years ago that I was appointed, November of 2020. I have the privilege of being able to serve on the Arts Council Board for the past two years as chair. And, and we've done a number of things, which I will get into. I'm now retired. I was an art historian and an arts educator at the University of Nebraska at Omaha for 16 years. During that time, I actually-- I worked in a great deal of curriculum development and worked with teachers and educators in arts integration. I did a number of workshops across the state as well as a week-long workshop we did every summer for teachers. So I had people from all of your areas who have-- who came in for workshops and I did a lot of going out to places for workshops, as well as working with the fine arts standards when they came into being a couple of years back. So I've had the opportunity to be in a lot of areas in Nebraska and watch what the impact of arts can do on communities. NAC has had a very busy past year. I would like to, first of all, do a shout-out to those of you who were involved-- and to those of you who are not going to-- you're now going to be involved-- for last year, the Legislature passed funding for the creative districts. And that has a program that is impacting in a tremendous way in all areas of the state. They originally thought that there would be maybe ten communities that would apply for funding through the creative districts. It ended up

being we're at 30 and we're not done yet. And thanked-- thanks to Jim-- Senator John Stinner and Senator Mike Flood, who increased the funding last year of-- from what the original ask was. We are seeing these-- we're seeing communities coming together because you have to have a, a civic involvement as well as a business involvement as well as the cultural aspect. But they see this as a tremendous opportunity with economic development and, and tourism, which of course is economic development. And so we thank you so much for that funding. The Arts Council is really overwhelmed right now with trying to get it all done, but it is happening. I feel very passionate about my job and what I am doing, even though it's a volunteer job. I attended the regional meetings for Mid-America Arts Alliance and national meetings from the National Assembly of Art-- State Arts Agencies. But I-- and I plan to go out on the Office on Wheels this summer with the staff, as they do some creative districts and other listening forums. So I really would like to continue. I, I feel that I have a great deal to offer with my background, but I also have a big interest because I really do see how communities and people are responding. And if I may say, in response to your questions, Senator Cavanaugh, about funding, you know, Brenda was right in her answer. The creative districts are funded all with state money, but there are-- many of the grants that are funded throughout all the, the state come from the National Endowment for the Arts. So it's federal money that's siphoned through. And we have a lot of balance across the state with all three congressional districts. But also the creative aging program that we have going now, which is another really impactful, that money came from the National Assembly of State Arts Agencies through a foundation. So there are a number of ways that programs can be funded. Thank you.

**LOWE:** All right, thank you very much. Are there any questions? Yes, Senator Holdcroft.

**HOLDCROFT:** I have more of an education question for myself, being one of the new guys on the block.

**SHARON HOFSCIRE:** Sure.

**HOLDCROFT:** So you've been on for a couple of years. How often does the council meet? What kind of actions do you take and what do you think is the greatest acknowledgment of the council over the last couple of years?

**SHARON HOF SCHIRE:** Very good questions. We meet now four times a year. That's varied. For a while, it was three times a year when things were all in person. And now four times a year because of the laws that we can have two virtual and the votes count and two in person so we're meeting four times a year now. And the program, the things we vote on will be affirmation, ratification of programs, obviously, all of the finances, which are a huge part of it. And we are in-- our only hire would be the executive director hire and then the rest of the staff is hired on so we, we do that vote. Looking through the agenda, as, as I'm answering this, it's-- there are-- anything that has to do with finances or with major programming would go through us. The most impactful thing, I think I have to go back to the support that we have been giving the council with the creative districts. I think that really is encouraging them to continue doing it. And when it-- we saw that it was getting larger, we approved the fact that they were going to ask for-- we were going to ask-- we are asking in this legislative session in the budget for another person because we've got people who are working a third of their over time trying to fill all that's happening. It's, it's wonderful that so many communities want to be involved in it--

**HOLDCROFT:** Thank you.

**SHARON HOF SCHIRE:** --but we need to have-- keep the people going. Because we are actually doing the programming on this, whereas many of the other grants, we give the money and they do all the work. But in this case, we're also helping them get their programming done. That was a long answer.

**LOWE:** Thank, thank you. Thank you, Senator Holdcroft. Senator Hughes.

**HUGHES:** Thank you, Chairman, and thanks for being here. And yeah, sorry, you're going to get all the questions from the new people too because we're, like--

**SHARON HOF SCHIRE:** No, that's fine.

**HUGHES:** So I'm curious, how many employees then are a part of the nation-- the Nebraska Arts Council and then--

**SHARON HOF SCHIRE:** Right now, there are ten.

**HUGHES:** Ten, OK. And then second, you said new is this creative district. Can you explain what that is, how that works?

**SHARON HOF SCHIRE:** Creative districts is basically-- it isn't the whole city. It would be a part of the, of town. It might be the whole town if it's a, a very small community, but it's where they-- the, the civic part. It can be the city council or, you know, mayor's office or whatever of businesses and the cultural. And that cultural can be the, the-- an art museum. It can be the theater. It-- whatever. Get together and they say we have a lot going in this community that we think people would like-- that people benefit from and other people would like to come and see. And they put, they put together-- they go through an analysis of how many people come to visit their, their city over time and all. And then what can we-- what do we have that we know we can offer and what do we have that we can build on? And that's what the really exciting part is, that there are so many of these communities that are sitting back and saying, wow, you know, we could take this. Or, you know, we might be able to bring in the Native American tribe into this as we're planning a particular thing. And we've never done before, but why not now? And so bringing in-- bringing the community together into what can be offered in a cultural way. And that can be everything from a, a festival to an ongoing type of, of, of a tour of your, of your town and all the things you could do within it. I mean, there is-- it-- there is no limit on what those parameters can be.

**HUGHES:** Good. Thank you.

**SHARON HOF SCHIRE:** Does that explain?

**HUGHES:** Yes, yeah.

**SHARON HOF SCHIRE:** Thank you.

**LOWE:** Thank you. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman Lowe, and thank you-- is it Hoffshire [PHONETIC]? Is that how you--

**SHARON HOF SCHIRE:** Yes.

**J. CAVANAUGH:** Thank you for your willingness to continue to serve, especially having, you know, been through it. So I've got a question about the creative district as well. And I appreciate you clarifying on my previous question. So you said you got 30 applications when you were expecting ten. Is there, is there a cap at ten or is there--

**SHARON HOFSCIRE:** No they-- their original ask to the Legislature for funding, they were doing it on the basis of well, as we look around the state, we think ten is about the number of places that will look at doing it. That's where the ten came from. It was not a cap. And that's then when, like I said, Senator Stinner and Senator Flood said, wait a minute, this-- we think this is going to take off because of the economic impact. And they raised the funding and consequently, the districts can apply up to a certain amount of money for their first planning process and implementation to begin with. Then they can apply for up to \$250,000 for the next if they want to take that and develop it into something even bigger. So there is-- it's considerably wonderful money for, for communities. And the-- I think one of the things that personally-- I mean, I knew that there would be places in the bigger cities that would be more organized and maybe have more staff to be able to, you know, pull this kind of thing together. What's been so exciting is that there are so many smaller towns and smaller communities that are doing it because they see the value in it and they're pulling it together wonderfully. And we've got basically more smaller communities involved.

