

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

Transportation and Telecommunications Committee
March 01, 2011

[CONFIRMATION]

The Committee on Transportation and Telecommunications met at 2:30 p.m. on Tuesday, March 1, 2011, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on Gubernatorial Appointments of Patrick Flanagan; Lance Hedquist; Daniel Hoelsing; Harold Huggenberger; Doug Kristensen; and Dan Shundoff. Senators present: Deb Fischer, Chairperson; Galen Hadley, Vice Chairperson; Kathy Campbell; Annette Dubas; Charlie Janssen; Scott Lautenbaugh; LeRoy Loudon; and Scott Price. Senators absent: None.

SENATOR FISCHER: (Recorder malfunction)...Transportation and Telecommunications Committee. My name is Deb Fischer, I'm the Chair of the committee and I'm the Senator from the 43rd District from Valentine. I'd like to introduce my committee members to you. On my far right is Senator Charlie Janssen from Fremont. Next we have Senator Scott Price from Bellevue. Next is Senator Kathy Campbell from Lincoln. The Vice Chair of the committee is Senator Galen Hadley from Kearney. On my immediate right in the vacant seat would be our committee counsel, Dusty Vaughan, he'll be right back. On my immediate left is our committee clerk, Laurie Vollertsen. Next we have Senator Annette Dubas who is from Fullerton. And on my far left is Senator LeRoy Loudon who is from Ellsworth, Nebraska. Our pages this year are Crystal Scholl from Lincoln and Kyle Johnson from Sutton, Nebraska. They've done a great job for us. We are being joined by Senator Scott Lautenbaugh who is famous, he's had pictures taken and there will be an article in the paper about him so he's been busy today and Senator Lautenbaugh is from Omaha. No comments yet?

SENATOR LAUTENBAUGH: No, you know me.

SENATOR FISCHER: Okay. Okay. We just are having confirmation hearings this afternoon. I thank you all for coming in. I always think it's important that you do come in and come before the committee and we have a chance to see you and hear from you. So with that I will open the hearing on the gubernatorial appointments for the Nebraska Information and Technology Commission. And the first gentleman up today is Patrick Flanagan. Good afternoon and welcome. [CONFIRMATION]

PATRICK FLANAGAN: Well my name is Patrick Flanagan spelled F-l-a-n-a-g-a-n, the Irish spelling. [CONFIRMATION]

SENATOR FISCHER: The correct spelling. [CONFIRMATION]

PATRICK FLANAGAN: The correct spelling, that's right. Well first of all I'd like to thank the committee for the opportunity to meet today. I was here several years ago. Secondly, I want to thank the Governor and Lieutenant Governor for their confidence in this appointment to serve a second term on the Information Technology Commission. I

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was going to read a statement, then I read something outside that said you got to have 12 copies, so I don't know if I can do that. But if you could just...if it would be okay I would just like to read something briefly about my role and what I've done and some thoughts on the commission in the state of Nebraska. [CONFIRMATION]

SENATOR FISCHER: That would be great. [CONFIRMATION]

PATRICK FLANAGAN: (Exhibit 1) It's been my privilege to have been appointed as a private sector member to the State Government Council in November 2000, and subsequent appointment as a commissioner to the Nebraska Information Technology Commission in April 2006. I have personally over 35 years of experience in the information technology field and IT management, including planning, budgeting, developing technology strategies, managing operations, implementing and managing information systems and technology. Nebraska is in the enviable position of having strong leaders who understand the role technology plays in facilitating a more efficient and cost-effective government. They have set direction and provided...promoted initiatives that are transforming access and delivery of services across the spectrum of the agencies. As a member of the NITC, I have witnessed very positive change and greater collaboration among agencies to improve business efficiencies, deliver expeditious services, and to be more responsive to our citizens in business. I've been a very active proponent and supporter of both the NIT and the SGC missions. I work directly with the state Chief Information Officer and her staff on numerous activities over the past years, including helping to mature the enterprise project management processes, consultation on enterprise standards and practices; security/privacy issues, involvement and support of passage of LB823. And I think there may be some people on here I probably sent a letter to at some point: biennial planning, disaster recovery planning and corporate support for the health council initiatives. In the past year I have been directly involved in collaborative efforts between the Office of the CIO and Omaha/Douglas County in evaluating sourcing opportunities for their data center operations and in developing disaster recovery capabilities here in Lincoln. I also assisted Brenda back in June in developing a framework for evaluating the Enterprise Microsoft Cloud Services offering that they were given in June. And you may or may not be aware of that, but they actually did go forward with that, got a pretty good deal. As a citizen, I'm a strong believer in wanting our state to be among the best in delivering services and IT is a key enabler to that. From a private sector perspective, I recognize the importance of collaboration between public sector entities. I continue to serve on the State Government Council, and I'm convinced it has helped me with my role on the NITC in better understanding the issues and challenges before them. And with that I am certainly able to take questions. [CONFIRMATION]

SENATOR FISCHER: Thank you very much. Are there questions? Can you tell me what the mission statement is? [CONFIRMATION]

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PATRICK FLANAGAN: Of which...the NI... [CONFIRMATION]

SENATOR FISCHER: Of the technology council. [CONFIRMATION]

PATRICK FLANAGAN: Information Technology Council? [CONFIRMATION]

SENATOR FISCHER: Yes. [CONFIRMATION]

PATRICK FLANAGAN: Well I can't pronounce...I don't know that I could give it to you word for word. [CONFIRMATION]

SENATOR FISCHER: It's not a quiz. [CONFIRMATION]

PATRICK FLANAGAN: But I believe in a general sense the idea is to really promote collaboration...several things, promote collaboration among the agencies. I can tell you from my own experience, eight years ago, whenever I started, we had disparate islands of technology, disparate operations. I think this was...the mission of the NITC was to help promote both collaboration among agencies, in addition to looking for smarter ways to deliver services to the citizens and to the business. I think that...in a nutshell. Now there are some other things in there I'm sure, but I think in a nutshell that's really what that boils down to. [CONFIRMATION]

SENATOR FISCHER: You know, Ms. Decker comes every year and gives us a report and I've been very impressed with her reports on the improvements that we're seeing within the state and the different agencies. Do you have any, maybe specific, examples of how we're seeing some improvement between agencies? [CONFIRMATION]

PATRICK FLANAGAN: Well I think the most recent example...well I mentioned back in June Brenda was approached with an opportunity to really implement an enterprise management in this...there's different aspects to it, but one of them was let's consolidate into one e-mail system. I mean that's a perfect example. And I can tell you from my own experience in the private world that she got a pretty good deal when you looked at it on a cost-per-seat basis, probably, I'm guessing 30 percent to 40 percent under what somebody in the private sector would pay for a similar type of an arrangement. But it's a great example of a...in fact, I can remember over the years the efforts just to get internally within the state to a singular system and the pain, the culture and the pain that was involved in kind of pulling that all together and that wasn't done in a month. I mean, that took a while. And here was the most logical next step so when that opportunity offered itself, the big issue was to really get the...get the agencies, which our people did a great job of, is here's why we ought to do this. And by the way, you're going to be able to do things you couldn't possibly do. I mean, you people deal with...have no money, so how are we going to do this? I think it was a great example of working together for the greater good of not only themselves, because there's some productivity issues they got

