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Government, Military and Veterans Affairs Committee
February 25, 2011

[LB344 LB597 LR2CA]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Friday, February 25, 2011, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR2CA, LB597, and LB344. Senators present: Bill Avery, Chairperson; Scott Price, Vice Chairperson; Lydia Brasch; Charlie Janssen; Russ Karpisek; Rich Pahls; Paul Schumacher; and Kate Sullivan. Senators absent: None.

SENATOR AVERY: It's a big job to reinvent government, which is what we're going to be doing today. So welcome to the Government, Military and Veterans Affairs Committee. My name is Bill Avery. I represent District 28 here in the heart of Lincoln. Before we start, I'm going to introduce some empty chairs. Here comes Senator Sullivan. I think I will start with Senator Pahls on the right here; Senator Pahls is from Millard and a longtime member of this committee, longer than I have been here, I think. And next to him is one of our newest members, Senator Lydia Brasch from Bancroft. Next to her, soon to join us, will be Senator Charlie Janssen from Fremont. And seated next to him is Senator Scott Price, the Vice Chair of the committee, from Bellevue. To my right is Christy Abraham, who is the legal counsel for the committee. Senator Karpisek sits here; he is from Wilber. Next to him is Kate Sullivan, who is from Cedar Rapids. And soon to join us, I believe, is...he is coming today, isn't he? Senator Schumacher? I don't...it seems to me that he mentioned something that he had to do, but I think he will be here--Senator Schumacher from Columbus. We have a guest clerk today. Our regular clerk, Sherry Shaffer, had a funeral, I believe. And we have, instead, borrowed Becki Collins from the Education Committee. She will be helping us out. A few matters of procedure. If you have an interest in any of the bills that we will be discussing, we have some things that we want you to do. If you're going to testify, there is this form that we would ask you to fill out; they're available at each door. And it just asks for some information printed clearly, please, indicating what your name is and your address, phone number, and which bill or resolution you are supporting or opposing. If you wish...and, by the way, when you do fill this out and you come to the table to testify, please give a copy to the clerk so we can have it on record. If you are here and you wish to express your view for or against a bill but do not wish to testify, you can record that on this piece of paper; they also are available at each entrance. If you--when you come to speak, we use the light system. The green light indicates you have four minutes. And when it turns to amber, you have one more minute to finish your comments. When it's red, it's time to end it. And we use that because it helps us give everybody ample time to say what they want to say and allows us to get through all of our bills without staying here beyond the 6:00 hour. Yesterday we were here to 6:20, and it gets to be a bit tiring. But we believe that it's important the public be heard. This Legislature is the only legislature I know of in the country that requires all bills to have a public hearing. That is something we take a great deal of pride in. So we want to hear from you. But we do ask that you follow the lights and when the red light is on that you

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should be finished. If you have a laptop computer or a telephone, please turn them off, particularly if you have a device that makes noise. We do not want testifiers to be bringing laptops to the table. And if your laptop--if you must use your laptop in the seat, please make sure you don't have the sound, or the volume, up. The press, of course, is allowed a lot more privileges than most of us, so we do not put those restrictions on the press. The...when you arrive at the table to testify, please spell your name for the record so that we have a clear indication of who you are. When you--if you have any displays that you would like to distribute to the committee, we'll need 12 copies. Give those to the clerk; she will make sure that the pages have them for distribution. Our page today is Kyle Johnson from Sutton, and usually we have a second page, but I think she is in class today at this hour. So with that, we will start. And the order of business will be as it is posted outside the room, starting with LR2CA by Senator Harms. And that will then be followed by LB597 and LB344. Senator Harms, welcome to the Government Committee. []

SENATOR HARMS: (Exhibits 1, 2, 3, 4, 5, 6, 7, and 8) Senator Avery, thank you very much. Colleagues, my name is John N. Harms, H-a-r-m-s; I represent the 48th Legislative District. And I'm the introducer of LR2CA. First, Senator Avery, thank you for--as usual, thank you for giving the opportunity to come and visit with you. I look forward to coming to this committee; it's, in fact, the third time this year. And, Senator Sullivan, I will listen to your question this time. [LR2CA]

SENATOR SULLIVAN: (Laugh) [LR2CA]

SENATOR HARMS: LR2CA amends Article IX, Section 4, of the constitution by adding the form of county government in which the county officers may be appointed, but such form shall be optional for each county and shall occur only in the county upon adoption by a majority of those who are voting. Okay? So it's a choice of the people. Senator Avery, when I first started to do the research on this resolution, I was really, I guess, kind of taken aback and surprised that this is not new for Nebraska. And I know that I've talked with a number of people all across the state that say, you know: This is a unique idea, it's a different idea, and we think that it's a good idea. And I have to tell them that it's not unique and it's not different; it's been tried. And so it's not really true. And so what I'd like to do, if I could, Senator Avery, is to give you just a little bit of the history about this form of county government. I think it'd help you have a better understanding of what's happened--how we failed in the past--on this particular issue. Then the actual meat is in the handouts that I'm going to give you that will really show you how this could be laid out, what it means, and how a professional manager could make a difference. You know, in 1950 a report was prepared by a committee of legislative counsel consisting of Senator William A. Metzger, who was the chair--I don't know if any of you have any institutional memory that goes back that far--but Charles Wilson, John P. McKnight, Hugh Carson, and Elliot (sic) Halsey Bohlke were on the committee. And this report, Senator Avery, is well done. I'm going to take out a few excerpts from that,

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because I think they say it very well. And I quote: There's an agreement among students of public administration to the effect that the fundamentals of government should be arranged on a logical and consistent basis and that corresponding powers and responsibilities should be assigned to clearly identifiable departments and officials. The counties, however, present many examples of illogical allocations of functions and diffusions of powers and responsibilities. The powers of the county government are divided among county commissioners--or by supervisors--and a number of miscellaneous elected officers, with little or no provision for coordinated leadership at the top or responsibility to any common authority. In common, on the division of powers and responsibilities, our recognized authorities on this subject have said that government structures, especially established in counties in the United States, resemble one another in one important respect: they violate, almost without exception, every sound principle of organization. They are headless and they're formless. Authority is scattered among a large number of elected county officials and usually pursue their separate ways with little or no thought of cooperative cooperation. No one person corresponding to a mayor or a manager of a city or the governor of a state exercises any supreme executive powers. No one person can be held responsible for the lack of coordinated administration. Even the so-called legislative body of the county has very limited legislative powers. They can determine county policies only in very narrow, selected fields. And that's the end of quotes. Many counties have adopted what is known as a city manager form of government. Many authorities have suggested that counties should profit by the experience of cities and adopt a county management form of government to meet the criticism that county government has no one responsible, no one person they can go to. In 1933 the Nebraska Legislature passed an act which authorized any county in the state to adopt the county management form of government by popular vote. In 1933 Douglas County voted to adopt the county management plan of government. And in 1935 Thomas J. O'Connor sought to file as a candidate for the register of deeds, but the election commissioner refused to accept his filing, on the ground that the work of the register of deeds would be performed by or under the direction of the county manager and that the adoption of the management plan had suspended the election of offices. Mr. O'Connor turned to the courts, which said the Legislature had no authority to authorize a county to adopt a management plan. In other words, it was found unconstitutional. Would you hand this out. And this will give you some idea about that opinion and several other opinions historically that have occurred. In 1939 the Legislature amended Article IX, Section 4, to authorize the Legislature to provide for the optional form of county government, in which officers might be either elected or appointed. In the general election of 1940 it failed. In the election of 1944 it also failed, by the public. And, Senator Avery, as I reviewed the history of this county government, I found that L.B. Murphy, who was a senator from Scottsbluff, was the cosponsor of both of these amendments. Senator Joyce Hillman, who was a senator, introduced almost identically the same legislation that I'm introducing today, on several occasions; they both failed. Okay? So I hope the third time is not a "strike three and you're out," Senator Avery. [LR2CA]

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SENATOR AVERY: Something in the water out there? [LR2CA]

SENATOR HARMS: Yeah, I know. It's tough, isn't it? [LR2CA]

SENATOR AVERY: (Laugh) [LR2CA]

SENATOR HARMS: I guess my concern here is that people may very well view this proposal from the viewpoint that our county government should be managed the way that it has always been done in the past. And...but if you really look at it, government needs to be managed. And in private business, educated and qualified professionals are recruited and they're employed based on a defined job description. Performance is measured based on well-defined criteria. Personnel management, hiring by merit based on job qualifications, and implementing efficient office procedures is most unlikely to occur when elected officials are required to possess little or no qualifications for their offices. County government is big business today in Nebraska and all across the country, and it really needs to be treated as such. At the present time, as I've said, there really is no accountable individual in county government that you can track back to find out what the issues are, what happened. Times have changed in this state. We have a fiscal crisis that probably will be as deep as it was in the '30s. And I hear all across the state, the people that I have spoken to that simply say: We want a smaller government; we want to participate in the decision-making process about what kind of government we want--local, whether it be city or county or state. But they want to be involved. And they want our state as well as our local government to be transparent; they want it to be efficient; they want it to be effective. At the same time, they want their taxes, if at all possible, to be controlled better or at least have the confidence that their taxes are being dealt appropriately and we don't have too many people or we are making lots of errors and mistakes because we are unable to manage our affairs in county government or city government or state government. This legislative resolution, if it would be allowed to come out on the floor and if our colleagues would choose to support it and the public would vote on it and if we were successful--what it does for the public is it gives them the opportunity to participate. The beautiful thing about this legislative resolution is that it's going to be up to the vote of the people. I mean, why would you want to deny the public the right and the opportunity to choose what type of local government--or what type of county government they would like to have? If they feel it's being managed poorly, they have the option to put it on the ballot and they have the option to vote on it. This gives the public the opportunity to participate; this gives them the opportunity to at least have an attempt of feeling comfortable that we are going to be effective, we are efficient, and we are using their tax dollars appropriately. They want to have a part of restructuring and reorganizing their government. And this is slowly occurring, Senator Avery, all across the nation. We are seeing more and more places where this form of government is taking place. And I know there are some people that are going to follow me that will--who have had the experience of this kind of government, that will share this

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with you and will give you the opportunity to ask further questions on this. And, Mr. Chairman, I'd be happy to answer any questions; but before I do that, there are some things I'd like to hand out to you. I have letters from folks that were going to come here today. Western Nebraska is snowed in. So we had representatives from Scottsbluff and Gering, Bridgeport, Ogallala, and even Chadron who were thinking of coming down to participate. Some of these letters of support are here that you can look at and you can read. I've also spent a great deal of time in discussion nationally with the International City/County Management Association--they're the ones who a lot of organizations belong to, a lot of counties belong to, are involved in these kinds of issues--because I wanted to have a better understanding about how this all worked, what kinds of opportunities we would have, what have they found where they have had this implemented. And there is some really great information in here. There's a letter from a director that supports where we are. If we would be kind enough to have this thing passed into--moved from here to the Chambers, and if they choose to perform this, they would be willing to come out and work with us to help us build a campaign that we could be successful with in letting the public know more about this. I do have some more handouts. That is a letter from the national office. And one of the things I'd like for you to look at when you look at that--there's also a map in here that shows you where our organizations--the counties and the cities that are involved in this particular organization. And there's quite a few. There's not hardly a place left other than maybe in the central part of Nebraska that doesn't participate with this particular national office. They've been a great resource for me in helping me have a better understanding about this. Then I'd like to give you, so that you would have in your hands, what the benefits of a county management plan are. It spells it out, tells you what the professional manager is about, what his--what their responsibilities are. It's kind of hard to take all this on in one quick shot, as far as trying to share this--make it easier for you to--you're not burdened down with a lot of discussion. But you can have your own opportunity to read this. This is another handout. Then I have a second handout--I'm going to bury you with paper--I apologize for that, but--that kind of spells out what some of the things might very well be in the legislation. I chose not to develop the legislation. Originally, I thought I would have that bill ready, but I think what it does is it tells the public that we've already made up our mind. And I don't think that was wise to do. So I'm just giving you some thoughts and ideas of things that can go into that. I'll also give you a list of all the county offices that would be affected by statute. Okay? My intent would be this, Senator Avery, that if it was approved by the Legislature--by this committee and then the Legislature and the voters would approve this, I would bring then a large number of people to the table, from NACO on down, and then begin to carve out the right kind of legislation that fits what we actually need in Nebraska. So I'd be happy to answer any questions, if I can. I'm sure there would be some people that follow that might...you got that one there...so if you have any questions, I'd be happy to try to answer those... [LR2CA]

SENATOR AVERY: This is a little bit like a dissertation presentation. [LR2CA]

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SENATOR HARMS: Pardon me? [LR2CA]

SENATOR AVERY: (Laugh) It's a bit like a dissertation presentation. [LR2CA]

SENATOR HARMS: Yeah, I know. Unfortunately, that's correct. [LR2CA]

SENATOR AVERY: Questions from the committee? Senator Janssen. [LR2CA]

SENATOR JANSSEN: Thank you, Chairman Avery. Senator Harms, thanks for coming. [LR2CA]

SENATOR HARMS: You're welcome. [LR2CA]

SENATOR JANSSEN: This is great, a great discussion. Happy to be part of it. I missed the first part of your opening, and I apologize for that, but was there anything covered...? I'm unique in the fact that I just represent one county. [LR2CA]

SENATOR HARMS: Um-hum. [LR2CA]

SENATOR JANSSEN: Three people do that in the Legislature. And I've spent a great deal of time with my county supervisors, and a lot of times a discussion, for me, is: You guys are paid too much and don't do that much. And that's a real conversation, and I truly feel that way in my own county. Has there been any discussion, when it comes to cost of government...a lot of times county officials, for what they're asked to do, in some cases are overpaid--when I'm talking elected supervisors and commissioners. Has there been any talk in that, that we will do this but we're going to--since we're taking this responsibility away and we're going to hire this kind of administrator--that we're going to pay less to these supervisor or commissioner positions because they're being asked to do less at this point in time? [LR2CA]

SENATOR HARMS: That's something you could draft as we put the legislation together. I can tell you, from discussions I've had, there will be a cost savings in most cases in regard to this. What you'll find...I guess what really has caught my attention, Senator Janssen, is when you look at the number of counties in Nebraska that are just declining in population base, but you don't see county government coming down any. And so you have less people there, and your costs are going to go up as--with inflation, but you're serving less people. This gives us the opportunity, or gives the taxpayers the opportunity, to change that form of government--where you could actually merge some of those offices together and that you could actually have, you know, a manager that's a professional manager that would work for the county commissioners. And all those things can be incorporated as we put this together in the law, if it's passed by the public. And that's why I mentioned earlier that I would like to bring all the right players to the

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table that have some idea about county government and see if we can't draft the right legislation so we would be successful. But all that would be issues that we would have to address. [LR2CA]

SENATOR JANSSEN: Thank you. And I've just had time to read one of your...we certainly understand why certain people can't make it here to testify. [LR2CA]

SENATOR HARMS: Um-hum. [LR2CA]

SENATOR JANSSEN: One, it's during the day; two, the weather. [LR2CA]

SENATOR HARMS: Yeah. [LR2CA]

SENATOR JANSSEN: I've read Mr. Erdman's letter... [LR2CA]

SENATOR HARMS: Right. [LR2CA]

SENATOR JANSSEN: ...and that one kind of struck me as, you know, we wouldn't have a football coach...it'll be--it's like running a county without somebody in charge. [LR2CA]

SENATOR HARMS: Right. [LR2CA]

SENATOR JANSSEN: This kind of a point is being put across here. But in many counties, though, to be fair...in Dodge County we have a president, I guess, or a chairman of our county supervisors. [LR2CA]

SENATOR HARMS: Um-hum. [LR2CA]

SENATOR JANSSEN: So one could say that that is a coach, if you will, that kind of leads those individuals. And I just wanted to point that out... [LR2CA]

SENATOR HARMS: Sure. [LR2CA]

SENATOR JANSSEN: ...in fairness to the county supervisors. I know they work hard. They--at least in Dodge County--that's the only one I know of that they--specifically one is in charge of the jails, oversees the jails or whatnot--corrections. One does the budget, and they all have to vote on it. So they kind of have a structure of a committee, like we have here. But he does point out it would be absolute chaos here if we didn't have a Speaker and we all had our own agendas. So... [LR2CA]

SENATOR HARMS: Yeah, that's true. [LR2CA]

SENATOR JANSSEN: ...it was a very well written letter from Mr. Erdman. [LR2CA]

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SENATOR HARMS: Thank you very much. [LR2CA]

SENATOR AVERY: Let me ask you, if we did this--and let's say Scotts Bluff County were to decide that they were going to go to a city manager form of county government--would the county manager report to the county commissioners? [LR2CA]

SENATOR HARMS: Yes. [LR2CA]

SENATOR AVERY: They would still be elected. [LR2CA]

SENATOR HARMS: In all cases. [LR2CA]

SENATOR AVERY: But you would then have--probably you would have--some of those other elected positions would no longer be elected but be... [LR2CA]

SENATOR HARMS: No. And they would answer... [LR2CA]