**J. CAVANAUGH:** That's great to hear. So-- and you said there may be a request for more money for staff to assist with the process. And I'm sorry, I'm trying to catch up. I know I voted for this bill, but I'm trying to remember with everything that was said.

**SHARON HOFSCIRE:** That was not included in the bill.

**J. CAVANAUGH:** Not the staff part, but the--

**SHARON HOFSCIRE:** Right.

**J. CAVANAUGH:** --the awards of the funds. Would there be a potentiality that-- I mean, I assume that there's a, there's a finite amount of money that we gave. Would-- do you think down the road, we would come back and say this arts district thing or-- what are we calling it-- creative district thing is fantastic. We want to do another grant of those larger sums in the future. Or is it, you know-- I guess-- do you know what I'm-- is that clear?

**SHARON HOFSCIRE:** I under-- no, it's a fair question. I can't say for sure what we're-- what's happening right now since there's-- you know, we're talking about 30 communities, which may not be the end. It may

go up to 40 or 50. As that continues and as this process goes through, we're talking seven, eight years, you know, down the line--

**J. CAVANAUGH:** OK.

**SHARON HOFSCHIRE:** --before-- so I'm not sure. I-- what I found with, with the Arts Council, as with other organizations, you, you do your planning as you see the impact and what you need. So I can't say we will come back, but I certainly won't say that we won't. Probably-- it would not be in the next couple of years to ask for more funding--

**J. CAVANAUGH:** OK.

**SHARON HOFSCHIRE:** --other than for the position--

**J. CAVANAUGH:** For this position.

**SHARON HOFSCHIRE:** --which could be very helpful.

**J. CAVANAUGH:** Thank you.

**LOWE:** Thank you, Senator Cavanaugh. Are there any other questions? You said you were in art restoration.

**SHARON HOFSCHIRE:** No, art history.

**LOWE:** Art history, OK.

**SHARON HOFSCHIRE:** Yes.

**LOWE:** I was, I--

**SHARON HOFSCHIRE:** I am also-- I'm not like Brenda. I don't-- I can't do the drawing and all that.

**LOWE:** OK.

**SHARON HOFSCHIRE:** And I-- like, you know, like Karen, I'm appreciator.

**LOWE:** No, I visited the Gerald Ford restoration facility and what a phenomenal facility--

**SHARON HOFSCHIRE:** Yeah.

**LOWE:** --to have here in Nebraska.

**SHARON HOF SCHIRE:** It is.

**LOWE:** All right. Well, thank you, Ms. Hofschire.

**SHARON HOF SCHIRE:** Thank you all very much.

**LOWE:** Are there any opponents [SIC]? Are there any opponents? Is there anyone in the neutral? Seeing none, we'll close the hearing on Ms. Hofschire. And you will see our members leave occasionally. There are other committees going on now and they, they will leave to go introduce a bill. So that's why they're getting up and leaving. They're not bored with this or anything else. They're, they're here for you. Mark Laughlin, if you would, please come up, for the Nebraska Arts Council. If you'll please pronounce your name and then spell your full name.

**MARK LAUGHLIN:** Mark Laughlin, M-a-r-k L-a-u-g-h-l-i-n.

**LOWE:** All right. Can you please tell us about yourself?

**MARK LAUGHLIN:** I was born and raised in Omaha and raised all my kids, still live in Omaha. This is my second time on the Arts Council. Just to-- and I'm happy to answer any questions on my background. But in the interest of your time, just maybe turn to a couple of highlights that touch on some questions that have been asked. You all give us, give or take, around \$2 million a year, which we then turn around and give out as grants throughout the state. We have a very robust process. The staff puts in a lot of time and then we have grant panels where we bring in outside experts and then nonexperts like me sit in on these and review the grants. It's really interesting. It's-- my favorite part of being on the council is that you get to learn what's going on throughout the state. I know what's going on in Omaha, but there's lots of things that I've learned, really neat things that are going on. So I want you to know that we are-- you know, we take our fiduciary responsibility seriously. We have a very robust process in terms of taking the money that you entrust to us to grant out. As previously referenced, we also get money from the federal government. So that is through the NEA and so that's another source of our funds that we also administer and give out. And then one other thing that's-- I don't know if it's unique, but I did want to make sure that everybody on the council or in this committee, rather, was aware that so we have-- you all have, over the last 20 or so years, set up a fund where you all have put in aggregate around \$12.5 million into this



fund that, you know, generates earnings. And then the Legislature has said, but you can't have that money unless you, the Nebraska arts community, raises a similar amount. And so we, you know, including-- but all of us so there is a separate private fund that sits with-- that we're about \$12.5 million-ish has been raised over the years. The state fund alone, for every-- so you all, over the years, have put in \$12.5 million. The earnings or drawdowns, if you will, over time are about \$13 million. And so the dollars-- for every dollar that you've put into this fund, there's already been a dollar of earnings that have been given to the Nebraska arts community. And for every dollar, because you kind of have said you got to-- the private-- the people have to raise \$1, you've got \$2 that are sitting there that are going to continue to earn interest in perpetuity. You all have also committed to putting in additional monies to take your \$12.5 million up to \$20 million by 2030, if and only if we do our part and get our \$12 million on the private side up to \$20 million. And so I just throw out-- first of all, thanks. But second of all, and this is the real point of this slight, mini ramble, the dollars-- you're going to ask to be-- you guys are going to look at the budget and there's going to be \$1 million in there that statutory-- you've already passed and said we're going to put \$1 million in. And then this year, you're going to be asked to authorize that \$1 million. And I just will throw out to you without knowing whether this is true or not, but in my limited knowledge, when you go to 2050, when I won't be around, I'm going to, I'm going to, I'm going to throw out that the dollar-- that \$1 million that you give to put in that fund for us, for the arts people in America-- or of Nebraska, rather, that's going to be the biggest dollar that will have the most impact in Nebraska in 2050 and beyond. And that will be your biggest legacy, ongoing legacy. I don't know how much bigger and better investment you could ever be. I consider myself a fiscal conservative and it's kind of like this is the biggest no-brainer that there's ever been. So it's been really fun and rewarding for me to be part of this Arts Council so I'll be quiet with that.

