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Business and Labor Committee
January 30, 2017

[LB172 LB264 LB273 LB301 LB363 LB519]

The Committee on Business and Labor met at 1:30 p.m. on Monday, January 30, 2017, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB273, LB519, LB363, LB172, LB264, and LB301. Senators present: Joni Albrecht, Chairperson; Sue Crawford, Vice Chairperson; Ernie Chambers; Steve Halloran; Matt Hansen; Sara Howard; and John Lowe. Senators absent: None.

SENATOR HALLORAN: (Recorder malfunction.)...representing Legislative District 33, which is Adams County and southern and western Hall County.

SENATOR HOWARD: Senator Sara Howard. I represent District 9 in midtown Omaha.

SENATOR ALBRECHT: Thank you. And for committee staff we have Meghan Chaffee, who is our committee counsel; to my right...to my left is Beverly Neel, who is our committee clerk; assisting today is Mandy Mizerski of the Clerk of the Natural Resources and loaned to us by Senator Hughes; and then we also have behind us, we have two pages that are sophomores at UNL. I have Lee-Ann Sims who is studying political science and global studies, and I have Toni Caudillo, she's also a sophomore under the elementary education. Now this is just a few housekeeping items. Please turn off any cell phones. Senators, note that the microphones are very sensitive and are able to pick up side conversations. Testifiers should have the appropriate number of copies and handouts ready for distribution. Please give them to the pages. They'll need ten copies. Each witness appearing before the committee must sign in using the forms...the yellow forms provided at the entrance to the hearing room and those are yellow sheets. Sign in only if you're going to testify. Your form must be given to the committee clerk before you begin presenting your testimony. Again, I said you can hand them to the pages, you'll make sure that the clerk gets it. Each testifier will be allotted five minutes before the committee. We use a light system. The green light indicates that you may begin; yellow indicates you're nearing the end of your time; and the red indicates your time for testimony has ended. Please begin your testimony by stating your name clearly into the microphone and then please spell your first and last name to ensure accuracy for the record. Note that committee members may need to leave the room in the middle of a hearing as they might have a bill to introduce in another committee. So please don't be offended if the senators are coming and going. Today's agenda includes LB273, LB519, LB363, LB172, LB264, and LB301. We will be hearing those in that order. We will have the introducers make the initial statements followed by proponents, opponents, and those providing neutral testimony. Closing remarks may be presented by the introducer. The first item on the agenda today will be LB273, Senator Halloran, with opening statements.

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SENATOR HALLORAN: Good afternoon, Chairperson Albrecht, and members of Business and Labor Committee. For the record, my name is Senator Steve Halloran, S-t-e-v-e H-a-l-l-o-r-a-n, and I represent the 33rd Legislative District. I'm here today to introduce LB273 to the committee for your consideration. I intend to keep my remarks brief this afternoon allowing more time for individuals that will follow me. LB273 is a bill that was heard and advanced to General File last year under LB855, and AM2063. LB273 would use simple rounding down to the nearest whole dollar amount for minimum earning requirements to receive unemployment benefits. Last year, the bill was amended by Business and Labor Committee to adopt that amounts ending in 50 cents or more be rounded to the next highest whole dollar amount. The Department of Labor would like LB273 to stay with the rounding down method. Rounding down is consistently used throughout the Nebraska Employment Security Law. Thank you for your time and I will emphasize one word in this closing remark. I will be willing to attempt to answer your questions, but they may be better suited for those that will be following me, especially John Albin, the Commissioner of Labor with the Department of Labor. [LB273]

SENATOR ALBRECHT: Thank you. Do we have any questions of Senator Halloran? Seeing none, do we have any proponents that would like to speak? Any proponents? [LB273]