SENATOR AVERY: You'd hire based on merit qualifications. [LR2CA]

SENATOR HARMS: Right. And they would answer directly to the manager. [LR2CA]

SENATOR AVERY: Um-hum. [LR2CA]

SENATOR HARMS: And what it does is it really frees up the time for long-range planning; it just frees up the time for the commissioners to be able to really deal with the issues that they probably need to address and they have some control. And in the information, I think you'll find someone there...they talk about professional management and that the majority of the people across America that are--that have this kind of plan have people who have master's degrees in that field. The first criticism you get: Well, it's going to cost you more money. Well, it might for that position, but you're going to find the savings on the other side. Because, quite honestly--and I'm not being negative here--as you look at the decline in our population base, you know, some of these actual positions could be merged, you know. And not only that, the deeper you go into rural Nebraska, through interlocal agreements you might be able to have, in the small three or four counties, a county manager for all three or four, to save you some money. And it would take, probably, some changes in some of the laws. But I'm telling you, there are just so many great options for us here to redesign and re-engineer government for the future. And I can definitely see the writing on the wall, because, as Senator Sullivan will tell you, when we did our long-range planning and we looked at the number of children coming into our marketplace throughout Nebraska, the only place there's any growth is in three counties out here. The rest of it's straight down for ten years. We're just beginning to see what the issue is going to be. And what I'm trying to do with this is to

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get ahead of that issue and that crisis--that you can have something in place and you can start to manage now for what we know is coming in some of these counties. And this gives you that opportunity. [LR2CA]

SENATOR AVERY: We have a bill that we're going to hear next that would require consolidation of county offices. It would seem to me that that would be a great opportunity to--to use probably not a popular phrase--reinvent government. This is the time to do it. And if you could merge county governments and adopt the city manager form... [LR2CA]

SENATOR HARMS: Yep. [LR2CA]

SENATOR AVERY: ...that would be a... [LR2CA]

SENATOR HARMS: And then you'd really have a... [LR2CA]

SENATOR AVERY: ...big change and a great opportunity. [LR2CA]

SENATOR HARMS: Senator Pahls knows you'd really have a savings, in the long haul, with that. [LR2CA]

SENATOR AVERY: Yeah. [LR2CA]

SENATOR HARMS: Yeah. Is there anything else I can answer? [LR2CA]

SENATOR AVERY: These are the kind of things this committee likes to talk about. Senator Sullivan. [LR2CA]

SENATOR SULLIVAN: Thank you, Senator Avery. And thank you, Senator Harms. [LR2CA]

SENATOR HARMS: I'm listening. [LR2CA]

SENATOR SULLIVAN: (Laugh) Okay, under your proposal, every county would have the--the people in the county would have the option of voting on this. [LR2CA]

SENATOR HARMS: Right. [LR2CA]

SENATOR SULLIVAN: So if this goes through, then some counties might adopt this; others wouldn't. [LR2CA]

SENATOR HARMS: Fine. [LR2CA]

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SENATOR SULLIVAN: Is that potentially problematic in terms of managing resources?
[LR2CA]

SENATOR HARMS: No, not at all. It's up to the county to decide that. And I think the important thing, Senator Sullivan, here: it's up to the people; it's the vote of the people. It's...they have the right to choose or decide what they want. And I think if you start seeing those things come up on the ballot, probably, they might have some concerns about what's happening in their county. So it's really up to the vote of the people.
[LR2CA]

SENATOR SULLIVAN: Although ultimately they will actually be voting on less, because then they would no longer, if this were instituted, be voting on a county assessor and a county treasurer and... [LR2CA]

SENATOR HARMS: They would--those would all go away as a vote. And so--that's right--and so you would only be voting for county commissioners. [LR2CA]

SENATOR SULLIVAN: Um-hum. [LR2CA]

SENATOR AVERY: Senator Schumacher. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator Avery. Senator Harms, I spent about eight years in county government as county attorney, and I'm just trying to put this plan in perspective of my experience. Now, would the county--would...I take it the county attorney would no longer be elected, for example. [LR2CA]

SENATOR HARMS: That would be a choice that we could make or not make when we make our listing out of those offices that would not be voted on. So it doesn't mean that what you've got here with all these would have to be in that law. You could still have some, if you choose, to be voted on. It doesn't have to be total. [LR2CA]

SENATOR SCHUMACHER: Well, you know, I think this assumes that county government as it exists for the tasks that it's now performing is inefficient. And I'm trying to think about the relationships I've got with counties across the state, to think which ones are being inefficient for the duties they're doing now. [LR2CA]

SENATOR HARMS: Um-hum. [LR2CA]

SENATOR SCHUMACHER: I mean, there are...how would the...right now, as I understand most of the roles in county government, you've got, you know, a defined role for a register of deeds and for the clerk and the treasurer. And the county board takes care of the roads, basically--that's their big thing--and maybe the health insurance policies and setting budgets. County attorney does his thing. And they all have pretty

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defined roles. And I'm trying to see how a manager managing the registrar of deeds department and hiring a registrar of deeds to--or a chief registrar or something to run that gets to be more efficient... [LR2CA]

SENATOR HARMS: Well... [LR2CA]

SENATOR SCHUMACHER: ...if you define the roles as we do today. [LR2CA]

SENATOR HARMS: Well, all those would be up for, I think, for discussion. And I think as you look at it, by having a manager, some of those positions in some of these smaller counties, to be honest with you, could be merged; some of them are only part time, and they're working full time. But some of those could be brought together. In all the information that I have received--and I have talked with people in other places--they've had a fairly decent cost savings on this aspect of it. I think just to be able to have the right kind of management...I mean, some of them are not even on the same computer system; they don't purchase the same way. I mean, there's just a lot of different areas that you could actually do. And it doesn't mean that that job of deeds, you know, or whoever it might be goes away; it's just the fact they're not going to be elected and that it would be directly responsible to the county manager and, then, to the commissioners. [LR2CA]

SENATOR SCHUMACHER: Well, for example, yesterday we had somebody testify--and it was apparently being done under the present system--I think she said she had three different offices, if I'm not mistaken--the person who was here yesterday. So there must be some of this "intra" consolidation going on already. [LR2CA]

SENATOR HARMS: Probably not enough, from what I've heard. And I've listened pretty carefully to a lot of the county commissioners. And, in fact, this whole thing came from the county commissioners saying we need to do something across the state of Nebraska. And I think you're going to hear some of that as we go through this today. [LR2CA]

SENATOR SCHUMACHER: Now, you mentioned perhaps the use of the Interlocal Cooperation Act. How would you envision that working in conjunction with this plan? [LR2CA]

SENATOR HARMS: Well, it depends upon whether or not you want to have more than one county come together to have a manager. And if you look at the population base and you look at where all the decline is, that may be something that's going to happen in the future--where you might be able to have one manager for three counties. I'm not saying that's going to be what is going to happen; I'm just telling you that that is some of the options that you might have. Well, Nebraska is headed for a crisis, and what I'm trying to get people to really think about is, do you want to get ahead of the crisis or do

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you want to wait? And when you see the population base that's declining now rapidly and then you see the number of children that are not coming into the marketplace, which means you're not going to have any more young families in many of these places, you might as well start the discussion today, to get people to understand that we're not going to be able to do business the same as we have in the past. It's just--the writing is on the wall. Now, unless we make a tremendous effort in this Legislature to find a way to rejuvenate, rebuild, redesign, whatever term you want to use, rural America, we're headed for a problem. And the data has made it very clear to us, and that's what really caught my attention when we did the long-range plan. It's there. And the further you go and the deeper into rural Nebraska, the more severe this is going to be. And I'm trying to bring forward to the public, or to you as senators--we need to start thinking about this. So this doesn't go...we still have to think about the issue you've got before us. It's coming. And I just want us to fully understand that I have every intent--probably not this year but the next year when we come around and we start talking about planning--to start having the discussion on the floor about what we're finding and what we're seeing. And when we get our redistricting done and that's out of the way, we need to start paying attention to what's happening to us, because I think it's a real problem, and I think the crisis is yet to come. And all I'm trying to get us to do is to think about--to stimulate you to think beyond where we are today. Because it's there. If you look at the data and the research, it's there. And I'm just saying, you know, if you got a better idea, bring it out, because I think we need to have the discussion, and that's important. And I know that for Nebraska--we're an ultraconservative state, and I love this state, I've been here all my life--change is really difficult, and we always seem to react more to the crisis. Well, I'm giving you an opportunity if we can see if we can't get ahead of that. [LR2CA]

SENATOR SCHUMACHER: So this particular bill is not living in the vein of thought that doing this somehow would reverse those trends, but doing this bill would adapt to those trends. [LR2CA]

SENATOR HARMS: I think it'll adapt to the trends, and, hopefully, with management maybe we could find another way to reverse some of this. I see--I think it's the state's responsibility to take its resources that we have today and begin to pay attention to what's happening in rural Nebraska. Secondly, with what the University of Nebraska is going to be doing with their institute for rural development in Nebraska is the first opportunity that we're going to have to be able to address that issue. They're going to put some resources behind this program to see if we can't start to rejuvenate rural Nebraska. And my thoughts are that's a--that gives us a little bit of light at the tunnel; it gives an opportunity for us to focus on something, to make sure that we can be successful in the future with this. [LR2CA]

SENATOR SCHUMACHER: How do you see this form of government or organization interacting with the deployment of state resources for roads that perhaps are used less,

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telecommunication that isn't really needed? [LR2CA]

SENATOR HARMS: Just like we do today, because you'll have a manager, you'll have somebody else to help support you; you can address those issues together. But you have someone that's taking that responsibility to look at them, making sure that we're moving to the right direction, and making sure that we are, quite frankly, looking into the future. [LR2CA]

SENATOR SCHUMACHER: Do you see county government, operating under this, taking on any additional roles or functions that are not now being conducted by county government? [LR2CA]

SENATOR HARMS: It could be. I don't know. We won't know, Senator Schumacher, until we actually get into that, if we're successful enough and lucky enough to have the chance to experience it. But I think there are some speakers coming up that have experienced this in other locations that will give you probably a better picture of where it's at; I think it'll help you with your discussion. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator. [LR2CA]

SENATOR HARMS: You're welcome. And thank you for your questions. [LR2CA]

SENATOR AVERY: Thank you, Senator. Senator Price has a question. [LR2CA]

SENATOR PRICE: Thank you, Chairman Avery. Thank you, Senator Harms, for bringing this. As I listened to you, one thing that formulated in my mind is, when we bring in the county managers--and being from a county that does some of this--you're going to bring in, perhaps, people who are not from wherever--there. I mean, there are a lot of M.P.A.s out there; I don't think there's a shortage of people going through the programs. But what do you think the influence might be on these counties and the--as you talked about that change and the--grow that--what's going to happen to the Nebraska way or the dual-county way as we bring in someone who's going to make operational decisions? You know, we'll still have the elected county officials that will appoint the people, but you'll have someone who has operational control who may not really know...I mean, they're going to have to get interviewed and hired, but you have to pick from a pool of applicants. [LR2CA]

SENATOR HARMS: Well, I can tell you, in Nebraska there's still a lot of people available that have M.B.A.s; there are people in western Nebraska that have M.B.A.s that would love to have the opportunity to do this. [LR2CA]

SENATOR PRICE: Okay. Thank you. [LR2CA]

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SENATOR HARMS: So, yeah, I don't think...I think, you know, when you deal with this kind of structural change--and it would be up to the county commissioners--but I think you want to try to find people that understand the Nebraska life and the rural life. What I found many years ago in hiring people in my previous life: by bringing someone from New York, someone from Texas or California, didn't fit well, and they didn't stay long administratively, because they couldn't make the adjustment nor did they understand our way of living. And you have to be smart when you do that sort of thing. So, hopefully, we would be smart as we do this. [LR2CA]

SENATOR AVERY: But you could take that farm boy from Morrill County and... [LR2CA]

SENATOR HARMS: That's right. [LR2CA]

SENATOR AVERY: Yeah. You did that too. [LR2CA]

SENATOR HARMS: Yeah. Yeah. [LR2CA]

SENATOR AVERY: Senator Brasch. [LR2CA]

SENATOR BRASCH: Thank you, Chairman. Thank you, Senator. How long ago was this that they weren't--New York people and California people weren't fitting well? How many years? Because we have many Californians thriving in Cuming County today. [LR2CA]

SENATOR HARMS: Well, I can tell you, I've been out of my previous world about five years. And up to that point, that was still the same issue. They just had difficulty... [LR2CA]

SENATOR BRASCH: And...and... [LR2CA]

SENATOR HARMS: ...particularly if they were married and the husband or the wife were not from a rural environment, they were from a larger city. They really struggle, because you don't have the cultural activities, you don't have the shopping, you don't have all the things--unless you are really wanting to get your children into a rural environment, then they would struggle and they would make that adjustment. But the majority of them did not make it well. [LR2CA]

SENATOR BRASCH: In our district...and where I'm going with this is I think you're saying the glass is half empty and draining right now. And I'm saying as--in rural counties, which--I live in rural Bancroft--out of adversity comes opportunity. And I worked "virtually" from the farmhouse. And I can tell you of colleagues that in Verdigre, West Point, Wayne County--that one works for Pierce (phonetic) in London, England, the other for MAXIMUS out of Canada. We can live in our rural communities through

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technology; we can...our Main Streets do very well being our vendors. I think the people in rural counties have the ability to grow as our children come home tired of potholes and stressed labor forces and the big city. You know, we have seen people returning. I think we will be able to weather the storm a little better, and I think that employers will see advantage of people living in Central time with our work ethic. I think Nebraska has the best opportunity to grow--and especially in our rural communities. And I think if it came to the point...this is all, you know, these are facts and figures, and the math is there, and everything looks very statistical, but I would never, ever underestimate anyone down the road on making it through a time of adversity. I just don't think we're there yet; I think this is probably our last recourse. And I'm predicting that the rural counties will--you'll see--it doesn't have to be a decline. I think, as time goes on and it's more difficult to live in the city, it'll be more convenient and comfortable to live in rural... [LR2CA]

SENATOR HARMS: The question, Senator: Do we have enough time? That's my very point. And here is the issue that I have concerns about, is that I think we're running out of time. And if we are going to--to be honest with you--if we are going to address the issue of bringing our children back home, first of all, you got to have the infrastructure to allow that to happen. [LR2CA]

SENATOR BRASCH: We just built onto a school. I see there's some growth. [LR2CA]

SENATOR HARMS: I'm not talking about that. I'm talking about technology, because you brought up the fact that we have, you know, they can come back, they can use technology. But you know what? We have technology, but it's so slow, we don't have the connections that we need. And the other side of it is, for rural America to make the step in the right direction--and I'm a great supporter of rural America, because that's where I grew up and that's where I spent all my life--you've got to be able to have--you have to teach the people how to use the technology, because this is a global, changing world economy. And if we can teach them how to use it, we have that opportunity to do some really good things. [LR2CA]

SENATOR BRASCH: And I think it's there. [LR2CA]

SENATOR HARMS: It's right...we just have to pull it together. [LR2CA]

SENATOR BRASCH: I guess I've just...it's not...ten years ago, 15 of us farmers, ranchers could not get anything but dial-up Internet, so we all pitched in a little seed money and we just bought a service provider. And we had Internet ten years ago; we didn't wait for Lincoln or Omaha to bring it to us. [LR2CA]

SENATOR HARMS: Well, you'd never get it. (Laugh) [LR2CA]

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SENATOR BRASCH: Well, that's right, and we ended up growing it rurally and...I just think that these are truly times where we need to be wise and resourceful, conservative--and you said it earlier, Nebraskans are conservative; we have not spent more than we have at this point. I think our counties will pleasantly surprise us in their ability to work with their people, because that money is the money of the people. I just think it'll all fall together easier in the counties. But this is--you're right, the diligence is here, the paperwork is here. I'd like to see people in the counties, you know, if they buy in and that's what they want...but I think they're going to try to build rather than... [LR2CA]

SENATOR HARMS: Senator, the beauty of this is that it's up to the public. [LR2CA]

SENATOR BRASCH: Right. [LR2CA]

SENATOR HARMS: I mean, it's up to the voters, and why would you want to deny the voters that opportunity? And that's the beauty of the whole thing. So if what you're saying is correct and they feel comfortable, they don't need to do it. But why would you want to take away from them the opportunity to make that kind of change? And so my...I appreciate your comments. [LR2CA]

SENATOR BRASCH: Thank you. Thank you so much. Thank you, Chairman. [LR2CA]

SENATOR AVERY: Now Senator Sullivan wants to go after you. [LR2CA]

SENATOR SULLIVAN: (Laugh) Well, I don't have a comment, I'm (inaudible) at the question. It occurs to me, Senator Harms, if we are suggesting, as you are, to give some more options to counties and Senator Pahls is looking at maybe even a mandate to counties for consolidation and change of governments, what stake does the state have and what role does it...you know, we're looking at LB383, taking away some aid...is the state going to have to step up and assume more responsibility, whether it's financial or otherwise, in helping facilitate this change? [LR2CA]