**LOWE:** All right, thank you very much. I let you finish your statement. We went over a little bit there, but--

**MARK LAUGHLIN:** Oh.

**LOWE:** --I noticed you weren't looking at the light, but--

**MARK LAUGHLIN:** Sorry, .

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General Affairs Committee January 23, 2023

**LOWE:** --I think you explained a lot for us. So are there any questions?

**MARK LAUGHLIN:** You guys are easy.

**LOWE:** Thank you. Yes, Senator Raybould--

**RAYBOULD:** Nope.

**LOWE:** --did you have--

**HUGHES:** Nope, I've got--

**LOWE:** OK. Senator Hughes.

**HUGHES:** Thank you, Chairman. So you mentioned that the state-- again, new, new, newbie-- \$2 million a year you get from the state. And then -- like, approximately what is the budget every year for the Arts Council, counting your federal funds as well? I mean, is it-- there's an average or does it really vary-- I--

**MARK LAUGHLIN:** It doesn't vary. And don't quote me on this--

**HUGHES:** Right, just a general frame.

**MARK LAUGHLIN:** --but I want to say it's about \$2 million from the state and \$1 million of federal. And then we have other-- I'm guessing-- and again, don't hold me to this, Senator.

**HUGHES:** Right.

**MARK LAUGHLIN:** I should probably know this, but call it \$3-4 million.

**HUGHES:** Three to four million? OK, nope, that's-- thank you. That's what I was curious about.

**LOWE:** OK.

**HUGHES:** Thank you, thank you.

**LOWE:** Senator Hardin.

**HARDIN:** Are other local partnerships as well, since there are often memberships and subscriptions and that kind of thing? I'm from the Scottsbluff area and we have the Midwest Theater, for example--

**MARK LAUGHLIN:** Right.

**HARDIN:** --and so you can participate that way and--

**MARK LAUGHLIN:** Right.

**HARDIN:** --and do partnerships with the college and whatnot. And so I'm assuming those are monies that are above and beyond what you're talking about in terms of, shall we call the government money the seed money for what happens, is that correct?

**MARK LAUGHLIN:** When you say over and above that money, you're mean-- that money meaning what?

**HARDIN:** Meaning what you just defined as the state and the federal dollars that are coming in. So those-- when I go and pay for tickets to go to the Midwest Theater, that kind of thing--

**MARK LAUGHLIN:** Yeah.

**HARDIN:** --in my hometown, obviously that doesn't create free tickets for the public.

**MARK LAUGHLIN:** Right.

**HARDIN:** So just curious about those partnerships and how that works. And essentially, where do these monies go when we say they're coming in, in, in complete-- it's an opportunity to talk. I've actually worked as a professional actor so I'm--

**MARK LAUGHLIN:** Oh.

**HARDIN:** --letting you tell us where the, where-- what the dollars do, I guess.

**MARK LAUGHLIN:** A hundred percent. Let me try to give you the executive summary version. So there are big arts organizations that we call basic support grantees, like MONA, for example. You know, and I'm on the board of Omaha Community Playhouse. That's one of the arts organizations. So they get a certain percentage of that money divvied up as we do it through our grant panels. Then we have things on the other end, like we have \$500 bus programs. So if you-- in Scottsbluff, if you-- if Scottsbluff Public Schools wants to bring their kids to your great theater, you know, they can apply for a \$500 grant to pay

for the buses to get them there. We have traveling Nebraska artists who say, I am a talented artist or a talented singer. I want to go out to Nebraska venues and have the Arts Council pay me, fund it 100 percent so that I can go out and do that. We, we fund those sorts of things. So there's a bunch of different programs through which these grants are made. But the whole focus for us is to get these to arts organizations or artists.

**HARDIN:** So that at a local level, they can seed, incentivize and essentially build that arts culture at a, at a local level.

**MARK LAUGHLIN:** That's, that's the goal.

**HARDIN:** OK.

**LOWE:** Thank you, Senator Hardin. Are there any other questions? Seeing none, thank you, Mr. Laughlin.

**MARK LAUGHLIN:** Thank you.

**LOWE:** Are there any proponents? Are there any opponents? Is there anybody in the neutral? Seeing none, we'll close the hearing on Mr. Laughlin and we'll move on to Ann Michelle Dudley. Is Ann Michelle here? Are-- Ann Michelle, are you with us?

\_\_\_\_\_: Senator, I know her intention was to appear by phone.

**ANN MICHELLE DUDLEY:** Oh.

\_\_\_\_\_: I'm not sure if--

**LOWE:** Are you here?

**ANN MICHELLE DUDLEY:** That's me.

**LOWE:** Ann?

\_\_\_\_\_: Michelle.

**LOWE:** Michelle? Ms. Dudley? I think she was here.

**HUGHES:** Technology.

**ANN MICHELLE DUDLEY:** Can you hear me?

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General Affairs Committee January 23, 2023

**LOWE:** I can hear you now, yes. Can you hear us?

**ANN MICHELLE DUDLEY:** OK, OK. Great. I apologize. I have laryngitis, so.

**LOWE:** All right. Can you--

**ANN MICHELLE DUDLEY:** So Ann--

**LOWE:** Yes.

**ANN MICHELLE DUDLEY:** Yes.

**LOWE:** Can you say your name--

**ANN MICHELLE DUDLEY:** Last name Dudley-- yeah.

**LOWE:** --and then pronounce it?

**ANN MICHELLE DUDLEY:** Sure. Ann Michelle Dudley, D-u-d-l-e-y.

**LOWE:** OK. Can you pronounce your-- or spell your full name, please?

**ANN MICHELLE DUDLEY:** Um-hum. A-n-n M-i-c-h-e-l-l-e and then D-u-d-l-e-y.

**LOWE:** OK, thank you. Can you give us a brief explanation about you and you got about three minutes.

**ANN MICHELLE DUDLEY:** Sure. OK. So, grew up in Lincoln, Lincoln Southeast. Received my master's from the University of Nebraska at Lincoln in speech pathology. I've lived in Norfolk with my husband raising our two sons for the last 30 years. This is my second term on the Nebraska Arts Council. Previously, I was on the Nebraska Cultural Endowment board for two terms. I'm a big advocate for the mission and the purpose of our Norfolk Arts Center. I was on their board for over 15 years and also president of that board. And I'm also involved with the Zone After School program in Norfolk. It's a nonprofit that helps make character development in high-risk youth in our community. So that's, that's me in a nutshell.

**LOWE:** Wonderful. All right. Are there any questions for Ms. Dudley? I don't see any questions right now so if you hang on for just a second, I'll ask for opponents, proponents and those in the neutral. I see

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General Affairs Committee January 23, 2023

nobody coming out against you. Thank you. Thank you for joining us today.