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out it, but also to do a far better job of more effectively seeing that our dollars are wisely spent. I don't know if that answers the question, but I hope it does. [CONFIRMATION]

SENATOR FISCHER: Yes, thank you. Other questions? Senator Price.
[CONFIRMATION]

SENATOR PRICE: Thank you, Senator Fischer. Thank you, Mr. Flanagan, for stepping up to this daunting task. The question I have, you kind of touched on it. When we talk about enterprise licensure, things like that, when you're looking at the enterprise, so to speak, do you see where the NITC is able to roll some of those benefits down to the political subdivisions? I mean, we're taking care of the state, we got the nice state thing, but we have a lot of fiefdoms and we have all this, as you said, disparate pools of IT. And I see in other committees where we don't see other bills to help a major metropolitan area. And my idea was, well, then why don't you roll your stuff down to our other communities? But when you do it, roll an enterprise license down, so we're not doing C licensures so we get on one common level platform, you know, across the state, because statewide is one thing. But I think we'd find more transactions when we look down in the political subdivisions. [CONFIRMATION]

PATRICK FLANAGAN: I don't disagree. [CONFIRMATION]

SENATOR PRICE: Okay. But is that what you're doing, that part of the mission that you get, or can you only stay at the state level? [CONFIRMATION]

PATRICK FLANAGAN: Well I think it's primarily at a state level. It doesn't mean that I don't think there shouldn't be more collaboration at cities, I mean if you take it all the way down. That would make perfect sense; I don't know what all the bottlenecks or obstacles or legal or whatever. I'm sure there are some. I see...I think one of the things that has transpired in the last seven, eight years, and I think Brenda has done a very good job of this, by the way, her and her staff, is to get people to ask the simple question. If something comes up...the State Government Council has an opportunity to catch some of these things as they come out of the woodwork and to say...and be able to challenge it and say, wait a minute, why are you going...you know, imaging might be a good example, well, I want to go do this image thing and somebody else wants to go do that, and it's really the opportunity to kind of get that on the table at least at that level and say why don't we share this. Now, it's really interesting. Today's meeting something came up and I asked Brenda about this: We have a geospatial thing we've done that there's an address...a street address thing that somebody went off and developed and kind of cleaned it up. Now this is a good thing, but what's sort of ironic as a citizen looking into this is, okay, this is going to sit and wallow unless somebody takes this and says, you know, let's have a source, you talked about cities, this would be a perfect example of, why don't we have one source of this information that everybody, including those cities, could use and feed and keep it maintained. And it would be much more

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effective or more...a single undeniable source of accuracy that a whole bunch of people could use. Those would be a good example to me of where you try to get the whole thing, the whole enchilada so to speak, get the whole thing to operate together more effectively. But, you know, I'm sure there's a lot more to that story than I know. There are going to be limits to what the breadth of scope is going to be. [CONFIRMATION]

SENATOR PRICE: Well thank you, sir. [CONFIRMATION]

PATRICK FLANAGAN: Yeah. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Price. Other questions? Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Fischer. Mr. Flanagan, has the state done a good job of taking the advice of you, the citizens that come in and say try this, do that? Do you think that's working well or are we listening enough? [CONFIRMATION]

PATRICK FLANAGAN: And I'll go back to my experience on the Government Council, yes, I think that's an evolutionary thing. You mentioned fiefdoms. There's...to say there isn't still some of that going on would be naive. However, when I first became involved working on the Government Council, you basically had 23, or whatever the number was, the number of agencies, you had 23 different people that were doing their own thing. So I believe that it's come a long ways. I think a lot of things have been in place, been put in place to get people to kind of look at it from we're all rowing the same boat, you know. We're all in this together. And if we work together, we can more efficiently do things. And it doesn't make sense for me to, you know, for this agency to go do this and that one does this. I mean, I think that culture has changed dramatically. There's other things that have caused that. In fact, probably one of the biggest issues most companies deal with, private businesses have to deal with, is all the privacy, security, all the compliance kinds of things that literally force some of that kind of a conversation. And that's bad in some respects because it costs money to comply, but it's good in other respects in getting people to think outside the box and to think of that differently. And I believe that, you know, Brenda has administer...we put administrators into the mix where they have, you know, different like...people like Anne Byers, Tom Rolfes, Rick Becker, people like that who have a...are able to focus on a specific area of things and can bring and help bring and pull out and get on the table some of those kinds of collaboration issues. And those are very positive things. I think we've come a long ways. I mean, nobody is perfect, I get that, but I think this state has done a very good job and had very strong leadership that has helped that. I think the Governor...well, one of the biggest changes I've seen when Lieutenant Governor, I can remember the first meeting he went to and it was pretty obvious to me that, you know, he was an emergency services guy, not an IT guy. Well that's not true today, I mean he's come a long ways and he's got...he gets it and he understands the bigger picture issues. And that support, I think, the Governor

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and I think those have just been tremendous in moving this ball forward. I really believe that leadership has helped. [CONFIRMATION]

SENATOR CAMPBELL: Thank you very much. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Campbell. Hopefully we'll have that go-to-guy on this committee now, too, with Senator Hadley being the representative of the committee on the commission. [CONFIRMATION]

PATRICK FLANAGAN: I had the privilege of meeting him this morning, so I was waiting for the question (laugh). [CONFIRMATION]

SENATOR FISCHER: Other questions? I see none. Thank you so much for coming in today. [CONFIRMATION]

PATRICK FLANAGAN: Thank you for having me. I appreciate that. [CONFIRMATION]

SENATOR FISCHER: Is there anyone wishing to speak in support of the nomination? Anyone opposed? Anyone in a neutral capacity? I see none. With that I will close the hearing on Patrick Flanagan and open the hearing for Lance Hedquist. Good afternoon. [CONFIRMATION]