SENATOR HARMS: I don't really think so, because it's...if you actually...let's say it's been approved and we're going through the process--the law has been written and we have approved the law; that will be all spelled out, and it's just up for the counties to be able to do that. And I don't think the state is going to have to contribute any more at all. It's a matter that you're going to have to operate within the resources that you have. And that's the nice thing about this, is that it may very well help us form less government and a more streamlined government and a more efficient and effective and efficient government. That answer your question? Are you sure? [LR2CA]

SENATOR SULLIVAN: No. [LR2CA]

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SENATOR HARMS: I didn't think so. (Laughter) [LR2CA]

SENATOR SULLIVAN: The conversation was going to have to...(laugh). [LR2CA]

SENATOR HARMS: (Laugh) Okay. [LR2CA]

SENATOR AVERY: I don't see any more questions. You going to stay to close?
[LR2CA]

SENATOR HARMS: Thank you very much, as usual, for allowing me to come. And this is--I love this kind of dialogue, and so thank you for having it with me. And, hopefully, we'll be successful with it, if you choose to bring it out. I would like the pleasure of closing, if I might. [LR2CA]

SENATOR AVERY: Yes. Thank you. All right, proponent testimony. Can I have a show of hands of the number of people who wish to testify for or against? One, two, three--okay, good. Good afternoon, sir. [LR2CA]

BRETT BAKER: (Exhibit 9) Good afternoon, Senator Avery and committee. Brett, B-r-e-t-t, Baker, B-a-k-e-r. Appreciate your time this afternoon--and Senator Harms. I am here representing Nebraska City/County Managers Association. I'm the--currently the vice president and also doing treasurer/secretary work for the state association, which represents city administrators, city managers. And we also have three members in a more populated area such as Douglas County and Sarpy that are part of our organization. Most of our organization is city managers, city administrators. I am currently--daytime job--the city administrator/economic development director for the city of Hickman, just southeast here about 15 minutes--also a longtime member of ICMA, which is the International City/County Management Association, which is a great organization for resources and effectiveness for members of our county and city government association. They also do have a credentialed management program, which--I'm currently a credentialed manager with ICMA national and a candidate to finish that up. And I had the NCMA letterhead, the packet, sent out. This is a duplication, possibly, of Senator Harms's. This letter was written by Sandy Powell, which is our state president; and she's out of Chadron. Senator Harms stated that she couldn't make it down here, so I'm representing her in her absence. But as Senator Harms indicated in this LR2CA bill, professional administrators, managers, such as myself, are also ICMA managers. But we're held to a higher standard in some respects. We do believe we are, and we try to follow that higher ethical standard with our ICMA code of ethics, which we did put in this packet of information for you. Most of the managers, including the one that will follow me up, will tell you that that ICMA ethical standard is huge for us, and it's something that we follow all the time. Sixty percent of professional managers in the U.S. have a master's degree. I'm in that 67 percent; I know a lot of my colleagues are. Education isn't the answer to everything, but it does

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help with efficiencies in city/county government or problem solving and that type of thing. We talk a little bit about credentialed managers. This is a new program that's going to give county boards, city councils the ability to know that they are hiring somebody that does have continuing education background with them and that we'll stay in touch with that type of thing. This bill that Senator Harms has laid out--proposal--will give the option to the voters and counties professional management form of government. And as you know, cities, counties--counties are huge--huge--as Senator Janssen said, with county supervisors. They're a huge industry. And there's more--there's ways to--there's counties out there that are efficient. But if you look at what happens in Douglas County, with Katherine (sic) Kelley, and you look at some of the Sarpy--and things that happen here with Kerry Eagan in Lancaster County, there are some efficiencies that do come out. And that person is the one that, you know, has the education and experience and can work as a proponent of this but not--they didn't win that position by a vote of the people; they won that position by interviewing with the county commissioner board or a city council or a school board. So anyway, to close, I would say that you can compare this to a school. I mean, we have our elementaries, and we have all of our buildings, we have our school principals; but look in and envision whether or not, if you didn't have that superintendent, trying to bring those principals together and trying to bring those--that teamwork approach and trying to cut costs. And as you know, you folks up here in Lincoln are doing a job that is going to affect the school budgets. So we would like to thank Senator Harms for his research and would like to thank county administrator Craig Weinaug, who will be up next, from Douglas County, Kansas; he's also an ICMA member. He's going to tell you a little bit about the Kansas program for county managers that--from being in Kansas. That was a program that I looked at and could see county consolidations. And Kansas does have a great track record. So thank you for your time, and... [LR2CA]

SENATOR AVERY: Thank you. [LR2CA]

BRETT BAKER: ...answer any questions. [LR2CA]

SENATOR AVERY: Is your degree in public administration? [LR2CA]

BRETT BAKER: Public administration? Yes. Um-hum. [LR2CA]

SENATOR AVERY: Where--do you mind if I ask where you studied? [LR2CA]

BRETT BAKER: Park University in Kansas. [LR2CA]

SENATOR AVERY: In Kansas. [LR2CA]

BRETT BAKER: Yeah. Kansas City. [LR2CA]

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SENATOR AVERY: Okay. [LR2CA]

BRETT BAKER: Yeah. [LR2CA]

SENATOR AVERY: Questions from the committee? Senator Sullivan. [LR2CA]

SENATOR SULLIVAN: Thank you, Senator Avery. Could you refresh my memory; what's your position, again, with the city of Hickman? [LR2CA]

BRETT BAKER: City administrator and economic development director. [LR2CA]

SENATOR SULLIVAN: Okay. What's your relationship with the other communities in Lancaster County and with Lancaster County government? [LR2CA]

BRETT BAKER: From our perspective, Senator, we have a great relationship with Lancaster County commissioners and the Norris school board and the engineering departments. When I got here five years ago, I would probably say those relationships didn't exist. Those... [LR2CA]

SENATOR SULLIVAN: Are you sharing any resources of any kind? [LR2CA]

BRETT BAKER: Yes, we do. Yeah. We do. And we try to stretch those boundaries within our city, which--we've got tremendous growth down there. We try to also involve the county into this system. But we also look out to state resources such as Game and Parks. I mean, we have two rec areas down there, so Game and Parks is a huge partner for the city. So we have a lot of joint partnerships that we try to enter into but that weren't there five years ago, I would say. You know, we kind of operated as our own, and the school district did. But now we share a lot of joint resources, which--I think Senator Harms's bill and vision could also kind of take that same reflectiveness. [LR2CA]

SENATOR SULLIVAN: But suffice to say that there's a lot of this coordination and sharing of resources that could potentially take place even without this. [LR2CA]

BRETT BAKER: There--yes, there... [LR2CA]

SENATOR SULLIVAN: As your--an example... [LR2CA]

BRETT BAKER: It depends on what unit of government you have there and what type of management professional that may be looking to, you know, stretch those resources out or make network contacts with them. Right. We have a good relationship with Lancaster County, just... [LR2CA]

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SENATOR SULLIVAN: Okay. [LR2CA]

BRETT BAKER: ...in our experience. [LR2CA]

SENATOR AVERY: Senator Schumacher. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator Avery. At what size of county would--do you see a group of counties getting together for shared offices and things like that, taking on efficiency? [LR2CA]

BRETT BAKER: I would, Senator, probably defer that question to county administrator Weinaug, who will be up here next. But if I could address it from a city aspect, we're starting to see from ICMA and also in--for example, let's take the city of Hickman. Last census was around 1,000 people. With the growth and developments they saw, they saw the need to incorporate a city manager/city administrator form of government approximately six years ago. We saw in Kansas that communities were--once they hit that 1,000 threshold, and if they were...it seemed to be...what I experienced when I was in Kansas--it was on the eastern end of the state, the eastern part of it, in the population districts. Those cities, once they hit that 1,000 threshold, were starting to go to a professional form of government--city administrator form. And I think county administrator can answer... [LR2CA]

SENATOR SCHUMACHER: I can understand that, maybe, in the city; at some point it gets a little big for the town board... [LR2CA]

BRETT BAKER: Right. [LR2CA]

SENATOR SCHUMACHER: ...to handle. But we're talking counties here. [LR2CA]

BRETT BAKER: Um-hum. [LR2CA]

SENATOR SCHUMACHER: Should cities be included in this bill, for city-county merger, whatever we call this phenomenon--management? I mean, this just talks of counties. [LR2CA]

BRETT BAKER: No, I--we're just speaking on behalf--bringing some of our experiences to you from the actual state association and my own personal experience. I...county--the county aspect is a totally different animal than cities, so to speak. [LR2CA]

SENATOR SCHUMACHER: Well, but--I think this is talking about counties. [LR2CA]

BRETT BAKER: Yes. [LR2CA]

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SENATOR SCHUMACHER: Now, I'm trying to go back 25-30 years--I'm putting myself in position of county attorney, and we hear about the efficiencies that would--or occurred. And how would I have been more efficient if, instead of answering directly to the people, I had to answer to someone like you? [LR2CA]

BRETT BAKER: If you would have had to answer to somebody like me--I have to answer to another governing body and have to rationalize the cost savings or the decision-making process to my board or governing body. So there's some... [LR2CA]

SENATOR SCHUMACHER: And then they got to answer to the people. [LR2CA]

BRETT BAKER: By the vote. [LR2CA]

SENATOR SCHUMACHER: So we got two middlemen in there in my office. [LR2CA]

BRETT BAKER: I see. [LR2CA]

SENATOR SCHUMACHER: I have no further questions. [LR2CA]

SENATOR AVERY: Thank you. Any others? Thank you, Mr. Baker. [LR2CA]

BRETT BAKER: Thank you for your time. [LR2CA]

SENATOR AVERY: Any other proponent testimony? Welcome. [LR2CA]

CRAIG WEINAUG: (Exhibit 10) Senators, my name is Craig Weinaug. I'm the county administrator of Douglas County, Kansas, which is where Lawrence, Kansas, is. You may have been to a basketball game or two there or maybe watched a game or two on TV. And it's the first time I've ever testified before a legislative session that wasn't my home state, so I greatly appreciate the courtesy of you all seeing me this morning. I'll try not to fall asleep; there was a little bit of snow, so I left my house at 5:00 this morning to be here. What I'd like to do is... [LR2CA]

SENATOR AVERY: Would you spell your name for the record? [LR2CA]

CRAIG WEINAUG: Oh, I'm sorry. My name is Craig, C-r-a-i-g W-e-i-n-a-u-g. I'm here on behalf of the International City and County Management Association--that's who asked me to attend--which is the professional association; it's been referenced a couple of times in this meeting. You have before you a letter from our executive director, and there's three points from that letter that I'd like to emphasize that is the distinctive of the form of government that forms my profession. One is that the--a member of the ICMA subscribes to a code of ethics that sets a level of ethics and standard for government that exceeds any state law. It does not only avoid conflict of interest but appearance of

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conflicts of interest. A second distinctive is that 67 percent of my profession are people with master's degrees. They're people that decided at some point early in their life that this was the profession they wanted to take on, and it's a profession that has taken me to three different states and roles in both city and county government. And the third distinctive is that we do develop some expertise, because of that education and experience, that we think, with some sense of pride, causes us to lead governments that are more efficient that don't have professional leadership. So those are three key points from the letter from our executive director that I'd like to point out. Couple other issues: On its surface, county government as it's traditionally constituted, with lots of elected officials, is the most democratic form of government at just about any level. In Kansas, you elect a clerk, a treasurer, a sheriff, a register of deeds, a district attorney, and the three county commissioners. What can be better than having more democracy? In Nebraska, you go a couple steps further. And I'm going to have to read the list, because I don't work with you on a regular basis. But you elect commissioners, the assessor, the register of deeds, the sheriff, the clerk of the district court, the treasurer, the engineer, the city attorney, and the public defender. In most cases the voters elect excellent people in these positions. They're people that are dedicated and want to do a good job to serve the public. The problem is that it goes into a system of government that has so many silos and so many lines of authority and points of conflict that county governments often end up in an inefficient operation, where they're spending more time trying to figure out where those lines of authority are. In my neighboring county which is Jefferson County, Kansas, we had a county clerk who didn't get along with the county commissioners; and her job, under the statute, was to record the minutes. Well, when they'd have a meeting and they'd make decisions, she decided they made the wrong decisions, so she'd record the minutes the way she wanted the decisions made, and that became the official record. That ended up being a lawsuit, with the taxpayers paying the legal bills on both sides, costing the taxpayers \$50,000 to \$60,000. You'll be happy to know the county commissioners won, that they were the ones with the authority to make the decisions and not the county clerk. But that became the focus of that county government for the next year and a half. It wasn't focused on more efficient government or more responsive government; it was focused on where those lines of authority are. We had those kinds of battles in Kansas all the time, and I suspect that it's happened a time or two in Nebraska. Consideration of any real change in government can only take place if there's some kind of efficient organization. In school districts, in business organization, you have a hired chief executive that works subject to the policy-making board, or the elected board. And that person is responsive to those people because he or she can be fired at any point in time for any reason. When you have elected administrative officials, the taxpayers only have the opportunity once every four or five years. So it makes the form of government more responsive to the democratically elected officials. This resolution does not dictate how counties should organize themselves. It gives you an opportunity to give the voters of Nebraska an option to organize differently if they think it fits their needs in their county. [LR2CA]

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SENATOR AVERY: Thank you, sir, for your testimony. And welcome to Nebraska.
[LR2CA]

CRAIG WEINAUG: Thank you. [LR2CA]

SENATOR AVERY: I have been to Lawrence. It's a nice place. Questions from the committee? Senator Sullivan. [LR2CA]

SENATOR SULLIVAN: Thank you, Senator Avery. So you said there's a county manager, but you still have certain elected officials. [LR2CA]

CRAIG WEINAUG: Yes. [LR2CA]

SENATOR SULLIVAN: So those elected officials--what's the relationship between the hired county manager and the elected officials? Is it a equal status, or who reports to whom? And--I'm not quite sure I follow the management line there. [LR2CA]

CRAIG WEINAUG: Well, there are a lot of ways it can be done. And if this constitutional amendment passes, you as the legislative body would have discretion on what options to give local governments here. So you'd have a lot of flexibility to define by statute how it could be done if you get this constitutional amendment--you put it forth and it's passed by the voters. In the ideal manager form of government, you have the elected officials that are the policy-making board--like the city council or the school board, the county commission that might have three members, five members, seven members. They're the policy-making board. They hire and fire a professional manager based on his expertise, education, and background in local government manager. And then he's the one that hires and fires the other officials. You can do lots of variants on that, though. There are a lot of communities that feel strongly that the sheriff or the appraiser should be elected, for obvious reasons. So where you have elected administrative officials--and I have elected administrative officials in my county--and a county administrator, the key is to have an operation with expertise where they make those decisions on a team basis, that you avoid the battles internally. And the more elected officials you have, the more difficult it is to avoid those battles. But you have flexibility to organize it a lot of different ways. There are people in my profession that have specialized in going into situations like that, and so they have a track record of dealing with those kinds of situations. And, hopefully, your county commissions would be smart enough to hire somebody with that kind of expertise. [LR2CA]

SENATOR SULLIVAN: So that arrangement that's unique to that county is--you see variances from that across Kansas. [LR2CA]

CRAIG WEINAUG: Absolutely. [LR2CA]

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SENATOR SULLIVAN: So the statutes--the Kansas statutes are broad enough that it accounts for those varieties of circumstances. [LR2CA]

CRAIG WEINAUG: That's correct. And then the locally elected officials are the ones that decide what's best for that community. The needs of a large, urban county and a rural county are entirely different. Part of my background was in western Kansas in a town the size of 5,000; another part of my background was in a suburb of Chicago. Those communities are entirely different. Their needs are different; the values are different. And those are brought to the table by elected officials, and they make those policy decisions based on what they want their community to be. And they hire somebody like me to come up with the best ways to implement those things. [LR2CA]

SENATOR SULLIVAN: Okay. Thank you. [LR2CA]

SENATOR AVERY: Senator Schumacher. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator Avery. I found the story of your clerk that cost over \$50,000 in legal fees kind of interesting. Let me describe how I think the procedure would have been held in Nebraska with an independent county attorney--independently elected. Once a supervisor suspected that clerk of faking the records, they'd have gone to the county attorney. The county attorney would have surreptitiously recorded it, and if that was verified, it'd take about 30 seconds for a complaint to be filed in the criminal court, and that clerk would have been gone within a week. Now, how would the city administrator system handle that more efficiently? [LR2CA]

CRAIG WEINAUG: Well, in a city administrator position, if you had any of those positions that had done something that was inappropriate or didn't show up to office one day or for whatever reason wasn't carrying out their jobs, they would have the ability to fire that person, effective once they went through the process and their personnel rules and regulations. When you have those officials that are elected, removing them from that office--unless you can find that they've done something illegal, and that clerk did not do anything illegal--is--only can take place at the next election. And it's done by the voters. So... [LR2CA]

SENATOR SCHUMACHER: Excuse me. Entering in the record a false entry is not illegal in the state of Kansas? [LR2CA]

CRAIG WEINAUG: The argument that the county clerk made was that the state statutes gave her the responsibility to record the proceedings of the county commission. And she had enough of an argument, based on how the job description was written in statute, that it involved a year litigation with the county counselor, county attorney, taking the side of the county commissioners. I can give you lots of other examples.