**ANN MICHELLE DUDLEY:** All right. Thank you for your time and your support.

**LOWE:** All right. Thank you, Ms. Dudley. OK, we'll close that on Ms. Dudley. And that does it, I believe, for the Arts Council.

\_\_\_\_\_: The caller--

**ANN MICHELLE DUDLEY:** Ann Michelle Dudley.

\_\_\_\_\_: --has left the conference.

**LOWE:** All right. Our next appointment is Jeffrey Gaylen from the State Racing Commission. Welcome to the General Affairs Committee.

**JEFF GALYEN:** Good afternoon. I'm Jeff Galyen, J-e-f-f G-a-l-y-e-n. This-- I have been on the Racing Commission for 12 years. This is-- we've now become the Racing and Gaming Commission in the last few years. I am an attorney in Norfolk, Nebraska. Went to school here in Lincoln and practiced in Lincoln for a handful of years before I moved to Norfolk. Grew up in Atkinson, Nebraska, lifelong Nebraska resident. I've been around horse racing for most of my life and that's how I found myself on the Racing Commission. Things have changed quite a bit in the last couple of years, as you all know. We went from a commission that met five or six times a year to a commission that meets generally at least monthly. From a time standpoint, it was an appointment that required, as time-- it, it depended on the, the meeting, but a handful of hours preparing for each meeting to now sometimes it's 30 to 40 hours a month, depending on what we have going on with, with applications and, and the process at this point in time. So our landscape has changed dramatically in the last few years. So I will just leave it at that and answer any questions you might have.

**LOWE:** Thank you very much. Senator Holdcroft.

**HOLDCROFT:** Thank you for coming today.

**JEFF GALYEN:** Sure.

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General Affairs Committee January 23, 2023

**HOLDCROFT:** Again, I'm the new guy in the block, so assume I know nothing. So we'll start off with how many members are on the commission?

**JEFF GALYEN:** Seven members.

**HOLDCROFT:** Seven members. And what do you see as the major decisions you're going to make in the next months or years? And if you want to express an opinion on that, I'd be interested in it also.

**JEFF GALYEN:** Probably won't get me to express opinions, but the, the-- you know, the, the-- what the voters passed was a directive that casinos were-- would be authorized where racetracks were licensed. We have six licensed racetracks right now. So probably the biggest question down the road will be whether any additional racetracks are licensed. The Legislature has already weighed in on this to some degree last year by requiring some studies that would impact that analysis. And I know that there are some bills pending that might influence that as well. So that's probably the biggest questions we're going to face.

**HOLDCROFT:** OK.

**LOWE:** Thank you, Senator Holdcroft. Senator Raybould.

**RAYBOULD:** Mr. Galyen, thank you for being here. You expressed that you have experience in horse racing or you grew up with that. Could you tell us a little bit more?

**JEFF GALYEN:** Sure. My dad owned racehorses, so I, I spent time-- I grew up around horses, but not, not really racehorses, but my dad owned racehorses. So from the time I was probably 10 or 12, I have gone to live horse racing. I enjoy it. I still spend family vacations going to racetracks around the country, so I am passionate about horse racing in general.

**RAYBOULD:** Thank you.

**LOWE:** Thank you, Senator Raybould. Any other questions? So, Mr. Galyen, you said you've been on for 12 years now.

**JEFF GALYEN:** Yes.

**LOWE:** And you've been on through the transition into-- from horse racing into horse racing and gambling. How's it working out?

**JEFF GALYEN:** I think it's working out well. You know, it's an interesting process for me. I'm a business and transactional lawyer. I don't go to court. If this process happened in private business with a business of mine or one of my clients after the voters approved this and after you as Legislature-- as legislators put it into play, a private business would have went out and hired 20 or 25 people and this could have happened quicker. That is not possible under the structures and the restrictions of state government. The hiring processes are slower. You can't borrow money to do that. So it's simply not possible to move at the speeds that you could have in private business. And I think that is a little bit frustrating to a lot of people, but the reality is I think the commission moved as quickly and appropriately as it could have given the restraints that we're under.

**LOWE:** All right. Thank you. How's, how's the horse racing as a whole developing because of this?

**JEFF GALYEN:** That's a very good question. horse racing, the horse racing industry is, in my mind, a very important industry for Nebraska. And I think it's, it's underestimated in the jobs that it provides. Those jobs start with horse farms where these horses are bred and raised, where they're cared for in the winter. The, the hay and grain that, that's provided to these horses, the vets, and this goes on and on through the customers and etcetera. I think it's a vital industry. The states that are thriving in thoroughbred racing nationally are states that get help from expanded gambling. That's just the reality. The states that don't, those industries are suffering. And what our voters and legislators did here is potentially save a industry and allow it to thrive and grow on its own, I think, with the help of expanded gambling connected to those racetracks.

**LOWE:** All right. Thank you.

**JEFF GALYEN:** It'll take time, but I think the prospects are great.

**LOWE:** All right. Thank you. Senator Hughes.



Transcript Prepared by Clerk of the Legislature Transcribers Office  
General Affairs Committee January 23, 2023

**HUGHES:** So-- yeah, thanks for coming. Newbie. Going back, you said there's six licensed racetracks in Nebraska. Are they all thoroughbred or is it--

**JEFF GALYEN:** One is quarter horse.

**HUGHES:** One is quarter horse.

**JEFF GALYEN:** The other five are thoroughbred.

**HUGHES:** OK.

**JEFF GALYEN:** Yes.

**HUGHES:** Is there-- what's the difference between the two? Will both-- will all be benefited by the gambling piece of it and--

**JEFF GALYEN:** They, they will.

**HUGHES:** Yeah.

**JEFF GALYEN:** Yes, they'll all be benefited by the gambling.

**HUGHES:** OK, thank you.

**LOWE:** Thank you very much. All right, seeing no other questions. Thank you for coming.

**JEFF GALYEN:** Thank you.

**LOWE:** Now, I will ask for proponents.

**LYNNE McNALLY:** Good afternoon, Chairman Lowe, members of the committee. Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, representing the Nebraska HBPA and WarHorse Casino, Lincoln WarHorse Casino, Omaha, here today to testify in support of Mr. Galyen. As he said, he's been at the commission now for 12 years. I have been with the horsemen for 20 and there is no one in the state of Nebraska that appears in front of the commission more than me. He is exhaustive in his research and his preparation for the hearings. And we certainly do not always agree, but there is no question that he cares very deeply about the racing industry in particular and wants it to succeed and thrive, especially in the current environment. That's extremely important to us and is extremely valuable for a commissioner on this commission in

particular. So I would testify in support of his reappointment to this commission and would be happy to answer questions.