LANCE HEDQUIST: (Exhibit 2) Good afternoon. Thank you, Senator Fischer, and members of the committee. My name is Lance Hedquist. I'm the city administrator of the city of South Sioux City, a position I've held for the last 30 years. I think if you know our city, I think that we're well-known for our economic development activities, our intergovernmental activities that we have within the city, and our technology activities that have occurred within our community. We see the...technology is a very good asset for us as we look to drawing new industries and helping existing people in our community have good-paying jobs within the state. We have a strong history in terms of intergovernmental activities. We have the oldest joint city/school/county meeting in the nation where people are working together to use the talents of our employees and the scarce tax resources that we have. And I think that's a good asset for the NITC of having people working together, crossing some boundaries, and doing what's right for the state of Nebraska and what's right for the citizens of our community. And the third area in terms of technology, the city has been fortunate, they won three national awards for technology innovation. We have a fiberoptic network within the city. We have extremely good security system that people, even from outside of the country, come in to see our operations, what we can do with our camera system. We have over 300 cameras within our city that any police officer can pan, tilt, and zoom from any place that he's driving around our community. Our school is a great asset; they're a joint owner of our fiberoptic network within our area. And we have...we are the first paperless city council in the state of Nebraska. We're the first paperless school in the state of

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Nebraska. And so I think that we can bring some new ideas and work together with other governmental bodies to improve our state and improve our economy.
[CONFIRMATION]

SENATOR FISCHER: Thank you, Mr. Hedquist. Always good to see you come down from South Sioux and before a number of committees. [CONFIRMATION]

LANCE HEDQUIST: Thank you. [CONFIRMATION]

SENATOR FISCHER: Are there any questions? Senator Janssen. [CONFIRMATION]

SENATOR JANSSEN: Thank you, Chairman Fischer. Mr. Hedquist, always nice to see you. [CONFIRMATION]

LANCE HEDQUIST: Thank you. [CONFIRMATION]

SENATOR JANSSEN: First off, something for the record; today is Chairman Fischer's birthday so I wanted to get that on the record and she falls somewhere between Senator Loudon and myself on the age spectrum. You can decide that for yourself. I just...having...I think I've said this before, but having visited South Sioux City and your telecommunications, your systems up there were state of the art at the time I visited, and so I think it's very appropriate you're on this board. So more of just a comment.
[CONFIRMATION]

LANCE HEDQUIST: Thank you. [CONFIRMATION]

SENATOR JANSSEN: And I always like to point out that you're still alive and there's a building named after you in South Sioux City. So congratulations on both.
[CONFIRMATION]

LANCE HEDQUIST: Thank you on that. Thank you. [CONFIRMATION]

SENATOR FISCHER: Other questions? Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you very much for your service. And what two issues would come to mind that you think are in the next five years that we need to...that your committee and commission is going to need to really take a look at? [CONFIRMATION]

LANCE HEDQUIST: Well I think you've seen that what's happened is you're getting a lot of the state agencies that are knowing that they need to work together and that can actually save money and provide better services by working together, like the student admission programs that are on one equal platform across the state. And we're finding that in the past that the state has had numerous agencies that are doing mapping, for

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instance, and they don't necessarily know that the Department of Roads is doing something different than Department of Natural Resources. Now people are talking. So I see that you're going to see more cooperation among the state agencies. I think you're going to see better provision of services. I also think you're going to see more local government involvement in some of the rewards of working together. I think that is going to grow. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, sir. [CONFIRMATION]

LANCE HEDQUIST: Thank you. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Campbell. Senator Hadley.
[CONFIRMATION]

SENATOR HADLEY: Senator Fischer, thank you. Mr. Hedquist, to follow up on your last comment, how...is there things that the state can be doing to help the cities and counties and other local subdivisions when it comes to IT areas? Is there more we can be doing or what, you know, what should we be doing to help, especially sometimes some of the smaller communities that we have across the state of Nebraska?
[CONFIRMATION]

LANCE HEDQUIST: Yes, there's lots of things that the state can do, and I think they've done a very good job so far in terms of like standardization of some equipment that you can buy; standardization of programs; so that the different cities' programs can talk to each other and work together so we don't have all sorts of different systems happening at a local level. I think that's going to continue to grow overall. I think the Internet backbone that you have across the state has saved state agencies significant money, local groups significant money. And I think that could help local governments also save significant money by tying into those kinds of systems. Technology is clearly going to be a...continue to be a major issue for economic development in areas in data centers and things that are taking place across the state. So I think that you'll see much more involvement with the cities in the products that NITC provide. [CONFIRMATION]

SENATOR HADLEY: And I have just one more yes or no question. You do have University of South Dakota connection, is that correct? Yes or no. (Laughter)
[CONFIRMATION]

LANCE HEDQUIST: Well. Yes, yeah, yes. (Laughter.) [CONFIRMATION]

SENATOR HADLEY: Okay. I was just making a point that I'm going to follow up on later.
[CONFIRMATION]

LANCE HEDQUIST: And I did want the record to note that I didn't get involved in age

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issue. (Laughter) I did pass that one. [CONFIRMATION]

SENATOR FISCHER: That's good. Other questions? I see none. Thank you very much for coming in today. [CONFIRMATION]

LANCE HEDQUIST: Thank you, Senator. [CONFIRMATION]

SENATOR FISCHER: Is there anyone here to speak in support of the nomination? Any opponent to the nomination? Anyone wishing to speak in the neutral capacity? I see none. With that I will close the hearing for Lance Hedquist; open the hearing for Daniel Hoelsing. And I know I mispronounced your name so you please correct me. [CONFIRMATION]

DANIEL HOESING: Good afternoon, Senator. Happy birthday, I guess. [CONFIRMATION]

SENATOR FISCHER: Oh, thank you. [CONFIRMATION]

DANIEL HOESING: (Exhibit 3) And thank you to the committee for listening this afternoon. My name is Dan Hoelsing. It's interesting to watch how it is spelled on the bathroom walls in school sometimes because, you know, at least if they spell it right they know who I am. I'm thrilled to be here today for a second term. I have a passion for, not just education, but how we can make education exciting for kids. Prior to being superintendent in Alliance, I was...I spent the last 14 years at Laurel-Concord Public Schools and I was superintendent in four school districts, at that time: Coleridge, Wynot, New Castle, and Coleridge and it was at that time that I became involved with...heavily involved with distance education technology and the use of trying to make classrooms more interactive. At the same time I was looking at how do we educate our kids differently because the world was changing. And I did get my doctorate from the University of South Dakota. [CONFIRMATION]

SENATOR HADLEY: I was going to ask him later whether... [CONFIRMATION]

DANIEL HOESING: I know, so I just got you off the hook. But I did my studies there looking at e-Learning and looking at the impact in the state of South Dakota and on their kids, looked at a preferred way to learn, and looked at the quality of our schools being dependent on the quality of the adults, the parents in the home, and the teachers and the connections that were made between the two. During the 14 years that I was at Laurel-Concord, while we brought four schools together, we started distance education courses and started bringing greater opportunities to more kids. We quit duplicating services and offered a curriculum second only to the Class A schools in northeast Nebraska. Our kids left with almost a year of college completed. And at that time I told our principals one of us needs to go to western Nebraska. Well, consolidation was not