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There was a register of deeds in Sedgwick County who actually didn't show up for work. There's nothing in the statute that says they have to show up for work. And the issue had to be--they had to find some malfeasance in office to remove them. And that process took six months or a year--or go to the next election. When you have an administrator and you have somebody not doing their job, they have the authority to fire them at will. And so those things can be taken care of much more responsively than you can through the democratic process. [LR2CA]

SENATOR SCHUMACHER: I have no further questions. [LR2CA]

SENATOR AVERY: Anyone else? I don't see any more. Thank you, Mr. Weinaug? [LR2CA]

CRAIG WEINAUG: Weinaug. [LR2CA]

SENATOR AVERY: Weinaug. Okay. [LR2CA]

CRAIG WEINAUG: Thank you very much. [LR2CA]

SENATOR AVERY: Thank you. Other proponent testimony. Welcome, sir. [LR2CA]

LANE DANIELZUK: (Exhibit 11) You guessed it. I'm one of those guys. Chairman Avery and members of the Government, Military and Veterans Affairs Committee, my name is Lane Danielzuk, L-a-n-e D-a-n-i-e-l-z-u-k. I'm the city administrator in the city of Gering, testifying as a member of the profession, like these other two gentlemen, in support of county government and LR2CA. Hiring a professional administrator appointed by the county's board or commission is a trend on the rise in county government. Historically, most counties were governed by commissions or boards whose members had both legislative and executive responsibilities. This system still functioned effectively when county government was limited in scope and complexity. With the expansion of the responsibility of counties, however, the policy-making demands of governing bodies greatly increased as did the need for technical competence in the management of the operation and delivery of services. Today's elected board members can better fulfill their legislative or policy-making roles and maintain their overall control of service delivery by delegating the day-to-day management of the county to an appointed professional administrator. Employing a professional manager or administrator frees the county elected officials from the administration of the daily operations and gives them time to focus on policy issues that will guide the future of the county. It empowers the elected officials to provide leadership, develop a vision for the community, determine what services to provide citizens, lobby the state legislature on the community's behalf, and communicate and forge new relationships with constituents. The professional manager appointed by the governing body oversees the day-to-day operation and the implementation of policy. Local governments are moving away from reliance on elected

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officials to provide both policy and management for their cities or county. The trend among cities is quite remarkable. In 1984, 35 percent of U.S. cities operated under the council/manager structure. In 2008, 49 percent use this form. From the county perspective, change is taking place at a slower yet consistent rate--among counties--with many electing to create positions of professional administration within the commission structure rather than making a wholesale change to county manager/administrator government. Currently 819, that's 27 percent, of the 3,040 counties in the U.S. utilize council-manager administrative forms. Among the remaining counties, 491, 16 percent, operate under the council-elected executive form. And the largest percentage, 1,728, or 57 percent, employ the county commission form. For most Americans, their services come from smaller governments--those in suburbs, communities beyond the metropolitan areas, or rural counties. These governments have the ultimate responsibility for the quality of life in their respective communities. LR2CA provides another opportunity--another opportunity--to improve the county's ability to serve its citizens. I would like to thank Senator Harms for introducing LR2CA and appreciate his commitment to the pursuit of excellence in local governance. We support this legislation. Thank you. I'm happy to answer any questions. [LR2CA]

SENATOR AVERY: Thank you, Mr. Danielzuk. Did I get that right? [LR2CA]

LANE DANIELZUK: Yes, Senator, you did. [LR2CA]

SENATOR AVERY: All right. Questions from the committee? I'm going to start with Senator Schumacher this time. [LR2CA]

SENATOR SULLIVAN: Sure. Sure. [LR2CA]

SENATOR SCHUMACHER: That's okay. I take it Scotts Bluff County does not have a county manager at this particular point or anybody in that role. [LR2CA]

LANE DANIELZUK: That's correct, Senator. [LR2CA]

SENATOR SCHUMACHER: And how would life be different in Scotts Bluff County if there was one? [LR2CA]

LANE DANIELZUK: I think life in Scotts Bluff County is pretty fair and balanced at the present point in time. The county does utilize its personnel quite effectively and probably--from an administrative standpoint--probably uses its personnel manager, its resource director, in the capacity that to a similar extent an administrator is used in the city. So his functions and those kinds of things go beyond that personnel manager relationship into other areas--support areas for the county commissioners. So they, in fact, have a person that's an administrative person, by a different title, that is assuming a lot of those similar and same responsibilities that you would find in that same position.

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[LR2CA]

SENATOR SCHUMACHER: Okay. Then, how would life be different if we had this system in Dawes, Banner, Kimball, and Cheyenne County, which are right in that same area? Those are littler counties than Scotts Bluff, maybe. How would their lives be different? [LR2CA]

LANE DANIELZUK: Well, that's a pretty hard question to answer. Part of this measure does look at consolidation of services and those kinds of things. If those folks in those communities, those counties, of their own volition voted to put in place a professional administrator, that would be the will of those folks. [LR2CA]

SENATOR SCHUMACHER: That's true. Now--but you'd still need some type of a sheriff's-type office or law enforcement center close enough...I mean, you just couldn't put them all in Kimball or all in Sidney, you know. I mean, so you'd still have to have the same service people and management structure out there. And so how would it be different if you have the manager in there? What extra role, what extra government function would be performed by this manager that is not being performed now? [LR2CA]

LANE DANIELZUK: Well, I don't know specifically related to counties, but I do know that, in fact, there are cities that are within a geographical proximity to each other that share administrative professionals--city managers and city administrators. And for them, the geographical location doesn't change for the people they serve. They travel to the people they serve. [LR2CA]

SENATOR SCHUMACHER: I don't have any further questions. [LR2CA]

SENATOR AVERY: Senator Sullivan, do you have some...? [LR2CA]

SENATOR SULLIVAN: Thank you, Senator Avery. Well, that begs the question, then--you've got a little unique situation there with Gering, Scottsbluff, Terrytown in between--how much sharing of resources, how many--are there any interlocal agreements, any shared administrative services being done right now in those three communities? [LR2CA]

LANE DANIELZUK: At the manager level, not specifically. But within the department-level positions at all of those political jurisdictions--the cities, the small community of Terrytown, and the county of Scottsbluff--we share resources; we share personnel; we share as many of those services that our community members are willing to allow that shared relationship to exist as we can. [LR2CA]

SENATOR AVERY: Any more questions? I don't see any. Thank you, sir, for your testimony. [LR2CA]

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LANE DANIELZUK: Yes, Senator. [LR2CA]

SENATOR AVERY: We will now have additional proponent testimony. Welcome, Mr. Boyle. [LR2CA]

MIKE BOYLE: Thank you, Mr. Chairman. My name is Mike Boyle, M-i-k-e B-o-y-l-e. I'm a commissioner from Douglas County. I'm here representing myself; I've also been asked to speak on behalf of a former Omaha mayor and now a county board member in Douglas County, P.J. Morgan, who supports this. We had a session this summer where the commissioners got together, and--six out of seven were present--and all six of us spoke about this proposal of Senator Harms's, and we appreciate his bringing it forward. And there was unanimous support for it. But speaking up and coming down is another matter. So, in any way, that did take place. Also, this has been a wonderful alliance, because I think pigs do fly now, because I've been working closely with very conservative Republican commissioners from the Panhandle, and it's been a pleasure. We share the views on this particular piece of legislation. We think it would offer an opportunity to streamline county government to bring needed efficiencies, to give us a chance to respond to some of the, frankly, some of the pressures that are put on us when LB323 is passed and the aid is gone. We have to respond to that in a way that's responsible. This is one of the tools that will allow us to do that. What this would do in Douglas County...and there are other counties, too. I could speak about--somewhat, about Lancaster and Sarpy. They do have managers, and ours is Kathy Kelley. Kathy was hired probably about 1995-96; she's been in county government for a long time. The difficulty is, as chief administrative officer, she can't tell an office holder, an elected official in the civic center, to stay open when it snows. So we have occasions where one individual office will close that others are interdependent upon. And so taxpayers show up to do some transactions, and one of the important offices is closed because the office holder said so. She doesn't have the authority even to do that. So this is where this manager person would step in and have the authority over someone who is hired by the county board probably through a civil service system, which we have in Douglas County that's pretty airtight. I've tried to get people hired, and I don't think I've ever been successful, because they pretty much ignore the elected officials, which is what they're really supposed to do, and they hire the best person. And as I see this, we would still have the office holders--we would have a county attorney. And I appreciate the questions that you're asking and your perspective; it's one that I've struggled with, along with the position of sheriff. But you don't have to look much further than city governments in Nebraska, and I can speak closely about Omaha. Omaha has a city attorney that is not elected; he's hired by the city council and the mayor, which is quite a feat in Omaha. And he survives through various officials and various mayors. The same with the police chief. The police chief will come and go, but they are--they're not elected. So there is some precedent for this kind of concept of management. I do understand your concerns and frankly agree with some of them. But at the same time, we think this

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is an opportunity to streamline county government. We think it's an opportunity that allows individual counties to respond to their own needs. This is not a one-size-fits-all. If you read the letters from Commissioner Steve Erdman, from Gering, and you read the others from Scotts Bluff--from Mark--you'll see the individual problems that they've had. We haven't had those kind of difficulties, although we have been sued; we were sued by seven out of nine of our elected officials over a budget issue. And we had cut their spending by a couple of percentages, and we failed to give a notice, and they sued us, and, well, we had--we were found to be acting arbitrarily and capriciously. So now we really tiptoe around budget time around the elected officials. But in closing, I'd like to say that we really believe this is an opportunity for the Legislature to seize the moment. You'll be the ones who will decide how this is put into place. So this is not any final legislation; this is permissive--to say, first of all, we'll allow it--and then it has to come from individual counties. And you will be the people who will set the rules and tell us how to conduct ourselves. So I hope that you'll act favorably on this legislation. I think it's a good piece of legislation and one that we support. We're very grateful to Senator Harms for bringing it forward. [LR2CA]

SENATOR AVERY: Thank you, sir. Let me start by asking you, where do you think the most pushback is going to come from? [LR2CA]

MIKE BOYLE: Well, probably from friends like mine like Tom Doyle, who's in the audience, who's the county engineer (laughter) in Douglas County. I think there could very well be opposition from...we have--we're fairly unionized in Douglas County, and I think it will come from the unions, as well, that I helped sponsor, organize when they came in. But I think it could very well be from our employees. We have about 2,300 employees, including everyone. So I think it probably would come from the elected officials as well as the employees. I just suspect. [LR2CA]

SENATOR AVERY: Do you expect it could be fierce? [LR2CA]

MIKE BOYLE: I think it could be. You know, it's difficult to say. But it is a huge change; it's a big one. In my own view, I don't see that this is something that should be--even if you passed it and if legislation was enacted, I wouldn't see us rushing to put this into place. I'm not interested in throwing out the officials that we have; they're very good, dedicated people. But I do think over time that this should be a change that will--would benefit the people of Douglas County. [LR2CA]

SENATOR AVERY: Wasn't it Jack Cavanaugh from Omaha who used to say: We've never done it like that; we've always done it like this. And that's the iron law of politics. [LR2CA]

MIKE BOYLE: (Laugh) I think it's probably it. Yes, I...and his son, by the way, is county clerk now--Tom... [LR2CA]

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SENATOR AVERY: That's right. [LR2CA]

MIKE BOYLE: Tom Cavanaugh. [LR2CA]

SENATOR AVERY: That's right, yeah. Question from Senator Schumacher. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator Avery. You know, we're in an age of political slogans. Our tea party friends in Washington talk about balancing the budget, and it's one thing to say that and... [LR2CA]

MIKE BOYLE: Yes. [LR2CA]

SENATOR SCHUMACHER: ...and another thing to do it. [LR2CA]

MIKE BOYLE: Absolutely. [LR2CA]

SENATOR SCHUMACHER: One of the buzzwords around here is "reinvent government." It's one thing to utter those words, and then trying to figure out what to do and how to do it is a completely different animal. But let me begin a bit of discourse with you. It seems to be that there is a unity of economics and a unity of interests that extend out about one hour from 16th and Farnam and that that is a metropolitan area in some sense, or it could be developed into one. How do you see--not necessarily within the constraints of the language that's before us that--but how...we could modify that language or modify at least our thinking. How do you see the building of a metropolitan government that has the efficiencies of and common vision of a government--an intermediary government--functioning to unite the county governments in that area and the city governments in that area into a metropolitan government? [LR2CA]

MIKE BOYLE: Well, that is the \$64,000 question. I've supported things as unusual as a resolution in the Douglas County Board that failed on a 4-3 vote to abolish the county board, which we didn't have any authority to do; we took the vote anyway. And I voted in the losing side. I have long been a proponent of merging the two governments. We have a lot of interlocal agreements now. There's a lot of merging that's taken place--with the 911, with our libraries, with permits and planning, inspections, and our park system--a lot of it. And we have interlocal agreements with the police department and the sheriff that are not just mutual aid, but they actually...so there's a lot of things that are going on. There's not a--there are still some things left to be done. The crime lab is one that really screams for merging. But what I would see--and, of course, I have a perspective as a former mayor of Omaha that it seems to me that the Douglas County territory should be run by one person. And, frankly, I would see, hopefully, off in the future someplace, someone like a mayor running the entire--that the county is the city of Omaha, a metropolitan Douglas-Omaha area of some sort, if there's any territory left.

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We only have 51 square miles of zoning jurisdiction left in Douglas County, for the county board. And I also think that there ought to be a...the city council, frankly, should take over the positions of the county commissioners. So there would be a mayor--a person who would be acting as mayor, running, making these decisions--and then a seven-person, probably, city council that would also be doing the county board. If they had a manager, it would work really well--if they had a manager, where they could hire the treasurer and hire the register of deeds and maybe merge those offices. Lancaster has a merged register of deeds and, I think, assessor. So there are ways that it can be done. But I think it's--this is a step in that direction, to tell you the truth, I think, Senator. I think it helps any kind of big change that comes to us. We have an opportunity to enact--I think leads toward another look, a serious look, at that kind of metropolitan area. [LR2CA]

SENATOR SCHUMACHER: Did...? Let's let our minds drift a little bit beyond those confines--not just Omaha, Douglas County but the Bellevue, Papillion, Sarpy County, Lancaster County, Lincoln area. Any way that a model, from your experience in the government in that area (recorder malfunction) begins to emerge. I mean, when we talk about consolidation and management and things like that, we always think of, you know, the Dawson, Kimball... [LR2CA]

MIKE BOYLE: Sure. [LR2CA]

SENATOR SCHUMACHER: ...those little guys out there. But I mean the real nuts and bolts of the growth and the need for some type of organization is probably not out in Kimball and Banner... [LR2CA]

MIKE BOYLE: No. [LR2CA]

SENATOR SCHUMACHER: ...but is probably in the area within 60 miles of 16th and Farnam. [LR2CA]

MIKE BOYLE: Yeah. [LR2CA]

SENATOR SCHUMACHER: Can we... [LR2CA]

MIKE BOYLE: Yes. [LR2CA]

SENATOR SCHUMACHER: ...begin to fashion a metropolitan government based in that area? [LR2CA]

MIKE BOYLE: You know, I'll be honest. I don't think we can. I think it'd be difficult to do our own county and the city itself. There's enough turf there for too many fights. I have a lot of good friends and close associates who operate inside Sarpy County as

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government officials and so forth--and others. And the fighting between some of their communities is really intense. I mean, it gets pretty battled--pretty big fights over who's going to go down what road and who's going to get what territory. So you have three, you know, three primary--maybe four--primary communities, you know, with Gretna and Papillion and La Vista and Bellevue. They're all kind of angling toward getting their--more and more annexation so they can have more control. So I think there's a really built-in fight mechanism among them, and it's difficult for them to avoid, I think. And I shouldn't say these things, because I'm an outsider. But that's my view and what I've seen and what I've been told. So I don't think there's any real possibility of, let alone us being involved with them, but I don't think they can get together themselves. [LR2CA]

SENATOR SCHUMACHER: I guess the...if we make the assumption that there's a paradigm shift under way and that we've got to reinvent ourselves... [LR2CA]

MIKE BOYLE: Right. [LR2CA]

SENATOR SCHUMACHER: ...and that the economy isn't going to come back bouncing all happy again in two years or five years... [LR2CA]

MIKE BOYLE: Sure. [LR2CA]

SENATOR SCHUMACHER: ...which is probably all very safe assumptions--in fact, there's an assumption that may not be too far off of a pretty significant monetary crisis. Maybe...what can we do here, assuming--to kind of plan a scenario--that if those things occur, we can take the fight out and put a new structure into place? [LR2CA]

MIKE BOYLE: Well... [LR2CA]

SENATOR SCHUMACHER: With incentives, taxes, whatever it takes. [LR2CA]