**LOWE:** Thank you, Ms. McNally. Are there any questions? Yes.

**HOLDCROFT:** This is more of a question about your position at WarHorse. And again, new guy so still learning. Lincoln doesn't have big horse racing right now, does it?

**LYNNE McNALLY:** They do not now, but they will.

**HOLDCROFT:** OK, that's not really my question. You see that as, as-- I know-- certainly, I think the casino's going to do well, but are you counting on Lincoln's-- and in general, the whole concept of casinos and horse tracks together, both being mutually beneficial to one another?

**LYNNE McNALLY:** That's the whole reason we did it. Had we not seen the potential success for live horse racing in Nebraska, we never would have partnered with Ho-Chunk to get these initiatives passed in the first place. As you know, we were the sponsors of the initiatives along with Ho-Chunk that owns WarHorse Casino. We are partners in that endeavor. What we're aiming for in Lincoln in particular is that for those people who are not familiar, State Fair Park ran racing in Nebraska, in, in Lincoln in particular, for 100 years almost. When, when the University of Nebraska wanted that property for Innovation Campus, it was worked out in the Legislature so that the State Fair would move to Grand Island and they abandoned horse racing. There was already Fonner Park at Grand Island, so they, they didn't have an interest anymore. They gave up the license. The Nebraska HBPA took it over. We are the only horsemen's group in the United States that owns its own racetracks. That wasn't because we had a strong desire to do it. It's because we didn't have a choice. So we had just enough money to build the track and the simulcast facility. We meet our requirements of the minimum of race days, but our goal in Lincoln is to get to at least 80 live days of racing, if not more. That's-- we used to have 39 days of racing at State Fair Park in its heyday. We would like to double that if possible. So that's the ultimate goal for the HBPA is to funnel all of our revenue from the casino directly into horse racing. We have plans for 900 stalls. We also recently, last week, as a matter of fact, bought the 155 acres next door to the Lincoln facility. So the HBPA now owns 370 acres in Lincoln. We would not have done that if we didn't plan to make a major expansion.

**HOLDCROFT:** OK, thank you.

**LYNNE McNALLY:** You're welcome.

**LOWE:** Thank you, Senator Holdcroft. horse racing, horse breeding, how's that going in Nebraska?

**LYNNE McNALLY:** It has exploded. The, the year before the initiative made the ballot, there were 38 registered thoroughbred breed horses in the state of Nebraska. You have to have one breed race per day for, for a live day or it doesn't count, according to statute. We were having trouble with that and we only had 53 mandatory live days. Since the initiatives have passed, I believe-- I'd have to check with the thoroughbred breeders there, the registry, but I believe they had over 300 foals born last year. So huge, massive increase; ten times the number of horses in a single year than we had had up until that point. So it-- the, the results have borne out already. And once the permanent facilities are completed and we're able to, to put our part of the revenue into racing, you're going to see a dramatic increase not only in that, but in the overall impact of the industry; hay, veterinarian services, all of the ag-related services that you would see with that kind of operation.

**LOWE:** OK. Thank you. And then how long does it take a horse to, to develop before--

**LYNNE McNALLY:** Three years.

**LOWE:** Three years.

**LYNNE McNALLY:** A, a registered thoroughbred in Nebraska has to be a three-year-old. There's only going to be one race this year that's allowed for two-year-olds and that's because their legs aren't fully developed and defined. And so you don't want to run a two-year-old too much. It hurts their legs. So you really want to wait until they're three and older.

**LOWE:** All right. And maybe I missed this, how many people are you going to employ at the whole facility once it is--

**LYNNE McNALLY:** Between Lincoln and Omaha, we will-- Ho-Chunk, Inc. right now, as a corporation, is global. They have 2,000 employees worldwide. When both facilities are fully complete, they'll have about 4,500 employees. So approximately 2,500 new jobs will be created from

just our two locations. They also have a third location in South Sioux and then Grand Island, Columbus and Hastings will have their own employees as well. So, I mean, you really did create an entirely new industry in Nebraska that will have a lot of good-paying jobs and a whole other sector that had not existed before.

**LOWE:** All right. Thank you very much. Are there any other questions?

**LYNNE McNALLY:** Thank you.

**LOWE:** Seeing none, thank you, Ms. McNally. Are there any other proponents for Mr. Galyen? Proponents? Are there any opponents of Mr. Galyen? Are there any in the neutral? Seeing none, that closes the hearing on Jeff Galyen. And now we have Dennis Lee, the State Racing and Gaming Commission. Welcome.

**DENNIS LEE:** Thank you, Senator Lowe, members of the committee. My name is Dennis Lee, D-e-n-n-i-s L-e-e. I appear before you today having been nominated for reappointment by Governor Ricketts to the State Racing Commission. A little bit about me is I'm a lifetime Omahan. I graduated from Creighton's law school in 1980. I've been involved in the Nebraska racing industry since I was 14 in a, in a variety of capacities. From 1983 to 1987-- I gave a corporate copy of my resume, but from '83 to '87, I was the attorney for the State Racing Commission. In 1987, I returned back to private practice in Omaha and I got a phone call in September of 1988 from Governor Orr's chief of staff asking me if I would be interested in serving the remaining portion of Harry Farnham term as Nebraska racing commissioner. That resulted in Governor Orr appointing me on October 5, 1988. I've been on the commission since then, so that's 34 years. And I have been chairman of the commission since 1991. Over the course of, of the years, as Mr. Galyen alluded to, the racing industry has really developed and morphed. When, when I started as counsel for the commission back in the mid '80s, racing was a big deal. It was-- Ak-Sar-Ben was racing 85 days a year. We had races that would start in Grand Island in February and they would end in Atokad-- at Atokad park in South Sioux City the week before Christmas, ten days before Christmas. Since then, the industry had some challenges and a lot of those challenges developed when other states, specifically Iowa, began to offer casino gambling and dog tracks and riverboat gambling, which is now really what has been their shot in the arm for their racing industry. Senator Lowe, you asked Commissioner Galyen a question about how the industry has been impacted. Well, we've had serious impacts.