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considered in our part of the state merely because of trying to keep schools in home communities, consolidations is not available to the western part of the state. Our kids traveled 60 miles one way to school and to try to consolidate farther didn't make sense. And so we looked at how do we connect kids and how do we connect teachers and how do we connect homes and technology seemed to make the greatest influence. From LB1208 we looked at aggregating services and getting our costs down. At the time that we had a study committee put together, we were asking the Legislature for \$30 million to upgrade our distance learning rooms. And one of the things that we...Senator Raikes made very clear to us was no new money. Do with it with the money you already have. And so the lottery funds and to be able to partition off a part of the state aid formula helped us make sure that we could put monies away for support of technology in the state, thus Network Nebraska became a reality for us and brought equity to schools. Today our kids have access not only to school...to classes taught within our buildings, but also on the outside. In the four schools that I left, we are teaching over 100 classes a day over distance to over 1,000 to 1,200 students a day. In western Nebraska now we're just opening up a new frontier; we just got Network Nebraska out there and so little did I think I was going to be the person that went west and trying to explain to my wife that we're the ones going west to try to open this door. It's really been truly a blessing because I've been exposed to a whole different culture, a whole different world out there. I work with migrant kids and I work with kids who aren't in school. There's a home school population that I wasn't exposed to before that now connect with us. And so through technology we've been able to build a lot of bridges with kids who are not only a few miles away, but a country away. So our kids who go back to Mexico take our technology back and they stay connected with us. And it's tremendous what we're seeing in the first year. And so I do have a passion for what's happening. I have a passion for equity that our kids get equal access to educational opportunities, that our parents have access, and that we partner with our business community with help and other school districts, K-12 and postsecondary, to bring the best things to our kids. I'm thrilled about the opportunities that are coming. I look at the shortfall in the state as an opportunity for us to make some change that we know needs to happen, but we don't have the courage or the political wherewithal to do. And so while having money is nice, I'm also at that challenge of saying, okay, we have an opportunity to make things better. And what are we going to do with that opportunity? So with that I come; I have enjoyed my last four years on the board. I've watched some great things happen across the state, not only in education, but to bring more vibrancy to our community. So thank you for this opportunity. [CONFIRMATION]

SENATOR FISCHER: Thank you, Doctor Hoelsing. Are there questions? Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Fischer. Doctor Hoelsing, with your background and experience, if you wouldn't mind giving a comment on the Governor's initiative on a virtual high school? We started talking about that, your thoughts?

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[CONFIRMATION]

DANIEL HOESING: I think a virtual high school in the state of Nebraska is already in place, first of all, because it is a K-12 initiative, not to be...not supported by outside agencies, whether they're private suppliers of virtual school courses. We've got the Lincoln Academy here in town, it's newly accredited high school. We've got the virtual high school from the University of Nebraska campus, but that virtual high school could be a building that we walk in on the Internet and you get a choice of the kinds of opportunities that your kids will be able to have access to. If it's an Alliance course, I should have in there what (inaudible) of the platform for my course, what do I guarantee, how do I align with standards and so on. And that virtual high school can be more than one entity supplying it. Right now with the money that is in education, I guess I would take Senator Raikes' stance and say no new money; no new money for a virtual high school. He told us that when we went for upgrading our technology in our classrooms. I think he pushed us into making a great system where we may not have. If we would have gotten the money, I'm not sure we would have ended up with the result that we have. Am I in support of virtual? Yeah, because I think virtual brings more access to our kids. Am I in support of spending more money on a virtual high school? I can't say that that would be something that I would support. I can't see taking away from the systems that we have to create something new. I think we can create better.

[CONFIRMATION]

SENATOR CAMPBELL: Thank you very much. [CONFIRMATION]

SENATOR FISCHER: Senator Dubas. [CONFIRMATION]

SENATOR DUBAS: Thank you, Senator Fischer. Thank you very much, Doctor Hoelsing, I'm very impressed with the work that you've done and so appreciative of your recognition of the uniqueness of rural Nebraska, but yet the needs are still very much the same, every child's basic needs for education and how you've embraced the technology. I've always felt technology is the answer to keeping our schools vibrant and keeping our kids in those buildings, in those communities. So I'm just so very appreciative of the work that you've done. And I'd like to kind of pick up where Senator Campbell left off. As far as...there are some really good things going on as far as virtual schools, virtual courses. How could you see those...how could you see what we already have in place without new money--I appreciate your perspective that way too--how could we build on what's already going in...how can we build on what's already in place, is what I'm trying to say? [CONFIRMATION]

DANIEL HOESING: Of the schools in the state, we have 230 that are connected. We know that the preferred way for students to learn is in a blended setting; whether it's with a teacher in a classroom augmented by interactive technology or my coursework is on a computer or whether it's hands-on work, we've known that forever. And what I see

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is this, the systems that are already out there, we have, I think, 350 courses that we're currently offering today. But I think as we...when we started this thing, we said there has to be a sender and a receiver. I mean, I can want to send as many classes as I want to send, but I've got to have somebody on the other end. In western Nebraska, the person on the other end right now are my home schools. They're the ones starving for classes. They want a blended setting where their kids can interact in a highly interactive setting, but yet still to be able to protect some of their interest for home school. I've got migrant kids that go back to Mexico and we sent technology with them this year. They could hook up and they would see our classrooms and talk to our kids; the first place in the state, from what we know, the first place in the country that's doing this with individual kids. And it's a tremendous for us to be able to do that. So when we think about distance ed and about virtual schools, our kids in Alliance have been on the space station. They've been on the space station, they've talked to Astronaut Anderson from Ashland when he was there because they could two-way interact. And so we connected into Houston, they got us to the space station, and our kids got an unbelievable interaction. And so our virtual schools are more than just classroom to classroom. They're individuals; they're with a teacher in the classroom going out to get new resources from Henry Doorly Zoo. They're looking at applying world languages where they can go see a culture, not just a language, but to see and appreciate how people live in a different world than we do. And so my answer to you is basically any place where education is happening, we can connect for a short period of time. The grant that we just wrote is to...we always talk about making postsecondary opportunities available to our high school kids. Okay? And I say why not make high school opportunities available to middle school kids? So the grant that we just proposed and just put in was for extending the school year, extending the school day. We have working parents who don't get off work the same time our kids get off, and we want a different school where our eighth graders can go into high school with their freshman year done. And we can look at how do we get our kids enrolled in college at a higher level so that they can...they walk away from us because a high school diploma guarantees you nothing. And we want our kids to be able to pass those first college classes and get their feet under them and to be able to pursue an associate's degree or a higher skilled job. And it's going to be required in the future that they have a skill besides a high school diploma. And so that is...I guess that's how I would answer you is that there's so much flexibility in virtual schools and the opportunities that we already have if we can expand that. And I believe the independent study high school...right now we have an alternative school and all of our classes come out of the independent study high school done with tutors in that building and we had a dropout rate of 40 kids a year. We have zero. We had a graduation rate in the low 90s and we had 100 percent. And so it does make a difference and I do believe because we gave kids classes how they wanted them and when they wanted them. And they come at night and they come on weekends and we can't get them out the door when we couldn't get them there in the first place. But they see themselves as being successful and that's what the virtual school does is it allows us to be able to allow kids to be more successful. [CONFIRMATION]