MIKE BOYLE: I think that's what needs to be done, I do. I think it needs to be fashioned in such a way that there is no other way to go but that they have to be combined and they have to get along and they have to work as one--I--and become one. I don't see any other way; I couldn't agree with you more. And the challenge is to try to get there, because it is a very radical proposition for those things to happen. But I agree, I think they need to be--and we need to...and this, to me, what you're listening to today, this proposal, could be the frontrunner of what needs to take place to reshape our state. And I think it is. I really think it has the possibility of doing that. [LR2CA]

SENATOR SCHUMACHER: Well, you don't get a chance to run something by the people in a constitutional amendment just every day. [LR2CA]

MIKE BOYLE: No. [LR2CA]

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SENATOR SCHUMACHER: So what can we do to--assuming that that, what we just described, is a halfway viable direction, at least to think about--what can we do or what will we have to put into this resolution in order to lay the groundwork for it, beyond what's in there already? [LR2CA]

MIKE BOYLE: I'll be honest, in my view, the political response is that we--it's too much. I don't think that we could add some language to this proposal that would call for the merging of communities, for example, in Bellevue or for Blair, you know, to start to move in different directions. I just don't see that...I think it'd be too much. I think it would--it would be akin to trying to change the license plates to alphanumeric statewide. (Laugh) [LR2CA]

SENATOR SCHUMACHER: If you gave them away, they'd take them. (Laugh) [LR2CA]

MIKE BOYLE: That's right. [LR2CA]

SENATOR SCHUMACHER: I have no further questions. Thank you. [LR2CA]

SENATOR AVERY: All right. [LR2CA]

SENATOR SCHUMACHER: Thank you, Senator. [LR2CA]

SENATOR AVERY: Any other questions? Thank you, Mr. Boyle... [LR2CA]

MIKE BOYLE: My pleasure. [LR2CA]

SENATOR AVERY: ...for your testimony. [LR2CA]

MIKE BOYLE: Thank you very much. [LR2CA]

SENATOR AVERY: Any other proponent testimony? Okay, we will move to opponent testimony. Anyone wish to testify in opposition to LR2CA? Amazing. Neutral testimony? Senator Harms, your turn. [LR2CA]

SENATOR HARMS: Senator Avery, thank you. And colleagues, thank you very much for the dialogue; I think it was good. I do think this is an opportunity that we have that I hate to see us try to pass up. It gives us a chance to take a baby step to redesign, maybe re-engineer our county government structure. I'm really big on planning, and this is what we would begin to start to do: start planning for the future. This may be just one notch that we get. And as we--as...depends upon on what happens with the economy and where we go in this world, you know, we may want to broaden that out in the future. But I can tell you, when we ask the questions about how will we be different, there are a

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lot of ways we're going to be different. For example, there are some offices that are highly--their workload is really high at one period, and there's another one that's really low. And this group over here hires part-time people to fill in that gap, where over here we've never bothered to cross-train people to come over and to help. We have the same thing in regard to the computer system. Some want to use technology; others just don't want to use technology. And I know that efficiency comes from the use and the training of--using technology. So I think there's a lot of different areas that we would be different. And I would just urge you to, maybe, keep an open mind as you ponder this. I think it's a great opportunity, and I think that if you allowed it to come to the floor and we were fortunate enough to pass it, then we're going to have to bring a lot of other people to the table to really think about the questions that Senator Schumacher brought forward, you know, about cities and counties. And we need to put a plan together that says this is the first step. And then maybe four years from now this is where we're going to go with the next step to be able to address this issue. But I think it comes to a time now where we have to look at Nebraska and look at the crisis that we have and look at the fact that I don't think this economy is going to come back as well as we thought it was going to. And I'll be anxious to hear what the forecasting board says, but I think it's probably going to be flat, and...you know, as long as it's not going down any further. But we need to come to grips with the issue, and I just keep coming back to the thing that I brought out earlier about the long-range planning. And I don't know if people really understand how those dots connect. But the fact is that we have coming into the marketplace of the public schools a rapid decline that goes down for ten years. And if--then you take another overlay and put over that, and you see that the birth rates have dropped dramatically. They aren't going to come back. And my question then is, are we going to wait till that crisis hits us, or do we want to get ahead of the crisis to address the issue? And that's what this is about for me. It's not getting rid of the public officials; it's not trying to have an impact on their jobs. What I'm trying to get everyone to understand to a certain degree is that, you know what, it's time to make the change. It's time to get ahead of that crisis so we can be prepared for it. It's time for us to...I think it'd be so much better if you had a manager and you could bring whatever elected officials you have together and lay out your plan for your county: How can we actually help each other here? How can we cross-train our staff? How can we use the same computer system? And that's what I'm talking about. So I appreciate your kindness. And you've had enough of me for a while, so I'm going to go. [LR2CA]

SENATOR SULLIVAN: Can I ask one quick...? [LR2CA]

SENATOR AVERY: Yeah, we have one more question. [LR2CA]

SENATOR SULLIVAN: Thank you, Senator Avery. And thank you, Senator Harms. [LR2CA]

SENATOR HARMS: You're welcome. [LR2CA]

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SENATOR SULLIVAN: Just to clarify something in my own mind, though: if you were to be successful with this resolution, does it come back to us then to then ultimately... [LR2CA]

SENATOR HARMS: Yes. [LR2CA]

SENATOR SULLIVAN: ...develop additional statute--or... [LR2CA]

SENATOR HARMS: Yes, it would. [LR2CA]

SENATOR SULLIVAN: ...pieces of legislation? [LR2CA]

SENATOR HARMS: We would pass the resolution--and let's just say the public passes the resolution, then we have to put it back--then we legislate exactly what we want to have. And that's why...the beauty of this whole thing is you still have a check and balance here. So if things that Senator Schumacher might have or Senator Price might have--you have a chance to incorporate this--have the dialogue and the discussion. Yeah, that's what that would be about. So to be honest with you--I think I mentioned to you earlier I was thinking about laying out the legislation, and I realized that would have been a mistake, because I think we really have to bring other people to the table. And I'm not an expert in county government. So you have to bring the right folks to the table. And, hopefully, it's a big enough chore that we would have a lot of our colleagues being willing to participate, particularly this--Senator Avery, your group of people could be really helpful to us. [LR2CA]

SENATOR SULLIVAN: Thank you. [LR2CA]

SENATOR HARMS: Yep, you're welcome. [LR2CA]

SENATOR AVERY: Will you take one more question? Senator Price has one. [LR2CA]

SENATOR HARMS: Absolutely. [LR2CA]

SENATOR PRICE: Thank you very much, Chairman Avery and Senator Harms. I'm intrigued by many of the things you said, somewhat frightened by others. I was able to be fortunate...West Germany had a problem with their birth rates for a while--and seeing how they had to handle things there. But one of the questions that comes to mind in this is: accountability to voters. I know we'll get to design it the way we want to later on as we go forward. But accountability to voters--if there's one office...you know, if I have an elected board and then I have a hired person, I have other people who are appointed now filling what would have been elected offices. It can be quite difficult for a citizen to feel empowered to impact that one elected office, like an assessor's office--where, sure,

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they may have to wait to go through the elective process, but they feel there's an accountability chain there. And I just bring that to you because I want to be part of the record of saying that the voters somewhere or another along the line have to be included in this process so that they...because it would be a lot to even just to educate, not because education is hard but just a lot to tell someone. You no longer can just reach out and have a campaign effort against an individual office holder. Now you have to go after the county board to influence them to get rid of a hired hand, you know, so to speak. So I just add a cautionary tale: what about accountability to the voters? [LR2CA]

SENATOR HARMS: Well, I think, first of all, I think you would have accountability the first--the first opportunity we have is for the counties to decide whether they want to do it. In other words, the voters are going to decide and have a full, hopefully, a full understanding about what this would entail. And they have the choice to say I want to do this or I don't want to do this. And so I think that, to me, says a lot about what the public would have. They would have the opportunity to say I want this or I don't want it. And I would guess, to be honest with you, if this passed, Senator Price, I believe it would be very slow. I think people would want to find out for sure how this works. There will be some in western Nebraska that would probably do it fairly quickly. But we'd just have to wait and see. I'm just wanting us to give some thought to the future. [LR2CA]

SENATOR PRICE: Thank you. [LR2CA]

SENATOR HARMS: This is what this is about for me, is the future for Nebraska. [LR2CA]

SENATOR AVERY: Thank you, Senator Harms. [LR2CA]

SENATOR HARMS: Thank you. Thank you for your kindness. I always enjoy coming here. Thanks for your questions. [LR2CA]

SENATOR AVERY: Before I close the hearing on this, I will note that there is one letter of opposition, (Exhibit 12) and this comes from your county--Scotts Bluff County Clerk. (See also Exhibits 13 and 14) [LR2CA]

SENATOR HARMS: I understand that. And... [LR2CA]

SENATOR AVERY: We enter that into the record. [LR2CA]

SENATOR HARMS: ...I would have to tell you, in closing, that the only, really, criticism I've ever gotten about this is from people who are in county government. There's a little fear there. And, you know, when you look at that, that might be an office that you just simply don't--you might leave that office elected. I don't know. That's the things we'd have to discuss to see what's right. And there may be some that we just say, no, we

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don't think we need to do that there; we need to have that more independence there--by the vote of the people. That's the beauty of the whole thing: you've got a chance to come together and work on it. Thank you much for... [LR2CA]

SENATOR AVERY: I noticed that NACO didn't testify. (Laughter) Thank you, Senator Harms. [LR2CA]

SENATOR HARMS: Thank you. Appreciate it. Thank you very much for your kindness. [LR2CA]

SENATOR AVERY: That ends the hearing on LR2CA. We will now move to open a hearing on LB597 with Senator Rich Pahls, one of our own. [LR2CA]

SENATOR PAHLS: (Exhibits 1, 2, and 3) Thank you. My name is Rich Pahls, P-a-h-l-s, and I represent District 31, which is Millard of Omaha. I'm going to have a proposal in front of you that--if the senator just before me, if that's too big of a piece of information to bite off, I think I have a smaller piece. But I must admit, his ideas, I thought, were very unique and something that we should consider. I'm going to deviate from my printed word and just try to move this along by talking through some of these handouts. And one of the reasons why I'm doing that is because of the way some of you voted today, or a couple days ago, on the county aid bill. Because when you voted to do away with that county aid, you took away the meat of my bill, because I was going to use the county aid, or the state aid to the counties, as an incentive for people to want to reorganize, instead of...then I went to the word "mandate" because I wanted to keep the bill alive. So just to let you know, initially that county aid--if you wanted to get some of the aid, you would do it by reorganizing yourself. That would have been one of the options. But since that was basically...and I voted for that also, so I have to be honest with you on that. That did change the direction, and it made me rethink...this bill is still floating out there in the air; it is not a complete bill. But I--what I'm trying to do is get this idea planted in our minds so perhaps it does have a future. It's basically pretty simple. There are 11 offices in a county, and we want to at least have--I have yet to hand that one out--5 individuals. And some of you may say, why did you come to that? And I, hopefully--after I share some of this information, that will bring that point to light. Now, this would affect counties of 25,000 and below. And you may say, why are you picking on counties 25,000 and below? Well, in 2005 we did a study, out of this committee; and the Fiscal Office said around 25,000--that's where you see efficiency. It's that simple. It's just almost like a school system: once you get over 25,000, the efficiency of that school system goes down. That was one of the arguments we used when there was the issue with dividing Omaha into three different school districts. So those are the reasons why--I mean, the study indicated 25,000 was a number, not necessarily the magical number, nor is 11 and 5. These are not magical numbers; these are numbers I'm trying to get us to think in terms of making some merging of county offices. I'm going to draw you to the first handout, the green, which you have in your hands. And these are the 11 offices that

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I'm talking about. And it gives what we can and cannot do with them. In other words, some of your elected--you must reside in that office, so that would be a limitation. And you can see the ones that cannot share with another county. And 2 offices--and 3. That's--I'm just trying to lay that out in a printed form. Now, if you flip the page, you will see it's basically, like, in a chart, which is much easier to read. It's the same information, but it's a visual--so you could see. Now, at the very bottom, it says: Which county offices does the bill not affect? County attorney, commissioners or supervisors, and some minor offices. I'm just trying to let you--what we're trying to do is, of these 11 offices up here, how can we merge some of them together so we'd actually have 5 individuals working in those offices? Now, on page 3...I'm just going to move through this document. This is just interesting information, I call it--is if you take a look at on page 3 it sort of tells you what the 93 counties--what they're like. It tells you, in the middle of the page, how many have lost population. I have--I'm using 2009 information. As you can see, 16 gained population, 13...you can just see what Senator Harms was saying. There is a decrease, and it is happening, and it's a real factor. As you go down to the bottom of the page, you can see--now, even though I would not be, or not "I" but this bill would not be touching these positions, I thought it was just interesting to see. Because I didn't realize this, like three-member county commissioners--how many there are; 51 counties have that. It's just, to me, some interesting information to know. Another one that I didn't realize: the county supervisors--there are 27 counties with...this, again, would not be affecting it; this is just information to know. I'm trying to bring across a point: we have an awful lot of officials out there who are not only elected, appointed...flip to the back page, you can see the number. We have around--if you can count them all, elected, appointed, etcetera, we have 1,300--now, these are round numbers--in all 93 counties. Now, if you--the next paragraph, if you go down: between 8,000 and 10,000 employees. And it's hard to grasp these figures, because you can call a county, and they, you know, they classify the person here half-time, but we--by looking at the data that was available, we knew that was a round number. So it does look like we have an awful lot of employees in the state in county government. So that's just some information just so we have a feel. Is there a need to take a look at some of these things? Again, I'm--remember, I'm talking about counties 25,000 and below. You must keep in mind, a number of those counties...and, hopefully, NACO will come up and speak to...a number of the counties have already done what I'm requesting. There are a number of the counties that have already--and in some cases may have done more merging. See, my premise is, if they can do it, why can't others? If...let's say you have 10 or 12 counties say: Hey, we've met this and done a better job than what you're really proposing that we do. Well, I'm saying, why not the other group? I don't have the answer to that. Could I have you hand out the blue? And, as a lot of times, we have questions about what's in statute, because some of these positions--it's nice to know. And this is just good information that my staff collected for me to make it a better understanding since we do talk an awful lot about county government. I won't be spending a lot of time on this, but this will just give you an idea, in statute, what we can and cannot do. In some of these positions, you know, we have mandated that this is the way it is. So for us to change

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that, we'd have to go back in the statute, much like we did in some of our legislation this year when we reduced monies and who was responsible for. So on your--at your leisure, if you so choose, there are some things that you could take and look at. I would like to refer you to page 2: "Voluntary County Official Mergers Provided under Current Law." They...it's already in--this is doable by statute--some of these positions, as you take a look at it. And I think that's...if, like I say, if somebody comes up and testifies, they can say: Well, we have four or five of these that we're already doing. Right. We are allowing that to happen. And it goes on with...to me, it's just information that is--could be of value. Could I have you take a look at page 4 and 5? Again, I'm just doing a, sort of a visual picture. So let's just take a look at--oh, let me see, one that would be...county highway superintendent; it's about the fifth one down. It tells you what's happened, how many are shared, and total offices. This goes to show you, things are happening out there; and I can't tell you which county right now, to be honest with you, but this is just some...and as you go--on page 5, as you take a look at the 80 counties under 25,000, it shows certain things are happening out there, you know. And I know, a lot of times what we talk about, we start looking at this, we say this is, all you're looking at is--are the smaller counties or the counties out west. The (inaudible) yellow sheet are the counties that would be involved. And if you see a county and it's got a green line drawn across, that shows you the county that--are, populationwise, in pretty good shape. And then on the second sheet, it just shows you--now, these are 2009 figures on the second sheet. As you go down, you can see how many...Arthur County: 339. You can see how many counties we have that are relatively small. Again, that speaks to what Senator Harms was saying. And those counties are not, probably, going to grow a lot more; it's just a fact of life. So you go all the way down, on about--halfway, about two-thirds of the way down on the second page, where you see, probably, Dawson County--those counties...so that means there are 80 counties that we could be taking a look at. And out of those 80 counties, there are a number of them who are doing what I'm requesting. It's already happening. And part of the reason why this is--to, hopefully, stimulate some conversation with the county officials. And that would be my next step, is, as we go along with this bill in the future, is to talk with them and just say: Hey, talk with me, and what are some of the ways that you think that we could maybe help, if you need help, to make some of this movement? I want, actually, and I'll be honest with you, I want NACO and myself to sit down, say, hey, here are some legitimate ways that we could be of help to them, especially if we would promote that idea at the Legislature level--at our level. [LB597]

SENATOR AVERY: Are you...? [LB597]

SENATOR PAHLS: I am finished. [LB597]

SENATOR AVERY: You are prepared, aren't you? [LB597]

SENATOR PAHLS: Well, I...this is, like I say, this is a beginning... [LB597]

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SENATOR AVERY: Yeah. [LB597]

SENATOR PAHLS: ...you know. But what's taken out of my sails was the--losing the county aid, because then it could have been said, hey--because, remember, we're not dictating which way. [LB597]

SENATOR AVERY: Um-hum. Questions from the committee? You think you were going to get questions? [LB597]