There, there was a while I wasn't really sure if the industry would survive until we were able to get some help from the people and this Legislature in terms of approving casino wagering. And that has happened. And I can share with you that the Lincoln casino, WarHorse Lincoln opened the third week of September. And so that's roughly about 13, 14 weeks for the balance of 2022 and there has been \$2.8 million in gaming tax that has been generated from not just WarHorse, but we also opened a casino at Gonner Park in Grand Island. The next casino that's going to come on board is Columbus. And then I anticipate the WarHorse Omaha will be on board and operational in their temporary facility by the end of the summer or first part of the year. The racing industry has been good to me. I've had various positions, have been the former chairman of the Racing Commissioners International, which as the name implies, applies to all racing jurisdictions in North America, Europe, Japan, Australia. I serve on the-- I'm the chairman of the Model Rules Committee of RCI. I've been invited to speak in France and England on various drug testing and regulatory matters as it relates to the breeding and racing industry. It really is an honor for me to serve on the commission. We've got a commission of seven members. Up until about 18 months ago, we had two employees and then after LB876 was passed and signed by, by the Governor, we ended up having a lot of responsibilities of which we didn't have staff for. And so now our staff has grown from two to, I believe we're up to 18 now. So Commissioner Galyen hinted about things didn't go as quickly as some people would have wanted. Part of that primary reason was because of our lack of staff. We are getting up to staff now. I see my time is up, but I'm happy to answer any questions.

**LOWE:** Thank you, Mr. Lee. And do we have any questions? Senator Hughes.

**HUGHES:** Thank you and thank you. New-- newbie. Are the seven members of the State Racing and Gaming Commission-- are you paid a per diem or something? Because you're meeting a lot now--

**DENNIS LEE:** We are.

**HUGHES:** --versus four times that you were prior.

**DENNIS LEE:** For the first 20-- I take that back. For the first 30 years, it was a volunteer position--

**HUGHES:** Yeah.

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General Affairs Committee January 23, 2023

**DENNIS LEE:** --when I was on the commission. We are now being paid \$1,000 a month and that was effective through LB876.

**HUGHES:** Thank you.

**DENNIS LEE:** Plus mileage.

**HUGHES:** OK.

**LOWE:** Thank you, Senator Hughes. Senator Holdcroft.

**HOLDCROFT:** Just to fill in some of the gaps, it's a-- is it a four-year term?

**DENNIS LEE:** Yes, it is.

**LOWE:** Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman Lowe. Thank you, Mr. Lee, for your willingness to serve for so long and seeing the industry through the ups and downs and I guess back ups now. So one of the big things we asked the commission to do is the-- this report on the state of I guess gaming in the state and the potentiality for adding future casinos. How's that coming?

**DENNIS LEE:** Well, the deadline that was in LB876 was January 1, 2025. We really-- as I mentioned earlier, the WarHorse opened the third week of September. So we really have limited data from which to determine what sort of impact that's going to have, not only on racing, but also the locales of where the casinos are operational and things of that matter. So we really haven't started any sort of environ-- or any sort of impact-- economic impact study. We are aware that the deadline is January 1, 2025. I think there's a bill in the Legislature now to extend that further. It might come before this committee. But at this point, simply because we have lack of number of months or even years of operations of casinos, it's premature for us to get started on that. So to be honest, we have not started that yet. Our focus has been licensing the casinos, doing our regulatory duties of security and surveillance and licensing of the staff members, training and things of that nature. But that is on our list to do.

**J. CAVANAUGH:** Thank you.

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General Affairs Committee January 23, 2023

**LOWE:** Thank you. Senator Cavanaugh. Any other questions? You said you've hired 18 staff-- you're up to 18 staff members now. How large do you see the-- your staff growing?

**DENNIS LEE:** You know, the better person to address that question would probably be Tom Sage, who's our long-time executive director. But I can see our staff, with our added responsibilities such as being involved in the, the impact study and licensing, not just the casinos but the racetracks. We have our licensing office open now at Fonner Park because they're going to start in a couple of weeks of the live racing. I can see us getting up to 30, but I would defer that to the person that's involved in the day-to-day operations and that's Tom Sage.

**LOWE:** Would, would that include, like, investigators or--

**DENNIS LEE:** Yes.

**LOWE:** --something like that?

**DENNIS LEE:** Yes.

**LOWE:** State Patrol?

**DENNIS LEE:** Yes.

**LOWE:** OK. Thank you. Are there any other questions? Seeing none, thank you.

**DENNIS LEE:** Thank you for letting me appear.

**LOWE:** We'll now ask for proponents. Welcome back.

**LYNNE McNALLY:** Good afternoon again, Chairman Lowe and members of the committee. Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, appearing on behalf of the Nebraska HBPA as well house-- as well as WarHorse Casino, Lincoln and Omaha. I would like to testify in strong support of Chairman Lee. Something that he did not mention to you is that his father was a sportswriter for the Omaha World-Herald and horse racing was his beat. And so Mr. Lee grew up at Ak-sar-ben. I think he's had every job. He cleaned restrooms. He sold forms and programs. I think he did every job before he went to law school and actually was legal counsel for the Racing Commission. I've been in my job for 20 years now, this is my 20th year, and Chairman Lee has probably forgotten

more about horse racing than I will know. He's given me advice and guidance when I've asked about certain statutes, things like that. He's just been tremendously helpful, not only during the hearings, but on his own time. He's got a very busy law practice, but it's a very rare occasion when I call him with a question that he doesn't answer immediately. If he doesn't answer immediately, he calls right back. And, you know, usually it's something obscure that only he would know. I asked him the other day about-- we, we've got construction issues in Omaha and so I asked him about simulcast wagering on live racing. And it was a very technical question. He knew off the top of his head that-- you know, it, it would take somebody else days of research to figure it out. So I just-- I, I can't say enough positive things about him if we didn't have him in the process of creating an entirely new, very large division of the state of Nebraska, I honestly don't know what any of us would have done. Without his knowledge and experience, this, this simply would not have been possible. On a personal note, I, I have never missed a commission hearing since I've had this job. Never. I had a stroke in May and was hospitalized for a month and couldn't speak, had a feeding tube for several months. It was very difficult. They had a pretty significant hearing while I was in the hospital and I was heartbroken about not being there. And I found out later that he entered into the record that I was there in spirit so I could keep my unbroken streak. I think that's a very kind thing to do and it's something that he didn't have to do, but it was very meaningful to me. So I appreciated that very much. Thank you. I'll answer any questions.

**LOWE:** Thanks, Ms. McNally. Are there any questions? Seeing none--

**LYNNE McNALLY:** Thank you.

**LOWE:** --thank you. Are there any other proponents? Are there any opponents for Mr. Lee? Are there any in the neutral? Seeing none, that closes the hearing for Dennis Lee. Yes, you may. Next up, we have Susan Lutz for Nebraska Commission on Problem Gambling. Are you there, Ms. Lutz?