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SENATOR DUBAS: Again, thank you so much for your efforts. I'm very encouraged to have you be a part of this commission and bring the successes that you have been a part of to this commission. I just...these are the types of things that the general public doesn't get to hear about or be aware of and it's just so important that we as policymakers are aware of it. So I just can't thank you enough for your efforts.
[CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Dubas. Other questions? Senator Hadley.
[CONFIRMATION]

SENATOR HADLEY: Senator Fischer, just one point that Doctor Hoelsing was not only smart enough to go to the University of South Dakota, but he also went to Kearney State College so thank you for your excellent choices in education. (Laughter)
[CONFIRMATION]

SENATOR FISCHER: You know, Doctor Hoelsing, I think you're just going to breeze through this. You're doing well. Other questions? I see none. Thank you very much for coming in today. Thank you for your work. [CONFIRMATION]

DANIEL HOESING: Thank you. [CONFIRMATION]

SENATOR FISCHER: Anyone here to speak in favor of the appointment? Anyone in opposition? Anyone in a neutral capacity? I see none. With that I will close the hearing for Daniel Hoelsing and open it for Harold Huggenberger. I thought this was Mike, but...
[CONFIRMATION]

H. MICHAEL HUGGENBERGER: Well thank you, Senator. Yes, it is. [CONFIRMATION]

SENATOR FISCHER: Good afternoon, Mike, nice to see you. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: (Exhibit 4) My name is Harold Michael Huggenberger. I usually go by Mike, the only one that typically calls me Harold is the IRS. I'm very happy to be here today. I almost wasn't here. Last spring, like Pat Flanagan, I was appointed in April of '06 from the private sector. And when my term came up for renewal, I was a little hesitant, and I actually told Lieutenant Governor I wasn't sure I wanted to continue on the council. Well, in his usual direct manner he immediately called our...my CEO of our company and between the two of them they convinced me it was in my continuing best interest to reapply for appointment to the NITC. So here I am today. I also like to make note that Commissioner Hedquist and I have known each other since we were in the seventh grade and we graduated from high school together. So I have a long tie back to South Sioux City, and he has truly transformed that city, as you know, and his leadership there has been so valuable to that town. Counting a

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couple of years when I was in school at the University of South Dakota, Senator, where I got my undergraduate degree, I've been in IT for 40-plus years now. And I...over the bulk of that time I worked for three Fortune 500 companies in Omaha: Mutual of Omaha, ConAgra, and US West. And the observation I have of the NITC of individuals like Brenda and Walter Weir and Lieutenant Governor is that the leadership that they provide both from a technical and a management perspective is second to none in terms of any that I ever saw in those Fortune 500 companies. So I think that's a point worth making about; the role that they perform in that committee. And over the years what I...or the time that I have been on the council, is what I've seen is that in project management or any management of big projects you bring in the two, three variables: the business aspect, the organizational, and the technical aspect. And time after time after time I see Walter and Brenda and their upper level staff bring those items in front of the technology commission. And I feel like they always do such a wonderful and thorough job of addressing all three aspects of the (inaudible) projects that they're overseeing as part of their responsibilities. In terms of where I see the needs of the state, and it's been touched upon here a few times, is the innerconnectivity and the common platforms that need to be put in place as a matter of philosophy, if you will, if somebody in IT can have a philosophy. I'm a major proponent of standardization and centralization because I think the efficiencies of scale that come about with the organizations that both Walter and Brenda oversee is tremendous and with always limited funds, that's the direction that we need to go. But with the networks that have to be in place and the platforms to deliver the content, as Doctor Hoelsing touched upon, I think that, in my mind, is the future of rural Nebraska. You may have heard the comments about content being king and the ability to deliver that content is just right behind that. And there is so much going on within companies like mine and many others within the state, that we're doing everything we possibly can to afford the network capabilities that the educators and the government entities that will need to run their businesses, their part of the business in the most efficient manner possible. So I think also when you look at some things that I see, we have in Verdigre, Nebraska, we have an engineer who works for Boeing out of Seattle. Another town up in that part of the state, the name escapes me, we have some IT people that work for banks out of Minneapolis. There's a customer we have in Tryon, Nebraska, that does medical encryption from her home because she has high-speed Internet access capabilities. But I think the future of economic development in Nebraska, and this is probably not any big secret to anybody in this room, but it's the railroad, it's electricity, it's telephone, and now today it's the Internet. And however that's going to come about either through federal or private, you know, funding, if we're going to continue to grow our rural...the rural aspects of our state first and foremost, second only to roads, Senator Fischer, we need to have that networking capability into those towns. That's all I have to say. [CONFIRMATION]

SENATOR FISCHER: Thank you. I would say equal to roads. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Yeah. Just a real quick comment. We've done some

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surveys, and I mentioned this to some of the other commissioners today, that it's becoming more and more prevalent that if customers had to choose between Internet, cable TV or satellite TV, telephone or radio that Internet would probably be their number one choice in today's world. And I see that holding true, it doesn't matter whether you live in Vanango, Nebraska, or Winnetoon, Nebraska, that the people expect to have what their...people in metropolitan areas like Omaha and Lincoln and others have in terms of the Internet. And they're very vocal about that. [CONFIRMATION]

SENATOR FISCHER: Thank you very much. Are there questions? Senator Price. [CONFIRMATION]

SENATOR PRICE: Senator Fischer, thank you. Thank you, sir, for your willingness to...well, at least your appearance to come back again. My question, notwithstanding what the CIO, Ms. Decker, does, and you talked about and you touched on program management philosophies, and my question is do you see that the state is maintaining a program management and when they're doing requirement generation for projects that they're getting those validated requirements solidified in their RFPs and not having too much requirements creep, scope creep in their projects? [CONFIRMATION]

H. MICHAEL HUGGENBERGER: I've seen some of the RFPs that have been issued by the state, and I would say that that does hold true, that they're very directly stated and the scope is clearly defined. Now a lot of the projects that we see them managing, we're not involved with that part of it when they're presented to us for issues for discussion of things like funding and priorities and that sort of thing. But from what I've seen, and I've looked at, oh, as part of my job, maybe a half a dozen RFPs over the last three or four years and I think that that does hold true. [CONFIRMATION]

SENATOR PRICE: Do you get into that RFP process before it's let or after it's let? [CONFIRMATION]

H. MICHAEL HUGGENBERGER: After. [CONFIRMATION]

SENATOR PRICE: All right. Thank you so much. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Yeah, it would be looking at it from the private sector, meaning our company might be interested... [CONFIRMATION]