SENATOR PAHLS: Well, I figure with his county background, it would be good. [LB597]

SENATOR AVERY: We'll start with you, Senator Schumacher. [LB597]

SENATOR SCHUMACHER: Thank you, Senator Avery. I kind of find it interesting--York? I thought York was bigger than 13,000. That's what it shows up on here, but, gosh, I thought that town was bigger than that. [LB597]

SENATOR PAHLS: The town of York? [LB597]

SENATOR SCHUMACHER: Yeah. [LB597]

SENATOR PAHLS: Well, I don't...this... [LB597]

SENATOR SCHUMACHER: York. Is York in York County? [LB597]

SENATOR SULLIVAN: Yeah. [LB597]

SENATOR PRICE: It was yesterday. [LB597]

SENATOR SCHUMACHER: Okay. That's what I thought. The one thing that--and I'd like to get your thoughts on this--that is...this is focused on counties. [LB597]

SENATOR PAHLS: Right. [LB597]

SENATOR SCHUMACHER: And in many senses, we have a maybe bigger problem with the 400 communities that are below 500 in population that are all situated in counties, some of them facing these same challenges. We know that there's a model out there that has 150,000 population; it has 100 cities, counties, and villages united in a common government; and it uses both of them. Now, it's limited function but could be more. Do you see any way that we can develop here a intermediate level of government, which retains maybe at the city and county level in these small towns, who...they don't want to give up their sovereignty, or they don't want to, really,

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share...but that there's an ability to create a unity--an entity that has a--can unite them in functions that--they can be done more efficiently by leaving those functions that can't be--like whose dog is in whose yard or, you know, what county road needs to be mowed in this area--separately? Do we need an intermediate thing to take over some of the functions from the state that we really don't want anymore because they're too expensive and we really can't do them without a heck of a lot of overhead and some of the functions from the lower level of government who they can do better if they are at the 25,000 mark but still leave the dog at large and the pothole and the little street to a local entity? Is there...do...am I off in never-never land when I think of something like that? I'm there quite a bit, but... [LB597]

SENATOR PAHLS: Well, not totally, but you're getting there. (Laughter) And the reason why I'm saying that is...and I'll just give you a couple examples, because I've been here when the battle went--when we--there was a consolidation of schools. I mean, you literally had people breaking down because they thought they were going to lose their community. And here's an example of a bill that I proposed that--what I called "one-stop shop." If you wanted to buy a car and your car tags--everything could be done right there. And the push-back was--on it--was that I was trying to take away their county license plates. See, so this independence that we sort of brag about, especially further west--because we do, because I'm from a small town, I know that--you know, hey, we're independent, blah-blah. I don't know if we can break that until we do maybe a study like Senator Harms, I mean, something that's really got some meat to it, that gets beyond us talking here or on the floor. [LB597]

SENATOR SCHUMACHER: But do we need to break it? I mean, this thing really exists, the town of 150,000... [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SCHUMACHER: ...out there... [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SCHUMACHER: ...100 towns in...so it's...but the trick is that they don't give up the ability to back out; they won't back out... [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SCHUMACHER: ...because it's too good. [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SCHUMACHER: But they don't give it up. And it's happened. [LB597]

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SENATOR PAHLS: Yeah. We have to convince Senator Sullivan that she could--her little town could be, I don't want to use the word "merged"--some of its needs could be, basically, merged with a number of small towns. I don't know if they're willing to do that. [LB597]

SENATOR SCHUMACHER: I think some of them already have. [LB597]

SENATOR PAHLS: It...they--perhaps, right. Yes, they have. [LB597]

SENATOR SCHUMACHER: In a limited function. [LB597]

SENATOR PAHLS: Yes. [LB597]

SENATOR SCHUMACHER: But some of them, I think--I think some of the towns. But... [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SCHUMACHER: ...okay, no further questions. [LB597]

SENATOR PAHLS: Okay. Yeah. [LB597]

SENATOR AVERY: Senator Sullivan. [LB597]

SENATOR SULLIVAN: Surprise. (Laugh) Well, first of all, in terms of the smaller communities, we'd best not forget that there's just not a few of us out there. The median-size community in Nebraska--that means as many smaller and larger--is 354. So we've got a lot of small communities that--aside from trying to survive, they're doing some good things. So, you know, that's another conversation. But on to the questions that I have for you. Why do you even put the 25,000 limit on it? I mean, why not just include everyone in the conversation--all counties? [LB597]

SENATOR PAHLS: Well--and that may be an option. But I'm trying to have what I call research-based...and the Fiscal Office came up with their analysis: that's when the efficiency kicked in--at 25,000. If you'd say we ought to lower it or--I mean, that's doable. These numbers are not necessarily purely magic. But that's what the Fiscal Office came up with--that number, 25,000. [LB597]

SENATOR SULLIVAN: But in addition to having that as the cutoff, you're also excluding the people in those counties with lower population from having a vote. Why did you do that? [LB597]

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SENATOR PAHLS: Because the people who make the decision would be the decision makers, and they voted for those decision makers. I mean, we do not make that decision here. That county, those commissioners would make that decision. They would make... [LB597]

SENATOR SULLIVAN: But why are you just not having it go to a vote of the people, I guess? Because you're saying only a county with more than 25,000 inhabitants is required to submit the issue of consolidation to the voters. [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SULLIVAN: So you're saying... [LB597]

SENATOR PAHLS: Oh, I see. [LB597]

SENATOR SULLIVAN: ...okay, if you're larger... [LB597]

SENATOR PAHLS: Okay. Okay. [LB597]

SENATOR SULLIVAN: ...you can have a vote of the people... [LB597]

SENATOR PAHLS: Okay. [LB597]

SENATOR SULLIVAN: ...but if you're... [LB597]

SENATOR PAHLS: I would not argue with that. If you say, hey, this should be to the voters, that's not... [LB597]

SENATOR SULLIVAN: Well, that's pretty critical, actually. [LB597]

SENATOR PAHLS: No, no, no. I mean, that's not something I would say: Oh, my goodness. I'm not--I won't go to the wall, I mean, that's not...to me, it's getting people to think about this. [LB597]

SENATOR SULLIVAN: And then you said that, you know, just--this is for our perusal. Actually, I think this is probably quite important, because here you're giving, in your proposed legislation, a mandate; but here, you'd actually be giving counties a lot of tools, if we changed statute in this respect. [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR SULLIVAN: So I think this deserves quite a lot... [LB597]

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SENATOR PAHLS: Yeah. [LB597]

SENATOR SULLIVAN: ...of discussion. [LB597]

SENATOR PAHLS: Right. Yeah, I...that's why I'm saying this bill is--it's a breathing--it's not finished. [LB597]

SENATOR SULLIVAN: But then... [LB597]

SENATOR PAHLS: This is what I'm doing, and what's happening is what I want. You know, say, hey, did you ever think about this? Should you be looking at this? Why aren't you looking at that? [LB597]

SENATOR SULLIVAN: Okay. [LB597]

SENATOR PAHLS: I mean, another set of eyes. [LB597]

SENATOR SULLIVAN: Is there--if you want that conversation, and if you want some movement...you know, last year it was the county consolidation bill, and you know what happened there. [LB597]

SENATOR PAHLS: Right. [LB597]

SENATOR SULLIVAN: And, you know, I can't predict what's going to happen here. But you want the conversation--but you want action. So can you identify, maybe, another avenue where you can...? You know, last year it was to take it to the Legislative Planning Committee; this year you're going to try a mandate. Is there someplace in between that you can actually get some movement toward a conversation of all the right people? [LB597]

SENATOR PAHLS: Well, to be honest with you, I do think if NACO--they have been talking about this. I have talked to some county commissioners in the past. These--I think these items have been discussed. But I must--I need to commend...there are a number of counties who have done what is being proposed here. This is not--oh, gee, open the door, brand new. And nor do I claim that. I'm just trying to get that...and I'm willing right now, hopefully, to sit down with NACO and say: Hey, you know, we like this--this--or it can't work. [LB597]

SENATOR SULLIVAN: And then--and I think that would be really helpful. I think we also need to keep in mind that sometimes the state says: Okay, we'll take over responsibility, and we'll save money in the process--i.e., county assessors. And then they say: Oh, no; we can't do it anymore; we're going to give it back to you. [LB597]

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SENATOR PAHLS: Right. [LB597]

SENATOR SULLIVAN: So we've got that issue too. [LB597]

SENATOR PAHLS: Yes. And I think that we should be...and, hopefully, the newer legislators learn that these mandates--they may sound good initially, because we have--I've been held accountable for some mandates that past Legislatures have done to me when I was out in my profession. And they sound really good, but after a few years they forget that they were helping with the money. Yes. No. I can't argue with that. [LB597]

SENATOR AVERY: Any more questions? Senator Brasch. [LB597]

SENATOR PAHLS: Yes. [LB597]

SENATOR BRASCH: You had mentioned consolidation of schools. This summer I walked through many communities that lost their schools. Many of them also lost Main Street businesses because of the economy that the schools brought. And then we wonder, you know, as those people lost those jobs, the population is decreasing; they're going somewhere else. I mean, I don't know...and busing our kids from community to community--that's not a free ride. [LB597]

SENATOR PAHLS: Yeah. [LB597]

SENATOR BRASCH: There's a cost in that too. So I'm, you know, I'm not offering you a solution, but I think we need to think of the big picture when we talk about grouping together, where someone is going to do without, someone is going to gain. But at the same time, we all pay for it. I mean, we--at the end of the day, I mean, I just...these are, you know, real interesting numbers. And we do need, you know, help with the economy. But it's not growing the economy, I think, just by huddling in one room. [LB597]

SENATOR PAHLS: Yes. I would say, though, the county commissioners or the supervisors would take a look at this and say, hey, these are--offices could be merged, and one person could have three offices. We've had somebody come in front of this committee and say, you know, and she says: I'm in charge of four things in my county. See, so that is happening. And I do understand the ramifications of reducing schools and consolidation. I know, because that was a painful thing in all areas. But just to let me give you a little bit of feedback, I came from Kansas in '68. We organized--reorganized the unified schools in '68. My high school is one of those, finally was dissolved two years ago. So that was almost 50 years later; it actually was dissolved into more schools. So it is a process that will take time. But I do know in some of those communities--and I feel for them, because it does change the communities. [LB597]

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SENATOR BRASCH: Thank you, Senator Pahls. Thank you, Chairman Avery. [LB597]

SENATOR AVERY: I don't see any more questions... [LB597]

SENATOR PAHLS: Thank you. [LB597]

SENATOR AVERY: ...sir. Proponent testimony to LB597. You remind me of Senator Raikes. He used to never have proponents. (Laugh) [LB597]

SENATOR _____: Um-hum. [LB597]

SENATOR KARPISEK: I always thought he was a thinker. [LB597]

SENATOR AVERY: New ideas. Well, I suppose we'll go to opponent testimony. Welcome, Mr. Dix. [LB597]

LARRY DIX: (Exhibits 4, 5, 6, and 7) Good afternoon, Senator Avery, members of the committee. For the record, my name is Larry Dix. I'm executive director of the Nebraska Association of County Officials, appearing today in opposition to LB597. And I don't know if this was the day of handouts or not. But many times I appear in front of this committee without handouts; today I have them. And I do want to hand them out sort of in a specific order. We'll start with...and I think you probably have this. I think Senator Pahls and I should have gotten together and compared our handouts before we started, because I think some of them are going to be fairly similar. But there's a population chart going around, and I think that's pretty much the same as what Senator Pahls had had. One of the things I want to start with so I'd get it on the record: NACO has formed what we call a 2020 committee, and I think this is what Senator Pahls may have been referencing. We put together a committee of our officials--we put them together a year ago. The task of that committee was to take a two-year study and look at what county government, what we think county government may look like in the year 2020, and so it's--it's, really, ten years out. We're at the midpoint of that study. We had probably five or six meetings last year, and we opened the books on every elected official, everything that goes on. And now during the legislative session we've sort of hit a lull, just due to the lack of time and probably my time more so than the committee's. And then as soon as the session is over, we'll kick it up again. And we're hoping by the end of the year that we'll have that report for everyone to look at. And what you'll see in that report are some things I think that will surprise some folks, because it is exactly what Senator Pahls is talking about. It talks about what are some efficiencies that can be gained within county government, what are areas that we need to look at. And we probably--since Senator Pahls so graciously offered, maybe we will bring him some of that legislation next year to actually take a look at so that--so we can take a look at it. But it's interesting what that 2020 committee is going to go through. When we start

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talking about, you know, how many times do we really think about county government and what the right size is and things like that, I would tell you I think about it about every day. There is no question about that. Senator Pahls made mention that this bill is not, probably, the final product, so I'm not going to go through a lot of negative comments, really, that are in that bill but more of some of the things that we see in that. And the fact is that the way the bill is written, it does impact about 80 counties. And so I do want to hand out some of the information for where people are currently sharing offices, because that seems to be a fairly common...that will show you a list of individuals who are sharing offices, sharing responsibilities across county lines. So what some of Senator Pahls is saying is actually going on today in many, many counties; not just in the small counties, it's going on in some of the large counties also. And then we'll follow that up with an analysis of which counties already--if this were adopted as...and the premise of it here is that we only have--we only have--let's see, what is it, six officials? We have some counties today that meet that premise. And they--and as you will expect, those are going to be our smallest counties. And when we looked at the smallest counties--I think we looked at the bottom ten, then we looked at the top ten, and then we tried to find the median, sort of the middle stages of that. And so that will give you a list of those counties, and it will also tell you what positions within those counties are being shared. So as that goes around, if you look at it, certainly Arthur County is our smallest county at 339. And I know I'm running out of time, so, hopefully, we'll get some questions, some interaction on this. But if you look at those bottom ten, I think there's only one that would not meet--I think it's Loup County right now that wouldn't meet. And they have six individuals identified holding the five roles. But then as you look to the top, certainly the 25,000--25,000 may not be the right number, especially to limit it quite that far. But then this last handout is an interesting one that shows inter-county consolidation. And we have--in 12 counties we have our clerk, who is the clerk, the election commissioner, the register of deeds, clerk of district court, and the assessor, holding five offices. In 2 of those counties I think they're also maybe the zoning administration. And one of them, I think, that person is also on the--something to do with the city--in the village, some position within the village. So some of that certainly is going on. So with that, I'll end my testimony per se on that and, hopefully, answer any questions that you may have. [LB597]

SENATOR AVERY: All right, thank you, Mr. Dix. Questions from the committee?
Senator Sullivan. [LB597]

SENATOR SULLIVAN: Thank you, Senator Avery; and thank you, Mr. Dix. Working back on your comments, your last one, with respect to one person holding lots of different--or having lots of different capacities, how effective can they be in managing all of that? [LB597]

LARRY DIX: Well, one of the things that they run into when you have the smaller--obviously there's less of a demand, just by the sheer nature of it. One of the

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things that we do run into, you get so small, and when...one of the people that's on our 2020 committee happens to be from Hooker County, and they're one of the persons that wear these five or six hats. One of the most difficult tasks that they have is meeting the statutory requirements that everybody--that we talk about from time to time that the Legislature has placed on them, not so much of just doing the job but even mandatory educational requirements and mandatory schooling and mandatory things that they have to keep up on. And that's some of why we would really have a little problem with what Senator Pahls is doing here. In some of those areas, you're putting it together so tightly that we don't know in all instances that they'd be able to meet the demands of those different offices. [LB597]

SENATOR SULLIVAN: So is your 2020 committee looking at some suggestions for statute changes and even some of the things that were indicated in this blue copy that Senator Pahls handed out that perhaps need to be revisited to see if they're appropriate for this day and age? [LB597]

LARRY DIX: I can't comment on the blue copy, because I haven't seen the blue copy. But I would assume that there probably are some things that we are looking at in that... [LB597]

SENATOR SULLIVAN: And are you going to recommend some of those? [LB597]

LARRY DIX: And we are going to recommend some of those. We wanted to let our committee do its work. One of the unique things about the committee, as you can imagine, you get a number of county officials together and you got that certain turf battle. And so when we started this, we said, here's what happens--everybody checks their ego at the door and you check your job title at the door. We're looking at this for ideas of how to make county government more effective and more efficient in the next ten years. And some of the discussions, as you can imagine, as you folks even see on the floor of the Legislature, they got pretty confrontational at times, which I think is good; I think it's good for our officials to do that and have that discussion. But we hope to bring forward some of those things. In addition, some of the things that we noted in Senator Pahls's 11 officials--couple of questions were, why, like, are veterans service officers not in this mix? Because I think there are veterans service officers in all the counties. And emergency managers. That's something else. Not that we're trying to put 13 offices down to 6 but realizing that there are more offices that you typically would see in all 93 counties. [LB597]

SENATOR SULLIVAN: Thank you. [LB597]

SENATOR AVERY: Any other questions? Senator Janssen. [LB597]

SENATOR JANSSEN: Hopefully this is quick. With your membership, do all 93 counties

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participate in NACO? [LB597]

LARRY DIX: All 93 counties are members of NACO, yes. [LB597]