**SUSAN LUTZ:** Hi, I am. This is Susie. I'm on the phone.

**LOWE:** OK, could you please pronounce your name and then spell your full name?

**SUSAN LUTZ:** Susan Lutz, S-u-s-a-n L-u-t-z.



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General Affairs Committee January 23, 2023

**LOWE:** All right. Thank you. Can you please tell us about yourself and why you are up for appointment?

**SUSAN LUTZ:** I am up for appointment this year for the Nebraska Problem Gambling Assistance Program, the Commission on Problem Gambling. This will be my 10th year with that group. I am an accountant. I am a CFO at a bank here in Norfolk, Nebraska. I grew up in Nebraska in Tekamah and my husband and I lived in Lincoln for a few years while he finished college and we had children. And I received my accounting degree from Wayne State College and have just built a life here in Norfolk. I was asked nine years ago or so to-- if I would lend my accounting support to the commission when they left the department, the Department of Social Services. So that's kind of-- I've just been there ever since. It's been an interesting, interesting group and our, our-- we're pretty much charged with just making sure that the funds that our commission is allocated are spent appropriately and we are-- just do our best to do that.

**LOWE:** All right. Thank you, Ms. Lutz. Are there any questions? Yes, Ms. Raybould. Senator Raybould, excuse me.

**RAYBOULD:** Yes. Thank you, Ms. Lutz. Since you're an accountant and can you tell us how much funding is typically allocated to the work that you do?

**SUSAN LUTZ:** Well, the budget that we submitted this last year was for almost \$3.2 million. We do a form of based budgeting and so we, we, we submit a biennial budget. Most of that-- we are required to spend-- and I think it's \$350,000 on messaging or whether that be preventive or if that's some sort of messaging about problem gambling. But the bulk of our funds is spent hiring counselors to help problem gamblers.

**RAYBOULD:** OK. Thank you very much.

**LOWE:** All right. Thank you, Senator Raybould.

**SUSAN LUTZ:** You bet.

**LOWE:** Senator Holdcroft.

**HOLDCROFT:** Thank you, Mr. Chairman. Senator-- Ms. Lutz, Senator Holdcroft here. And just assume I knew nothing about the Nebraska Commission on Problem Gambling. Can you fill me in?

**SUSAN LUTZ:** OK.

**HOLDCROFT:** How many, how many folks are on the commission and what is your role and how long is the term and how are you appointed?

**SUSAN LUTZ:** There are nine of us on the commission. We also have a staff of two; an executive director, David Geier, and then also he has an administrative assistant who is more than that, I would say, Anne McCollister. We have-- we serve a three-year term and we are kind of staggered so we don't all fall off at the same time. I was just appointed by the Governor, just like anyone else. And so when it came time to apply for reappointment, I did that, and that's kind of our process. We have-- we are, we are set up to have somebody who is, is-- has financial acumen. We have-- we are set up to have somebody with some medical background. We have, we have an-- a lawyer, we have a lawyer on the commission. And we also have folks who have used our services on, on the commission. So it's a pretty diverse group of folks when we get together. We meet four times a year and those are-- those meetings are just pretty full of budget considerations and decisions, planning on what the commission will be doing in the future. My interest-- right now, I serve as the chair of the commission. And again, my interest is just to make sure that we're spending the money the way we're supposed to be and we're-- will probably do us the most good.

**HOLDCROFT:** Thank you. Can you tell me more about what you spend the money on as far as do-- finance organizations that help with problem gambling or, or how does the money work?

**SUSAN LUTZ:** Well, we-- mostly counselors. Mostly we-- the counselors throughout the state-- and I think we have-- you know, and I don't know how many we have, but we have counselors throughout the state that we have strategically tried to-- we have provided them with education through Bellevue University and they get certified as certified gambling counselors. Most of our funds go to supporting them. And they submit their billable time just like they would any other-- basically an insurance-type thing that they submit their time to us and then we reimburse them for that. Folks who have problems with gambling don't have any money and so that's kind of what drives them to seek assistance. And so without this program, there, there would be no money to provide the counseling for them because most insurances don't provide funding for problem gamblers. Also we do the marketing piece, we spend our money on that. We have an analytical

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General Affairs Committee January 23, 2023

consultant that we-- he has been providing information and I am sure we could make that available to you on how, how-- who we help, what demographics are most likely to require help and through the years, how that's progressed. And we have-- again, we have a staff of two.

**HOLDCROFT:** Thank you. Ms. Lutz. That's very helpful.

**LOWE:** OK.

**SUSAN LUTZ:** Sure.

**LOWE:** Thank you, Senator Holdcroft. Are there any other questions from Ms. Lutz? Seeing none, thank you very much. If you hold on, we'll go through the proponents and opponents that you might listen to, if there are any here. Are there any proponents? Seeing none, are there any opponents? Seeing none, is there anybody in the neutral? Seeing none, Ms. Lutz, thank you very much for holding online and being with us today.

**SUSAN LUTZ:** Thanks for having me. Thank you. Have a great day.

**LOWE:** OK, thank you.

\_\_\_\_\_ : The caller--

**SUSAN LUTZ:** Susie Lutz.

\_\_\_\_\_ : --has left the conference.

**LOWE:** OK. Next, we have Matthew John Monheiser.

**MATTHEW JOHN MONHEISER:** That's correct.

**LOWE:** OK. Welcome to the General Affairs Committee. If you would please say your name and then pronounce-- or pronounce your full name and spelling.

**MATTHEW JOHN MONHEISER:** Matthew John Monheiser, M-a-t-t-h-e-w J-o-h-n M-o-n-h-e-i-s-e-r.

**LOWE:** All right, thank you very much. Can you give us a brief history about yourself and tell us why you would like to be on the Nebraska Commission for Problem Gambling.

**MATTHEW JOHN MONHEISER:** Chair, mine's a little bit more colorful, I guess you could say. I was what they-- I believe there's two positions on the commission that are consumers. I had the unfortunate pleasure of being one back in-- not being on the committee, but being a consumer of gambling. So in 2011, I believe it was, I got caught for an embezzlement of, like, \$1,346,000. I was working at a bank, running it. I took the money, gambled it all, every bit of it. After I got caught, I talked to two of my friends, raised the money, paid the bank back in full within 30 days, all principal interest and their attorney's fee. They were made whole. I got sentenced to three years in prison. I did that and I came out and in 2016, I was released and I came out and now we do real estate, purchased quite a few homes and actually got, got a group of investors and purchased the majority of the Cabela's assets from their-- when they left Sidney, we purchased the distribution center and the strip malls and I've managed to sell all those and get people in there and start some new businesses. And in 2020, I was voted by the chamber of commerce business leader of the year, so. Kind of when I got out of prison, I didn't really want to go back to Sidney, but now I'm glad their-- that I was there. I really like Sidney. The commission is important to me because I think it's important for people to understand they'll have the ability to know where to go if they're in trouble; know who to contact, how to stop, where to get treatment, things of that nature, and just helping identify if you're a problem gambler. That's my colorful story.