SENATOR PRICE: A bidding (inaudible), okay. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: ...in responding to a state-issued RFP whether it be networks or some other related type of IT endeavor. [CONFIRMATION]

SENATOR PRICE: All right. Thank you. [CONFIRMATION]

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SENATOR FISCHER: Thank you, Senator Price. Other questions? Senator Lautenbaugh. [CONFIRMATION]

SENATOR LAUTENBAUGH: Thank you, Chairman Fischer. And I really don't have a question today, sir. It's good to see you again and since you're from God's country as all my colleagues refer to District 18; just wanted to welcome you and thank you for serving. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Well thank you. It's good to see you. [CONFIRMATION]

SENATOR FISCHER: Other questions? I didn't ask Doctor Hoelsing this, but when he was talking about distance education and virtual high school, which I was so glad that Senator Campbell and Senator Dubas talked about that because we'll be looking at that in a few weeks, but how do we pay for that? And the reason I didn't ask Doctor Hoelsing, it sounded like through grants possibly. How are we going to pay though for distance education to reach our schools? And you're in the business of getting those lines in, and there's not too many of us out there in rural Nebraska. So if we want to keep growing this state, as you said, railroads, electricity, telephones, and now Internet, what kind of investment do we have to make? Because I don't know if I agree with Doctor Hoelsing that the state shouldn't be putting anything forward if we...how...I know how you're going to pay for it,... [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Are you referencing funding? [CONFIRMATION]

SENATOR FISCHER: ...but tell us how you're going to pay for it. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Well, for the particulars of connecting people in town, today's world when we look at it, I think we have maybe another five years or ten years of life out of those networks and they're copper-based, they're decades old, you know. [CONFIRMATION]

SENATOR FISCHER: Now when you say in town, what size cities, any size city in the state? [CONFIRMATION]

H. MICHAEL HUGGENBERGER: The typical, what I call rural Nebraska town that you can drive through in two minutes. [CONFIRMATION]

SENATOR FISCHER: Okay. [CONFIRMATION]

H. MICHAEL HUGGENBERGER: All right? And that infrastructure is very aging. And I'll just take off on a little tangent here. When I started with Great Plains in 2000, we were a

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dialup Internet provider and today we offer broadband services. Our standard offering is five megabytes per second and we can go as high as ten. So when you take dial versus five, that's a 20-fold increase in ten years. And you've heard, you know, President Obama, 100Mg to a hundred million homes and if you look at the network growth paths that we have seen in the past...in the past, I mean you go back 10, 20, 30 years, it's just...it's just straight-line growth upwards and so I don't think 100Mg is unreasonable. And we're already at tens of megs of services today. So how are you going to do that? You're not going to do it over copper. You're going to have to do it over fiber. Fiber, in and of itself isn't expensive, but putting it in the ground is. So the funding for that is going to have to come from probably three sources; one of them being companies like ours where we're willing to spend the money on it with an expected rate of return which gets into regulatory issues. Some of it's going to have to be from those entities that are requesting it. We've done partnerships with private enterprise where they've agreed to pay for fiber builds to certain of their locations. And the other piece is going to have to come from some kind of national broadband plan. You know I hate to throw it back on the feds, but again, with railroads and electricity and telephone, I think there's going to have to be some degree of regulatory reform where some of that money is going to have to come back from others of the haves, if you will, so the so called have-nots can have the type of networks they're going have to...they will need to do things like distance learning and transact business commerce and so on. [CONFIRMATION]

SENATOR FISCHER: Do you think that's even feasible in the society we live in today with the vast majority of the population living in more urban areas and even those areas consider all of Nebraska very rural? [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Yeah. The definition of rural in Washington is a city of 10,000 that's ten miles outside of the metro... [CONFIRMATION]

SENATOR FISCHER: So will Nebraska as a whole get anything, let alone rural Nebraska? [CONFIRMATION]

H. MICHAEL HUGGENBERGER: Right, yeah, right. From everything I see in here, and I have the great privilege of working with an individual who probably knows all the FCC commissioners on a first name basis, he works very hard to convince them that the future of America does lie in places like Cherry County, Nebraska, and, you know, southwest Nebraska; Perkins and Chase County and those areas. It's not necessarily in Chicago, Illinois. And I think he's making headway and I hope that this year we'll see some communications out of the FCC that's going to indicate that, that they recognize that fact. [CONFIRMATION]

SENATOR FISCHER: Good. Thank you. Other questions? I see none. Thanks for coming in today. Good to see you. [CONFIRMATION]

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H. MICHAEL HUGGENBERGER: Okay. Thank you, Senator. [CONFIRMATION]

SENATOR FISCHER: Anyone wishing to speak in support of the nomination? Anyone in opposition? Anyone in a neutral capacity? I see none. With that I will close the hearing for Mr. Huggenberger, open the hearing for Doug Kristensen. Good afternoon, Chancellor. I don't know if I call you Chancellor or Mr. Speaker or Senator or I think in this setting, in your old hearing room, it should be Chairman, but we do welcome you back to your committee hearing room. [CONFIRMATION]

DOUG KRISTENSEN: (Exhibit 5) Thank you, Senator Fischer, and members of the committee. For the record my name is Doug Kristensen, K-r-i-s-t-e-n-s-e-n, spelled correctly. Senator Fischer, directly, Doug is really what I'm more comfortable with. Thank you. It's a pleasure to be here this afternoon asking for your approval to serve on the NITC Board. This is a reappointment for me. I must tell you that I consider this a great honor and part of public service. The commissioners that I serve with are very, very good. I enjoy...you've seen them this afternoon, a good taste of them; they have a broad view of the state of Nebraska. They bring with them many pieces of expertise. The Information Office in this state is of high quality. I enjoy going to the meetings because it's one of the few meetings I go to where people don't sit around and look in the past. It's a very forward-looking committee and it's fun to serve on that committee because they're looking about what we could do, what the future might look like. And sure there are all sorts of priority issues, but it's one of the few committees I've ever served on that really have a forward-looking view and that's invigorating. And I look forward and would hope that I would have the opportunity to serve on that committee again. I'm not aware of any conflicts that I may have to serve. My qualifications are fairly meager. I thought my only good qualification is I don't have a degree from the South Dakota institution. (Laughter) But maybe that isn't one of my highlights this afternoon. I've been at the University of Nebraska-Kearney for the last nine years; enjoy that job and consider that to be an honor to serve there as well. But clearly in terms of my representational role on that board is from the higher education point of view. Most recently the implementation of a new student information system in this state, a huge cost, a huge risk, and I'm really proud of the way the state of Nebraska approached that. What could have happened is you have four institutions in the university system and our three state colleges all three...or all seven could have gone out and bought their own system, each come to a different committee and said this is what we need, you would have heard seven different presentations, we probably would have gotten seven different versions. We would have probably tripled or quadrupled the cost through the NITC Board. Those seven campuses were brought together and said, I think correctly, you're going to do this together and you're going to figure out how to do that. And I got to tell you it's been successfully implemented. Now it doesn't mean that all of the bugs are out of it, but that did not happen in many states. And I think it's due to the structure that this Legislature has set up where these major expenditures are brought to a central location, evaluated, coordinated, and funded in a proper way. And I think that's really a