SENATOR JANSSEN: Do they all have the same sort of, I guess, fee to belong? [LB597]

LARRY DIX: NACO's fees are based...NACO is based on one vote per county. Okay, so each county has a vote in NACO's organization. The fee structure is based on the valuation of the county, so that there is a base fee that all counties pay--they pay a base, and then there's an incremental charge according to their valuation, so that Douglas County would not pay the same amount of fees as Arthur County would. And based simply on valuation, no two counties pay the same fees to NACO. [LB597]

SENATOR JANSSEN: I think I'm trying to help you out here. So you would gain, as an organization, no more or less money if we have 50 counties as opposed to 93. [LB597]

LARRY DIX: Based on valuation, I think it would change slightly, but I don't think it would, you know, have the impact to our county. Because we would lose some of that base fee per county. [LB597]

SENATOR JANSSEN: Okay. [LB597]

LARRY DIX: But every year the NACO board, really, has the opportunity to set--to establish fees for membership. [LB597]

SENATOR JANSSEN: Would it be...? So, in that case, you could raise it. If you only had 50 counties, you'd raise that rate? [LB597]

LARRY DIX: We...the option would certainly be there. [LB597]

SENATOR JANSSEN: Okay. [LB597]

LARRY DIX: Yeah. [LB597]

SENATOR JANSSEN: Thank you, Mr. Dix. [LB597]

LARRY DIX: Yeah. [LB597]

SENATOR AVERY: Anyone else? Senator Schumacher. [LB597]

SENATOR SCHUMACHER: Yes. And thank you, Senator Avery. Mr. Dix, one of the things that was mentioned by Senator Pahls in proposing this bill was the idea of

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incentivizing some of what we'd want to happen and disincentivizing that which is no longer functional. We heard from Mr. Boyle that it's--sometimes there's an obstruction here just because of turf battles. You just mentioned turf battles. Does the idea that Senator Pahls indicates is rolling around in the back of his mind, of incentivizing this type of cooperation, merger, joint functioning, whatever we call this thing--will that work? [LB597]

LARRY DIX: Well, I--I guess my past history with the Legislature over the last ten years--certainly what's been given to counties--we don't get too excited about any incentive, simply because of the history. And let's face it, we've had--our history, our track record has not been very good--with the Legislature saying, here, we're going to do this, and then a couple years later pull the rug out from under us. Senator Sullivan made mention to the county assessors. You know, that was promoted, really, through the Legislature as a way for counties to save money; the state is going to take over the assessment function, and therefore you will not have to pay--that will remove that burden from your taxpayers. Well, that worked pretty good until the state ran into some financial problems. And then within a period of one year we've simply eliminated it and said: You've got four years to take it back and pay for it yourselves. So our history of incentives has not been that positive. So you can see why I'm a little reluctant to maybe go down that path. [LB597]

SENATOR SCHUMACHER: What if we really meant it this time? (Laughter) [LB597]

LARRY DIX: I understand. [LB597]

SENATOR SCHUMACHER: I have no further questions. [LB597]

SENATOR AVERY: I don't see any more. Thank you, Mr. Dix. [LB597]

LARRY DIX: Thank you. [LB597]

SENATOR AVERY: Any more opponent testimony? Afternoon. [LB597]

CRAIG HEAD: (Exhibit 8) Yes, good afternoon, Senator Avery and members of the committee. My name is Craig Head, and it's C-r-a-i-g, and the last name is H-e-a-d. And I'm the state director of government relations for the Nebraska Farm Bureau Federation. What you're receiving now--we actually had a past state board member who was planning to come in today to testify; he's a member of--also a current county commissioner in Morrill County. The letter is being passed around now; I'll let you look at that at your leisure. Just two points I want to make, which you'll find in that testimony, is, one, our organization, our standpoint is we are very supportive of trying to create efficiencies in local government. Our members always have great concerns about local property taxes. And if we can do more to create those efficiencies, we're interested in

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that. But the second part--point I would just simply make is we are also very interested in local-control issues. And, obviously, the bill would take away some flexibility, at this point, with local control. And that is the reason we're here today in opposition, in this position, so... [LB597]

SENATOR AVERY: Well, we just had a debate this morning on the floor that involved local control. [LB597]

CRAIG HEAD: Yeah. [LB597]

SENATOR AVERY: I assume you were in the Rotunda helping, right? [LB597]

CRAIG HEAD: I was in the Rotunda. (Laughter) [LB597]

SENATOR AVERY: Questions from the committee? I don't see any. [LB597]

CRAIG HEAD: Thank you... [LB597]

SENATOR AVERY: Thank you, Mr. Head. [LB597]

CRAIG HEAD: ...very much. Have a good afternoon. [LB597]

SENATOR AVERY: Any other opponent testimony to LB597? Any neutral testimony? Senator Pahls. [LB597]

SENATOR PAHLS: I understand why sometimes somebody would come on the--be opposed to the bill, because when I see the word "mandate" such-and-such, I understand that. But I would also think, with somebody who was going to represent, like, the Nebraska Farm Bureau, they would have it on stationery that would say "Nebraska Farm Bureau," to be honest with you. I'm not just saying...it just seems to me that would be a logical way to approach it since they are a powerful group. I think they should not only be recognized by the spoken word but the printed word on their stationery. But anyway, getting back to what I think a fun thing is--because if you heard what somebody from NACO said, that they'd be--they're really...and that's what I want to hear; that is exactly. Just to give you an idea, my staff has already talked--because they did come in and wanted some information about the bill; I think that's one reason why they're so well prepared. You know, sometimes you (laugh)...but anyway, there were 2 additional--I just want to react to this: he said there were 2 additional people should have been on--or 2 additional positions should have been on that piece of paper instead of 11. Well, my staff never did talk about those. But he also said they were not as high up the ladder; they were important but not so high up the ladder. But more than willing to look at those positions, truly am. I mean, I--actually, I feel very good about the response that I've heard today. And I thank you. [LB597]

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SENATOR AVERY: Well, I want to congratulate you for bold thinking. [LB597]

SENATOR PAHLS: I... [LB597]

SENATOR AVERY: I admire it. [LB597]

SENATOR PAHLS: Yeah. Well... [LB597]

SENATOR AVERY: Whether we get it out of committee or not. [LB597]

SENATOR PAHLS: Well, it's not the getting out of the committee; it's the relationship that I think that--that people are willing to work with this. That's what I want. To have something that people...they may be--like one of your favorite statements: not everybody is going to like what comes out, because everybody is going to lose a little bit... [LB597]

SENATOR AVERY: Yeah. [LB597]

SENATOR PAHLS: ...and win a little bit. [LB597]

SENATOR AVERY: Yeah. [LB597]

SENATOR PAHLS: Okay. [LB597]

SENATOR AVERY: That's the nature of a compromise. Any questions? More? [LB597]

SENATOR PAHLS: Thank you. [LB597]

SENATOR AVERY: Thank you, Senator Pahls. Do I have any letters to enter into...? Okay, that ends the hearing on LB597. Now we need Senator Ashford. There he is. Good timing, sir. [LB597]

SENATOR ASHFORD: Thank you. [LB344]

SENATOR AVERY: We... [LB344]

SENATOR ASHFORD: I was just coming by, and I... [LB344]

SENATOR AVERY: It's good timing. [LB344]

SENATOR ASHFORD: ...I heard my name. [LB344]

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SENATOR AVERY: We'll open the hearing on LB344. Welcome, Senator Ashford, to the Government Committee. Welcome, sir. [LB344]

SENATOR ASHFORD: (Exhibit 1) Thank you. Well, it's good to be here. It's my first trip here in a while, and I appreciate the opportunity to introduce this bill. This is not the first time I've introduced this bill. It goes, probably, my third time, my third try at city-county merger. Let me say at the outset that it's my personal opinion that cities of the metropolitan class in Nebraska, being Omaha, need to not only investigate but to move towards governmental merger. I strongly believe that that is the direction we should take, for a number of reasons. Probably one of the most compelling reason, for me, is that city-county government in Omaha is pretty good. I think our city government and our county governments work relatively efficiently. And they, in my experience, have had excellent elected representatives over the years--those that I've worked with, the mayors, the county board members. They come from diverse backgrounds; they're--they do a good job. And I think about why do companies merge, generally, in the private sector. And my sense is that they merge primarily because they have--there are two strong businesses that see accretive benefits to consolidating. And I really think that's where we are at in Douglas County. We have a metropolitan area which is primarily the entire county. There is certainly an area outside of the city that is somewhat rural, but, generally, the city--the population is in the city. And we have functions that are somewhat duplicative. I mean, we certainly have two public safety agencies, we have roads crews, and so forth, and so on. But it's not really the functional part of this that is compelling to me. What's compelling to me is the idea...and it really--it stems, to me, from my first experiences down here in the Legislature. We're a one-house, unicameral legislature. It was pretty unique in 1937 when this happened, when we were created. It was, in fact, unbelievable, in many respects, that we took the two houses of government in our state and combined them together into one house. I think it's a more efficient way to do that--do things. You have, in the case of Douglas County, where the city makes up most of the county, you would have one budget. The one budget would...and I think that's really what drives efficiency; it's the budgetary process. People may come up--and I've heard all the arguments on both sides of this issue. And certainly those who oppose it would suggest: Well, you know, we already have consolidated some things, and we do things well; we don't really need to do this consolidation/merger, because we do a lot of things well already. And they do; they do things well. That's not the reason not to do it. The reason to do it is because they do do things well. And if you combine that--those entities together with one budget, they'll make the--those elected representatives...and my vision--I don't have--everybody has a different vision on how these things should occur--would be you'd have a combined board of 11 or 13 members, and they would have one budget, and they would make the decisions on what sorts of functions should continue in the way they are now. For...I brought some information for the committee on various other cities. I'm not necessarily suggesting that we should pass legislation because other states and other cities have gone this direction, though the evidence seems to say that over time these kinds of

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mergers and consolidations in major urban areas have been successful in a lot of ways. But it seems to me that if we go--that Nebraska has a tradition of this sort of governmental change, and certainly the Unicameral Legislature is the best example of that; I'm kind of--I'm really driven by that idea. The other, and the last, point I would make is that change is really going to have to occur. I...the...if the lessons of the last few years haven't...why did we do the Unicameral? We did it because we were in the Depression; it was in the 1930s. We did the Unicameral both because it was a--it came out of the progressive ideas of the early 1900s, clearly. George Norris was a progressive Republican, independent Republican, and then became an Independent. And we've come out of the same sort of place now. This was a very, very serious economic situation that we are now just beginning to get out of, with unemployment at still above 9 percent, or at 9 percent. We've suffered greatly as a country. It...but the good side of it, the opportunities that come from facing that kind of fiscal crisis are governmental. We need to look at better ways of...we need to reform the Commission of Industrial Relations. We need to, in my view, find more efficiencies in local government. We need to find a better tax system that reduces reliance on property tax--I mean, in my view. So these are opportunities that we have now. We probably won't ever have them again, at least in our--maybe Scott's lifetime, but...to really (laughter) and in Kate's lifetime and...but we may not ever have this opportunity again. I think it's critical that we have change and that it be responsible change and that it--that we become more transparent on the local level like I think we have on the state level. I think we do this sort of thing, we allow Douglas County and the city an opportunity...what I--I've drafted the bill to suggest that the county and the city get together and come up with a plan. It doesn't mandate merger or consolidation, but it sure does tell them we want to have a plan developed by next year. Forty percent of the population lives in Douglas County, I believe, or something close to that. We have a state interest in seeing that that area comes together and tries to find even more efficiencies. And then, secondarily, the other, last thing it does--and I'm going on--but the last thing it does is...there's--we passed a bill a few years ago--and, of course, Christy knows about it--reflecting a constitutional amendment that allows for a governmental merger in Douglas County, but it can be vetoed by those individuals who live outside of the SIDs and, obviously, outside the city and outside of the SIDs, which effectively...I'm not going to suggest it was a cynical bill, but it's close, because it--it would--it really does create a veto for any kind of meaningful merger. And so I would hope that we could at least get rid of that part of the law and then see what Douglas County and Omaha does. I think it's a great opportunity for us, as a city and a county, to do some very significant things. What I was struck by in looking at Jacksonville, Florida, and Louisville, and all these other cities is that one of the primary positive repercussions from their merger-type efforts was a significant increase in economic development. Because, essentially, there's one place to go to get--if you're coming into a county or city to do economic development, you have one entity to work with; you develop a more focused countywide economic development plan. There are many other benefits that have been--that are in these other cities. But I really think this is important stuff. I just think we have to do these

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things and we have to push the envelope and pressure each other to do better, even though I, again, I'm not condemning the work done in Douglas County or city of Omaha; I think they've met great challenges. But together, with one budget, I believe they can be more effective. [LB344]

SENATOR AVERY: Thank you. Thank you. Let me ask you, we already have a constitutional--the voters have approved a constitutional amendment that allows for city-county mergers, right? [LB344]

SENATOR ASHFORD: Yes. [LB344]

SENATOR AVERY: And in 2001 we passed enabling legislation. [LB344]

SENATOR ASHFORD: Correct. [LB344]

SENATOR AVERY: What you want to do is alter the--to revise... [LB344]

SENATOR ASHFORD: Yes. [LB344]

SENATOR AVERY: ...that enabling legislation. [LB344]

SENATOR ASHFORD: Right. [LB344]

SENATOR AVERY: Right? [LB344]

SENATOR ASHFORD: Right. [LB344]

SENATOR AVERY: And mostly you want to remove the truly rural... [LB344]

SENATOR ASHFORD: Yeah... [LB344]

SENATOR AVERY: ...vote. [LB344]

SENATOR ASHFORD: ...the rural-rural or whatever they--it's called. [LB344]

SENATOR AVERY: The rural-rural? Say that again. Rural-rural? [LB344]

SENATOR ASHFORD: I can't...(laughter). I'd have to have some sort of...no. Rural-rural-rural. [LB344]

SENATOR AVERY: Yeah. So you'd remove that--the... [LB344]

SENATOR ASHFORD: Right. [LB344]

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SENATOR AVERY: ...the truly rural... [LB344]

SENATOR ASHFORD: Vote. [LB344]

SENATOR AVERY: ...veto. [LB344]

SENATOR ASHFORD: You'd still have to have a countywide... [LB344]

SENATOR AVERY: Yeah. [LB344]

SENATOR ASHFORD: ...vote, but... [LB344]

SENATOR AVERY: But instead of a petition that would create this IPC, you would mandate that... [LB344]

SENATOR ASHFORD: Yes. [LB344]

SENATOR AVERY: ...IPC be formed, to get the discussion started. [LB344]

SENATOR ASHFORD: Well, no, I...what...yeah, I would--I would...and that's what was done in a number of other...the legislature has in many of these other states actively engaged the major urban area in their state to do--Nashville and other places: We want you to do a study, Nashville or wherever it is, because it's important to the entire state and to the economic development and the future of the state. [LB344]

SENATOR AVERY: And that is one of the examples where it worked, right? In Nashville. [LB344]

SENATOR ASHFORD: Jacksonville, Nashville, Louisville, Lexington, Indianapolis--it goes down the line. Kansas City. [LB344]

SENATOR AVERY: Senator Sullivan. [LB344]

SENATOR SULLIVAN: Thank you, Senator Avery. Couple things just to clarify in my own mind. Your legislation, really, deals just with Douglas County and Omaha. [LB344]

SENATOR ASHFORD: It's counties with a city of the metropolitan class. [LB344]

SENATOR SULLIVAN: So...and...eliminating that requirement of the truly rural vote just still applies to the counties that have a municipality... [LB344]

SENATOR ASHFORD: Correct. [LB344]

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SENATOR SULLIVAN: Okay. And then what charge does the commission have after they've completed their work, done their study? Does this legislation require... [LB344]

SENATOR ASHFORD: No... [LB344]

SENATOR SULLIVAN: ...them to do anything with it? [LB344]

SENATOR ASHFORD: ...does not. I...Senator Sullivan, I believe that if we engage...this...and the committee that I suggest we form--it could be any kind of committee--but my suggestion is that we get people who are not necessarily in the political arena, people who--other citizens involved. But if we have a citywide conversation about what kind of government we want in our city, that we're going to get some--there's--that if we make that a...it may go nowhere. But my sense is I think the city and the citizens of Omaha are ready for that kind of conversation. And that, I think, is the dynamic that will push this forward. If it doesn't, I missed my bet. But what I'm hearing out there is: We want change; we want a new way to...but you're right; there is no obligation for the--that committee to do anything other than to issue a report to the Legislature by, I think, July 1 of 2012. [LB344]

SENATOR SULLIVAN: Oh, so they do have to report... [LB344]

SENATOR ASHFORD: To us. [LB344]

SENATOR SULLIVAN: ...to--okay. Because we heard from a Douglas County board member on a previous piece of legislation, and I guess the message I heard when he was sort of asked this question of whether this sort of thing would happen... [LB344]

SENATOR ASHFORD: Well, I don't think I... [LB344]

SENATOR SULLIVAN: ...he pretty much said he wasn't--it wasn't going to happen. (Laugh) [LB344]