**LOWE:** Well, thank you very much for telling us that. Are there any questions? I don't see any questions for you right now. How is Sidney doing?

**MATTHEW JOHN MONHEISER:** Really well. Right now, we've-- well, we purchased Cabela's business warehouses. There were eight open warehouses, took us two years. We have 87 different businesses in there right now. Sidney has 26 houses on the market, down from 230 in 2016. We're a much more diverse and I feel better community now. We don't have all our eggs in one basket. We have the ability to entertain new businesses without getting friction from maybe another business in town that, that would go against my employees or whatever. It's been a-- it's done really well. It's, it's doing well.

**LOWE:** I'm, I'm assuming your background is a good one for problem gambling, speaking with people.

**MATTHEW JOHN MONHEISER:** Oh, yeah. Yep, I was really bad at it. I don't think you got problem-- many problem gamblers, gamblers that are good at it, but yes.

**LOWE:** OK. All right, thank you. I see no other questions. We now have a full contingent back. We've had people out discussing bills in other committees, but now we're all back. I was just kind of giving them time to see if they wanted to ask any questions. So I will ask if there are any proponents for Mr. Monheiser. Are there any opponents? Are there any in the neutral? Seeing none, thank you for joining us today and--

**MATTHEW JOHN MONHEISER:** Thank you--

**LOWE:** --we will be back in touch.

**MATTHEW JOHN MONHEISER:** --for appointing me to the committee.

**LOWE:** Yes.

**MATTHEW JOHN MONHEISER:** Thank you.

\_\_\_\_\_: The caller--

**MATTHEW JOHN MONHEISER:** Matt Monheiser.

\_\_\_\_\_: --has left the conference.

**LOWE:** OK. So our next appointment to the Nebraska Commission on Problem Gambling is John Pulverenti.

**JOHN PULVERENTI:** Yes, I'm here. Can you guys hear me?

**LOWE:** Yes, we can hear you. If you would please--

**JOHN PULVERENTI:** All right, perfect.

**LOWE:** --say your name and then spell it for the transcribers, please, and then give us a short story.

**JOHN PULVERENTI:** Yes. John Pulverenti, J-o-h-n P-u-l-v-e-r-e-n-t-i. So I'm a-- grew up in Omaha, went to school at Creighton, went to law school at Nebraska. Right now, I'm a transactional attorney in Omaha for a financial firm here. This will be my first term on the gaming-- the problem gaming association. I'm interested in getting on the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
General Affairs Committee January 23, 2023

Problem Gaming Commission kind of because I think this is a really important resource for people in the state and, you know, it's important to make sure this is a continued resource and that the resources-- providing people with the resources, the counseling that it needs and appropriate counseling.

**LOWE:** All right. Well, thank you very much. I see that you have a background in iGaming and sports betting regulations.

**JOHN PULVERENTI:** Yes, yeah.

**LOWE:** Can you tell us a little bit about that?

**JOHN PULVERENTI:** Yeah, so when I, when I actually first got out of law school, I did some legal work for some iGaming and sports betting companies. I mean, when I got out of law school it was 2018, so it was basically really about right before the-- everybody started legalizing-- or every state legalizing these regulations. And so there was a lot of legal work to do with those things and interpreting the states' statutes and regulatory schemes for a lot of small entrepreneurs that wanted to pursue those kind of opportunities was available. So I did a lot of, a lot of legal work, a lot of research on those regulations and statute. And I think through those, you know, through that work, you kind of saw a general theme that I thought was an important theme in a lot of those statutes and regulations around ensuring there was appropriate consumer protections and appropriate consumer resources available based on funds that are generated from gaming. And so, yeah, that kind of trickled into the reason of wanting to get on the Nebraska problem gaming association to ensure, like I said, that those resources are available and for the people that need them.

**LOWE:** All right. Thank you. I will ask for any questions from the committee. Are there any questions? Seeing none, I will now ask for any proponents. Are there any proponents for Mr. Pulverenti? Are there any opponents? Is there anybody in the neutral? Seeing none, thank you very much for joining us today.

**JOHN PULVERENTI:** Thank you.

**LOWE:** That closes the hearing.

\_\_\_\_\_: The caller--

**JOHN PULVERENTI:** John Pulverenti.

\_\_\_\_\_ : --has left the conference.

**LOWE:** Our next appointment, John Hiller for the State Electrical Board. Pronounce your name and spell it.

**JOHN HILLER:** Yes, my name is John Hiller, J-o-h-n H-i-l-l-e-r. State Electrical-- I've been nominated to the State Electrical Board . The-- my, my background is I'm a fourth-generation Nebraskan, lived here my whole life. I'm a second-generation electrician after my dad. I grew up in the industry so from the time I was 12, I've been around the electrical industry. I've been on the State Electrical Board for 15 years. This is a reappointment. Each board term is for five years. [INAUDIBLE] on the State Electrical Board. The State Electrical Board is tasked with overseeing the State Electrical Act, which was passed back in the 1970s. And the State Electoral Act is to ensure safe electrical installations in the state of Nebraska. As such, we hire electrical inspectors throughout the state. They're-- then live within 15 different districts of this-- within the state of Nebraska. The-- we are also-- we're a self-funded organization. We don't rely on tax dollars. We are-- we-- the money is raised through license fees and through permits for-- as projects come in. The board is comprised of seven members and more than happy to take any questions.

**LOWE:** Thank you very much. Senator Holdcroft.

**HOLDCROFT:** You answered all my questions to begin with here-- that I have been--

**JOHN HILLER:** Well, I've been watching, so I thought--

**HOLDCROFT:** Yes.

**JOHN HILLER:** --maybe some of that might be helpful.

**HOLDCROFT:** What's the difference between a state inspector and the inspector that the city hires?

**JOHN HILLER:** That's a good question. The state is the overall organization that, that oversees electrical installations. Municipalities can then apply to have their own inspection program. Those inspection programs have to meet the minimum of what the state act calls for. So they make application to the State Electrical

Division to have their own inspections. The state grants them that right. We oversee that to make sure that they have hired qualified inspectors and have the resources to, to do those inspections. But there are numerous municipal and county inspections throughout the state.

**LOWE:** All right. Thank you very much, Senator Holdcroft. Are there any other questions?

**JOHN HILLER:** Thank you.

**LOWE:** You waited long enough.

**JOHN HILLER:** Thank, thank you very much.

**LOWE:** Thank you very much. Are there any proponents for Mr. Hiller? Are there any opponents for Mr. Hiller? Is there anybody in the neutral? Seeing none, that closing-- that closes our hearing and our committee hearing for the day. Thank you very much.