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highlight, at least of my service in the last four years. [CONFIRMATION]

SENATOR FISCHER: Thank you, Chancellor. Are there questions? Senator Campbell. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Senator Fischer. Chancellor, I have to say I only noticed one problem with your application and that is one of your references is Senator Hadley. (Laughter) We may want to talk to you about that. I'm kidding. Did you want to... [CONFIRMATION]

DOUG KRISTENSEN: Is that a positive? [CONFIRMATION]

SENATOR CAMPBELL: Yes, in this committee...in this committee it's a positive. Chancellor, as we look into the future, and you gave a great example with the student project, are there other projects that the Legislature could be helpful in advocating for and a collaboration between the universities across the state and technology with the state? [CONFIRMATION]

DOUG KRISTENSEN: Well I think always the...the challenge going forward is going to be that technology is not an end, it's a means by which we're going to accomplish the missions of higher education or government service or whatever institution we may choose to look at. The purpose is not just to get the technology, it's to effectively use it and accomplish what we want to do. And so from a higher education point of view, clearly delivery of distance education is going to be there. How we coordinate that, it is not just done within the boundaries of the state. It's going to be a global outlook. You will see, particularly from the university system, on-line worldwide is in operation and an initiative where all four campuses are coming together for a common brand, for a common presentation of Nebraska. Nebraska has a very good reputation for education all over the country, now all over the world. And I think oftentimes people miss that. I think you'll see greater cooperation between the state colleges. I expect, as well, that our community college colleagues that as we see all these technology needs coming into play, we're too small a state to all be coming in on our own. And I think that we've learned the value of doing it together and to buy smart and to have standards that make some sense. That doesn't mean there's not some pain in doing that. I don't think you're ever going to get people to all agree. But at the end of the day, we want to be able to deliver the missions in the most efficient way we can and the most effective way, and obviously the technology is now crucial to do that. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Campbell. Senator Janssen. [CONFIRMATION]

SENATOR JANSSEN: Thank you, Chairman Fischer. Senator Kristensen, I'll call you that, the first time I met you you were a senator at the time; we served many years

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together in this body. [CONFIRMATION]

DOUG KRISTENSEN: Absolutely. [CONFIRMATION]

SENATOR JANSSEN: Different one but...you also...did you not meet with us...I guess would be the three of us during our orientation period down here as state senators? [CONFIRMATION]

DOUG KRISTENSEN: I've done orientations since 1996. [CONFIRMATION]

SENATOR JANSSEN: I recall something and I'm going to maybe put you on the spot a little bit here, which you should be used to, I remember Patrick O'Donnell asking you if you had any vote you ever regretted and you had one in particular that you...could you tell me what that is? [CONFIRMATION]

DOUG KRISTENSEN: Sure. I have...I have several votes that I've regretted. [CONFIRMATION]

SENATOR JANSSEN: Just the one...one that obviously stuck out to you and I remembered it, so as an educator, you were very (inaudible). [CONFIRMATION]

SENATOR HADLEY: We all remember it. [CONFIRMATION]

DOUG KRISTENSEN: I'm trying to...yeah, I assume that that was the popular story as the vote on the winner-take-all electoral college vote where I had been voting against that bill and it was a cold winter day and my seatmate didn't have all of her votes here and she came over on my shoulder and I succumbed to colleague loyalty and gave her one vote just to get it over. And I spent the next four years trying to undo that vote that I made that day on Select File. [CONFIRMATION]

SENATOR JANSSEN: That was the winner-take-all vote, Senator. [CONFIRMATION]

DOUG KRISTENSEN: The electoral college vote, yes, that's correct. [CONFIRMATION]

SENATOR JANSSEN: I...good memory, obviously it was...I remembered it too. Thank you. [CONFIRMATION]

SENATOR FISCHER: Are you going to be good? Senator Hadley. [CONFIRMATION]

SENATOR HADLEY: Just...is that similar to just...just a vote to help get it out on the floor? [CONFIRMATION]

SENATOR FISCHER: Senator Hadley has done that before. [CONFIRMATION]

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SENATOR HADLEY: I made that mistake in my career once too...once or twice.
[CONFIRMATION]

DOUG KRISTENSEN: Well let me tell you... [CONFIRMATION]

SENATOR LAUTENBAUGH: You'll have a chance again, Galen. (Laughter)
[CONFIRMATION]

SENATOR HADLEY: That's right. [CONFIRMATION]

DOUG KRISTENSEN: In all seriousness, I think that that is what is different about the Nebraska Legislature than Congress and that senators will work together, they will accommodate each other without regards to whether they have an R or a D or an I or whatever crazy affiliation they may choose to have and that they will work with each other. I don't think we see that nationally and I'm rather proud of the fact that this Legislature works together; has done that since the 1860s and I trust will continue to do that. And there are bills I dearly wish I would have voted differently. I think I probably voted for some pretty poor policy, but I also think I voted for some really good policy. And at the end of the day it's the process that's the winner. And the more that we work together, the better policy we will have. And so I...yes, I do regret that particular vote on that day, but, you know, honestly the process worked. And whether the policy has changed or not, that's for you to decide and we'll support whatever changes in policies of any bill that are passed by the Legislature because that's what it is, it's a process.
[CONFIRMATION]

SENATOR FISCHER: Chancellor, you are one of the strongest supporters and have the most love for this institution of the senators that's been my privilege to know. And you're showing that again now. [CONFIRMATION]

DOUG KRISTENSEN: Well thank you. I dearly care about what happens to this institution, and I'm glad it's in good hands. [CONFIRMATION]

SENATOR FISCHER: Maybe good hands. [CONFIRMATION]

DOUG KRISTENSEN: No, I'm very convinced it's in good hands. [CONFIRMATION]

SENATOR FISCHER: Other questions? Senator Price. [CONFIRMATION]

SENATOR PRICE: Thank you, Senator Fischer. Senator, Chancellor Kristensen, I was brought up...I had a constituent bring something up to me that others in the audience might be able to talk to. I don't know if you can directly address it, but it does fall under your bailiwick. It was brought to my attention that the distance education, particularly for

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the independent high school that we have through the university, that that diploma is viewed by the Department of Army as substandard. And that if you graduate through that university, through the high school through the university, you will need a waiver because it is classified as substandard. I didn't know if you were aware of that.
[CONFIRMATION]