SENATOR ASHFORD: Well, in all due...that's the position of the county board, and I understand that, and they're my friends, and they do a good job. But they're not going to--I don't think the change...the change is going to come from the people; the change is not going to come from the elected representatives necessarily. And the reason for that is the same reason--I wouldn't like to be told what to do either--is they think they're doing an adequate job, a good job. And I think they are. My argument is, they could be better. And I think we have to show them that it can be better, by at least engaging them in this process. That's what I think. [LB344]

SENATOR SULLIVAN: Thank you. [LB344]

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SENATOR AVERY: Don't you see potential savings also, in--by--because you kept your efficiencies and you don't have duplication of effort and...? [LB344]

SENATOR ASHFORD: I think that's right. I mean, I think what's happened in the city of Omaha already, with the 9-1-1 issue and the--I think the libraries, the parks...there have been a--there have been consolidations, and they've been--they've created efficiencies. I think that's often suggested as a reason not to consolidate or merge--because they're already doing it incrementally. My view is that--I just can't even imagine anyone who would suggest that having one budget and one elected group working on the same problems is going to...it will result in many more efficiencies and many more savings. And I'm not sure we could even say what they all are, Senator Avery, I really don't, until...I--you leave it up to that group to come up with those things. I think that's what we do in the LR542 process. The LR542 process would not have worked as well if you had two houses, in my view, a bicameral legislature. I think it works because of the nature of the body we have, 49 members working on reducing the budget--or not necessarily reducing the budget but--reducing the budget and also finding--making investments that will eventually reduce the budget over time. I think that happens when you get people working on the same thing and when you have a city and the county that are essentially the same thing. With our--we're sort of the victims of our own liberal annexation laws, in the sense that we've annexed pretty much to the county line, not in all cases, certainly. And there are small communities, and those smaller communities in Douglas County can be excluded or exempted or elect to be exempted out of this. But I just think if we move forward, that we will find more savings we can't even enumerate right now. [LB344]

SENATOR AVERY: Senator Schumacher. [LB344]

SENATOR SCHUMACHER: Thank you, Senator Avery. Senator, let's pretend for a moment that we have the people and the infrastructure and the situation, and let's focus at an area 60 minutes from 16th and Farnam. Okay? Let's just draw a circle there. And let's also, in our minds, erase that anybody is holding an office there, any boundary lines. All we look at is the unity of cultural, geographic, financial, and economic forces that are there. And let's also further imagine that the world economic stage is holding a gun to our head and saying: You do this better for the lives of the people in that circle. How would we design that? [LB344]

SENATOR ASHFORD: You know, that's a great question. And the--I think the answer is that--is elusive. But I would suggest that we are not in a regional economy anymore or a national economy but we're in a--and, obviously, it's trite to say but true now--so much a global economy. The decisions that we make in our...Nebraska, I think, in the next 100 years, for our kids and our grandkids and great-grandchildren, down the line, the next 100 years, for four or five generations--their future is not going to be based upon where

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they live but what their connectors are to the rest of the world, it seems to me, both economically and on an education basis. So we want our urban center and our rural centers to interact in a much more aggressive way, through education and telecommunications and technology. So it seems to me that to get there, you have to make much more facile decisions, quicker decisions, governmentally. And I think that's part of the problem that we've had the last number of years, is we--I think we make decisions in good faith, but it's just too hard to make them, because there's just too much bureaucracy. So to be facile and to create an urban environment within 60 minutes of 16th Street--I think it ought to be one entity. And I think it ought to be one entity that is reaching out to the rest of Nebraska first of all but also reaching out to the entire world. And I don't think you need a governmental system that was started 150 years ago when we're dealing with the 21st century, where those kinds of jurisdictional boundaries are just there because of some historic fact. We have to break those apart, it seems to me, and reach out to the entire world. And I think it's done better if we have a unicameral legislature, a single city-county council and government, and the private sector that works hand-in-glove. That's what I see as the future--and a transportation system that is interconnected, that you don't have to go to two jurisdictions to develop a transportation system for the largest urban area in the state. So you have delivery of healthcare in the entire county; you have the delivery of public safety services in the entire county. Even though those are--I think those are done well, I think they could be done even better in a consolidated effort. [LB344]

SENATOR SCHUMACHER: Thank you, Senator. [LB344]

SENATOR AVERY: I don't see any more questions. [LB344]

SENATOR ASHFORD: Okay. [LB344]

SENATOR AVERY: Are you going to stay around to close? [LB344]

SENATOR ASHFORD: Sure. [LB344]

SENATOR AVERY: Okay. [LB344]

SENATOR ASHFORD: I wouldn't...after all that? (Laughter) I have some papers here. [LB344]

SENATOR AVERY: Okay. The page is over here. Proponent testimony. [LB344]

DON WESELY: Mr. Chairman, members of the Government Committee, my name is Don Wesely, W-e-s-e-l-y, registered lobbyist on behalf of the mayor's office of the city of Omaha, testifying in support of LB344. Want to commend Senator Ashford for his vision and his desire to try to improve the efficiency and effectiveness of local government. I'm

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also here to emphasize to you that there have been some functional mergers in Douglas County and the city of Omaha of late that have made progress in this area: the parks department merger; jail, which was of controversy a couple years ago; the 9-1-1 center--evidently there were several 9-1-1 centers in Douglas County, now there's one; purchasing has been functionally merged. And so there are those efforts out there under way, and the mayor wants to emphasize his willingness to talk to the county and to the city council and to others to see if there's any other progress that can be made in this area. So I'm here in support. I also have a little bit of personal experience in this area, having been mayor of Lincoln and seeing the--some of the functional mergers that have occurred there over time. And I just want to tell you one, kind of a quick, fun story. When I came into office, the new city/county building had just opened; there had been a city/county building, but they had made some changes, made a new one. And they put the sheriff's office and the police department together, and they had a front desk that was shared. And then they separated out where the sheriff and his deputies were over in one spot, the police over in another. But the front desk was the same. But when I came in I found out that they'd just opened and that they had (laugh)--we were talking about saving money--and they had a receptionist over in the sheriff's side of the window and a receptionist over in the police side of the window. So instead of having just one receptionist for anybody who came in, they didn't share. So I suggested that that seemed wasteful and that having...they were just sitting there, waiting for people to show up. Why not just have one person do that? And then one other person could be doing something constructively. And we had a discussion, and they agreed to give it a try. And by golly, it sure worked out. So it's just to point that even something as simple as that is kind of hard to do. So what you're talking about here is really difficult, to get folks who are kind of in--on their own situation to actually collocate and then cooperate and then maybe even more than that. It's a struggle, but it's a struggle worth discussing and looking at, so... [LB344]

SENATOR AVERY: Thank you. [LB344]

DON WESELY: You bet. [LB344]

SENATOR AVERY: I see that Indianapolis refers to its consolidated government as "Unigov." [LB344]

DON WESELY: Really? [LB344]

SENATOR AVERY: Yeah. [LB344]

DON WESELY: That's interesting. [LB344]

SENATOR AVERY: So "Unicam"? "Unigov"? [LB344]

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DON WESELY: (Laugh) [LB344]

SENATOR AVERY: Make sense? [LB344]

DON WESELY: Let me also--if you don't mind me mentioning, the mayor of Nashville is a good friend of mine, Bill Purcell. And the mayor of Louisville had us down to look at their municipal-county government; they'd just adopted it there not too long ago while I was mayor. And as Senator Ashford talked about, you know--what's happened there? How has it worked? And I'd also recommend looking at Lincoln and Lancaster County and some of the mergers that have occurred there. But a study like this could reveal some interesting results and information, so... [LB344]

SENATOR AVERY: Thank you. Questions from the committee? You might be the only one that got off free. [LB344]

DON WESELY: (Laugh) Thank you. [LB344]

SENATOR AVERY: Thank you. Any other proponent testimony? Okay, seeing none, we'll move to opponent testimony. Anyone oppose LB344? Good afternoon, sir. Welcome. [LB344]

TOM DOYLE: (Exhibit 2) Good afternoon, Senator Avery and members of the Government Committee. My name is Tom Doyle, spelled T-o-m D-o-y-l-e. I'm not here necessarily to oppose merger as such but to point out what I...and I commend Senator Ashford for his interest in attempting to deal with the issue of the rural-rural bloc veto. But the problem that is created by taking an approach to merge the rurals with the SID residents is probably a larger one if this would, in fact, be accomplished than the situation we have today. And this is why. At the current time, LB142, as it was written into the statutes, provides that after a merger, the SID stays separate; they don't come in. So if you put 10,000 rural voters in with about 50,000 SID residents--a ratio of at least 5 to 1--they vote as a bloc, the merger is successful, the rurals are dragged in with the group even though they probably voted no. But the SID residents and the SIDs themselves remain exempt from merger until they are annexed by the municipal-county. And that doesn't seem to be a fair way of approaching this. I offer a couple of suggestions. One would be to say, well, if the SIDs get to vote on a merger, then after the merger they come in just like everybody else. But probably that's not too desirable from the city's standpoint, because the SIDs have a debt of more than a half a billion dollars right now. One of the most recent examples of the undesirability of bringing them in at the present time is that the planning department and the planners recommended 17 areas be annexed last year. They annexed 1, because the other 16 were losers; the outgoing revenue was greater than the intake. So this doesn't seem to be the proper approach. The other approach would be to say, okay, let the SIDs stay separate; they don't have to come in; however, they don't get to vote on a merger. This--to allow them

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to vote on the merger and then not come in and on top of that the municipal-county loses the authority to levy taxes, property taxes within the SIDs, it's the reverse of what we hear so often: it's representation without taxation. So we're on the horns of a dilemma here, and I don't know what the answer is. But it certainly doesn't seem to be the merging of the rurals with the SIDs. And I guess that's why you're here. And I hope that I've made my point clear. I could...this is not the best time in the afternoon, Friday afternoon; it's snowing outside. So I realize I better keep my remarks short if they're going to have any impact at all. [LB344]

SENATOR AVERY: Well, having your written testimony helps. [LB344]

TOM DOYLE: Yeah. And I'd be glad to stay the whole weekend if you want to talk about merger. (Laughter) [LB344]

SENATOR AVERY: We don't want to. (Laugh) [LB344]

TOM DOYLE: But, incidentally, like, you know, Dr. Marvel (phonetic), when he was teaching at UNO...I had a government class, and he said the reason that people vote for things lots of times is because it's hard to vote against nice guys. And Brad is a nice guy. I have real strong feelings about being up here, but I... [LB344]

SENATOR AVERY: (Laugh) Well, I must not be a nice guy... [LB344]

TOM DOYLE: But I was in your seat in 1983. [LB344]

SENATOR AVERY: ...because they don't have trouble voting against me. [LB344]

TOM DOYLE: And, oh, by the way, we've been talking about this issue since at least back to 1937, if you can believe Harold Andersen in a February 2007 article that he wrote on the issue of merger. And thank you for your time. If you have any questions, I'd be glad... [LB344]

SENATOR AVERY: Thank you, Mr. Doyle. [LB344]

TOM DOYLE: ...to answer them. But I hope my...oh, one other point I want to make--and I know I'm out of time: the interjurisdictional planning commission that's proposed--seven by the city, two by the county--that doesn't seem to be even odds either, and I think you ought to look at that. [LB344]

SENATOR AVERY: All right. Let's see if we have questions for you. [LB344]

TOM DOYLE: Okay. [LB344]

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SENATOR AVERY: We're worn out, sir. Thank you. [LB344]

TOM DOYLE: Well, thank you. [LB344]

SENATOR AVERY: Mr. Stilmock, how are you today? [LB344]

JERRY STILMOCK: (Exhibits 3 and 4) Very well, thank you. [LB344]

SENATOR AVERY: Welcome. [LB344]

JERRY STILMOCK: Thank you. Chairperson Avery, members of the committee, my name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my client, the Nebraska State Volunteer Firefighters Association. It is kind of tough to get up here and testify in opposition to that, to the proposal. My testimony goes to Section 2. Section 2, of course, takes out the rural-rural vote. And the constitutional amendment in 1998--since that time there were attempts to come forward with legislation, between 1998 and the successful version in 2001. In 2001 there was a great deal of effort to put together a bill that would carry out the constitutional mandate--or the constitutional authority. The rural-rural vote is critical. And by my client, we--there's really no other body to do so, but we look after the interests of the rural fire districts. And so that's what brings me to the table. The problem with deviating from LB142, the language that--the bill that was adopted in 2001...to try to cast it--the principal senators involved at that point were Senator Schimek as Chair of this committee at that time and Senator Wickersham as Chair of Revenue because of the intertwining of forming a municipal-county government and how to handle the tax basis and so forth. So those two people were strongly involved in the effort. And I'd take you to March 22 of 2001. And, page, if you would, please. I've given you a Reader's Digest of--which I thought would be helpful. And what I've done is I've tore out about seven or eight snippets of the dialogue with Senator Schimek and Senator Wickersham. And what you will see--now, the first two pages are just the snippets that I've taken out; the balance of the pages are actual floor testimony, which, obviously, is available to everybody. But my point was to go right to the heart of it. And you'll see in the snippets from Senator Wickersham and Senator Schimek how critical it was to protect all the different groups in the vote: the municipalities, how important that was; the counties, how important that was--the countywide vote, if you will; the vote of the rural people outside of the municipalities; and finally the fourth--and you'll see in Senator Wickersham and Senator Schimek. Now, whether or not...you say: Well, Jerry, that was then, and this is now. But that--those group of senators were ingrained in the process of trying to put together a mechanism, as Senator Wickersham said a couple of different times. Now I'll go to what probably is the most important vote of the group, and that's the rural-rural vote. To my knowledge--and certainly it hasn't happened--there's been no attempt to utilize the law that was created in 2001. There's been no vote, so we don't know the impact of the--this level four, the fourth category, the rural-rural vote. There was conversation in years past

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when it was just Senator Karpisek and Senator Pahls on the committee that it was actually a step beyond what the constitution mandated when the vote was taken in 1998, that the bill passed in 2001 actually put in a mandate--a requirement of vote that wasn't authorized by the vote of the people when the constitutional amendment was passed. I think that argument fails. I don't think it's successful. I think the vote, the fourth category, is so critical to what may happen. My client doesn't have any problem at all with the concept of merger; it has worked in a lot of communities for different areas. And our concern is just taking away that critical ingredient that was built into the fabric of when this piece of legislation was born. And for that reason, we oppose the measure--that part of the bill, section 2, that would take out the rural-rural vote. Thank you. [LB344]

SENATOR AVERY: Thank you, Mr. Stilmock. Questions from the committee? I don't see any. [LB344]

JERRY STILMOCK: Thank you. [LB344]

SENATOR AVERY: Thank you. Any more opposition testimony to LB344? Any neutral testimony? Then, Senator Ashford... [LB344]

SENATOR ASHFORD: I--I'll be very short. [LB344]

SENATOR AVERY: ...you are recognized to finish. [LB344]

SENATOR ASHFORD: Thank you and--members. And Tom Doyle is a legend. And if we had a...it's people like Tom Doyle that has made--have--and the people--other people that came in with Tom have made living in our area a better--a good experience. He's a great guy and a great friend. I--we just need to move forward, and we need to look at the best way to govern our urban area. And, obviously, we can discuss the issue of the volunteer firefighters, and we can--the issue of the constitutional amendment. And that's something that can be discussed. I think, at the very base level here, we need to go forward with this effort (recorder malfunction) the city and the county together and have these discussions and report to the Legislature. That's how most of these efforts got started, across the country; they have been successful. If it takes...in most cases--there may be some examples where it has been difficult. In fact, most of the examples--there's been some difficulty. And in some cases, county--portions of county government remained in effect for a number of years, like in Indianapolis, for example, with Unigov. So it's--it is possible to find solutions to address Jerry's points, clearly. It's time to address significant change. And the portion of the bill dealing with the commission and how it's comprised and put together can--we can discuss. But we need to go forward with an honest effort. I think if we have a conversation in our community about how we want to be governed going into the 21st century for our kids and our grandkids, I think it will be a meaningful discussion; it'll make a big difference; and it'll

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break down barriers, at least during that process. And I have all the confidence in the world in my neighbors in Omaha and Douglas County that we'll come up with some solutions that will be meaningful. Thanks, Mr. Chair. [LB344]

SENATOR AVERY: Thank you. You probably don't know this because you just came in for your bill, but we have heard two bold ideas today. And this is the third one. So this... [LB344]

SENATOR ASHFORD: Wow. [LB344]

SENATOR AVERY: ...I call this Reinventing Government Day. [LB344]

SENATOR ASHFORD: Was it the boldest or...? [LB344]

SENATOR AVERY: (Laugh) [LB344]

SENATOR ASHFORD: It doesn't have to be the boldest. I could be third or--third-boldest. [LB344]

SENATOR AVERY: Well, I think maybe Senator Pahls takes the prize for boldest. [LB344]

SENATOR ASHFORD: Oh, you're...thanks, Senator. [LB344]

SENATOR AVERY: Thank you. That ends the hearing on LB344 and the hearings for today. Thank all of you for coming. Drive carefully. [LB344]