DOUG KRISTENSEN: I am not aware of that. [CONFIRMATION]

SENATOR PRICE: And I'm very disappointed by it; I'm trying to keep my wits about me, but this guy wanted to be a gun plumber and he...he went and got his final couple classes through that and the Army said, no, you can't come in because it's an independent study. [CONFIRMATION]

DOUG KRISTENSEN: I'd like to tell you I knew why that was if it is indeed that way.
[CONFIRMATION]

SENATOR PRICE: It's an Army regulation because of what independent study is in the title. If you had said the "Grand High School of Plumb Digging" that would be fine, but because it had independent study, so I would engender as we go about these distance learning endeavors that perhaps we pay a close attention to the nomenclature we give it because the Army thinks it's substandard. [CONFIRMATION]

DOUG KRISTENSEN: As near as I can come to is we're very aware and very concerned about the quality of distance delivered education and that you have the same experience and the same outcome as if you were sitting in the classroom. And so as we look at accrediting bodies nationally, we're very aware...we want to make sure our distance education classes are accredited so they are given full faith and credit or they are viewed as good. And time will take care of that, but, boy, we do pay...there's some real bumps in the road, we pay for that once in a while in that people's perceptions are that it is substandard and... [CONFIRMATION]

SENATOR PRICE: It was an accreditation thing, I'm sure we can all get it worked out. But I just wanted you to know that as an entity... [CONFIRMATION]

DOUG KRISTENSEN: Well, I appreciate that. Thank you. [CONFIRMATION]

SENATOR PRICE: ...that it's real important how we go about that in the future. Thank you, sir. [CONFIRMATION]

DOUG KRISTENSEN: Thank you. [CONFIRMATION]

SENATOR FISCHER: Thank you, Senator Price. Other questions? I see none. Thanks for coming in today. [CONFIRMATION]

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DOUG KRISTENSEN: Thank you very much. [CONFIRMATION]

SENATOR FISCHER: Anyone here to speak in support of the nomination? Anyone in opposition? Anyone in a neutral capacity? I see none. With that I will close the hearing for Doug Kristensen and open the hearing for Dan Shundoff. Good afternoon and welcome. [CONFIRMATION]

DAN SHUNDOFF: (Exhibit 6) Thank you, Chairman Fischer and members of the committee. I appreciate the chance to be here. My name is Dan Shundoff, S-h-u-n-d-o-f-f, and I come to you from the great community of Kearney. And I'll tell you a little bit about who I am and what I've done and why I look forward to serving on the committee. I graduated from North Platte High School in 1983 and UNL in 1987. And at the time I thought, or I was one of the brain drain statistics from this state and quickly left, and had you asked me then, certainly never to return. And then sometime in '93, well specifically June of '93, we had our first child as we were living in Connecticut. And six short months later we were back in Nebraska, interestingly enough, and it was a fantastic move. And I would say while I was away my parents moved from North Platte to Kearney so when we relocated that's why we ended up in Kearney. So I had this fantastic or this great idea that it would be very easy to find a job after we made the move. And after several months of working lots of jobs and waiting tables and not really finding one, I had this similarly fantastic idea of starting a company, and it was a technology company. And so in '94 we started a company called IntelliCom which I still own today. And I spent several years really struggling as the technology company that serves small and midsize businesses and struggled with, you know, it was a time when the Internet didn't exist for all intents and purposes. There was no graphical user-type browsing ability. It was all command line, primarily university research tool product. But there was the need for connectivity and technology in computers and so on, and so we just continued to push through. As the Internet came to be and commerce embraced it and small and mid-sized businesses found the wherewithal to invest in it, and it was not cheap at the time. You know, a computer, a very basic computer could cost several thousand dollars. We were able to start to grow a little bit. And so we're in a spot today where we employ 25 technical people out of Kearney. We serve 450 small businesses between the Lincoln and Denver, sort of corridor, that's our patch. If you were to think of that as one...that customer base as one organization, we'd really be meeting the technical needs...we're the IT department for these customers. And so we're meeting the technical needs of 450 businesses, close to 5,000 end users in nearly a thousand different locations, 20 or 22 of which are out of state. And so, you know, there's some...there are really two things that I'm really passionate about in that story. And that is, you know, first of all the sustainability of our communities is tied to several things, but the ones that really hit me being near and dear to my heart are business and enterprise and economic development opportunities in the central part of the state; and also creating opportunity for our young kids to engage early because if they leave, they don't

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always have the chance to come back like I did. And we've proven that if we can engage them early enough and allow them to grow some roots, make some connections throughout their academic career, we have a really good chance of transitioning them into the workforce, whether it's for our organization or any organization in that part of the state. And technology plays an incredible role in that delivering on those opportunities. And so I'm very grateful to have a chance to serve on the NITC and to do as much as I can in all of those areas. [CONFIRMATION]

SENATOR FISCHER: Thank you. Any questions? Senator Hadley. [CONFIRMATION]

SENATOR HADLEY: Senator Fischer. Dan, thank you for coming in and taking your time to do this and we appreciate all the hard work you do in various areas. I know that one of your areas of interest is economic development. Do you see your work on the Information Technology Commission...is the work it is doing or can do help in the economic development of the state of Nebraska? [CONFIRMATION]

DAN SHUNDOFF: I believe it is, you know, some more direct, some more indirect, but in the end when we build capacity, then we can leverage it. And so there's...the state builds the Network Nebraska and now the private sector, through some grant funding, is doing some significant fiber investments with NebraskaLink. And so at some point in time that infrastructure will be able to be leveraged together and so there's a great example of being able to connect more of the state in a way that was sort of a collaborative effort in the end. Maybe not out of the gate, but in the end I think that we are able to leverage all of those resources. [CONFIRMATION]

SENATOR HADLEY: Thank you, Dan. [CONFIRMATION]

SENATOR FISCHER: Other questions? I see none. Thanks for coming in today, appreciate it. [CONFIRMATION]

DAN SHUNDOFF: Great. Thank you very much. [CONFIRMATION]

SENATOR FISCHER: Is there anyone who like to speak in support of the nomination? Anyone in opposition to the nomination? Anyone in a neutral capacity? I see none. With that I will close the hearing for Dan Shundoff. I would like to thank all of you gentlemen for coming in today. This is kind of the IT committee of the Legislature. We don't usually get too many bills dealing with it, and we certainly don't usually spend this much time on confirmation hearings. So this has been informational for us. I think it's been very worthwhile. I'm glad we had the dialogue with each of you, and I wish you continued success and new success as you serve on this commission. I think it's very, very important. I know Brenda keeps us updated with the yearly report and we find that very helpful too, but I thank you all for your service. It is very, very important to all the citizens of the state. Thank you very much. With that I will close the hearing for the day.

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[CONFIRMATION]