JOHN ALBIN: (Exhibit 1) Senator Albrecht, members of the committee...Business and Labor Committee, for the record my name is John Albin. I'm the Commissioner of Labor. I'd like to thank Senator Halloran for introducing LB273 on behalf of the department and I'm appearing here today in support of the bill. LB273 is essentially a housekeeping measure. Currently, the minimum earnings requirement to be eligible for an unemployment insurance benefit claim is adjusted annually by the Consumer Price Index for all urban consumers. Because the Consumer Price Index is a percentage, the minimum earnings requirement is typically not a whole dollar amount, once that rounding process takes place. For example, in 2016 the amount an individual was required to have earned during his or her base period to be eligible for unemployment insurance benefits was \$4,107.61 and in 2017 the amount required is \$4,145.74. The department proposes to keep the calculation process the same but once calculated, round the amount down to the nearest whole dollar. If this requirement would have been effective this year, the 2017 earnings requirement would have been \$4,145.00. This proposal aligns with existing statutory schemes for unemployment as the department is required to round down for all other benefit calculations. We currently round down instead of normal rounding rules in three other places throughout the Employment Security Law, specifically 48-624 when we determine an individual's maximum weekly benefit amount; 48-625 where we determine the actual payment during a week to a claimant; and 48-628.02 regarding any extended benefits payable to a claimant rounded down to the nearest whole dollar. Finally, for what it's worth, it's a benefit to the claimant in this instance to round down. For these reasons, I've asked the committee to advance LB273 to General File. Thank you. Thank you, Senator Halloran, and I'm happy to try and answer any questions you might have. [LB273]

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SENATOR ALBRECHT: Do we have any questions for Mr. Albin, Senators? Mr. Albin, thank you. [LB273]

JOHN ALBIN: Thank you. [LB273]

SENATOR ALBRECHT: Do we have any other proponents to LB273? Any other proponents? Seeing none, do we have any opponents that would wish to speak to LB273? Do we have opponents? Seeing none, anyone in a neutral position that would like to speak to LB273? Seeing no one in a neutral position, Senator Halloran, would you like to close? He waives the closing and we're on to LB519, Senator Hansen. [LB273]

SENATOR HANSEN: Good afternoon, Chairwoman Albrecht, and fellow members to the Business and Labor Committee. My name is State Senator Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent Legislative District 26 in northeast Lincoln. I'm here today to introduce LB519. This bill addresses an auditing of Nebraska Employment Laws that has been interpreted to mean that a current employer can be responsible for unemployment benefits of an individual laid off by a previous employer. This bill arises out of a case involving the Lincoln Airport Authority in which the authority was held responsible for unemployment benefits of an individual who the Authority hired part time, but who had been terminated from a previous unrelated employer. So I will lay out some of the basic elements of the employment law that relate to the bill and I will note that one of the attorneys from the Airport Authority, who will testify next, can describe in greater detail these laws and the specific case they encountered. So by way of background, there are two principles of employment law that are important to LB519. The first is that there were two types of employers in Nebraska Employment Security Law, contributory employers and reimbursable employers. Contributory employers regularly pay contributions into an account that is charged when unemployment benefits are paid, while reimbursable employers make payments on a claims made basis paying out actual benefits paid for unemployment. Reimbursable employers that thus are centrally self-insured, whereas contributory employers regular payments are akin to an insurance premium that go into a fund to pay claims for later to their employees' unemployment. Most employers are contributory employers and typically only governmental entities and nonprofit organizations can elect to be reimbursable employers. The second principle that's important to this bill is that under Nebraska Employment Security Law an individual can be eligible for unemployment benefits if she is unemployed or underemployed. That means an individual may be eligible for benefits when she...or he or she is employed on a part-time basis after being terminated from a previous or concurrent job. Because it would not make sense in the scenario for the current employer who hired and continued to employ the person on a part-time basis to be held responsible for unemployment benefits related to unemployment costs by a previous employer, Nebraska law provides that a part-time employer will not be liable for any portion of a claimant's unemployment benefits if the employer employs and continues to employ the person on the same part-time basis. This ensures that an employer who is not responsible for

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unemploying or underemploying a worker is not responsible for that claimant's unemployment benefits. But this provision, under current law, only applies to contributory employers. It does not apply to reimbursable employers, which as I said before, are typically governmental and nonprofit employers. I do not believe this distinction makes sense. From a policy standpoint, it actually creates an incentive for reimbursable employers to not hire someone who is out of work and potentially eligible for unemployment benefits. This should not be the case. Our law should incentivize employers to hire unemployed Nebraskans. LB519 seeks to cure this disparity and ensure that only those employers who contribute to an individual's unemployment are responsible for that individual's unemployment benefits by including reimbursable employers in the same language as contributory employers. With that, I will close and be happy to take questions from the committee. [LB519]

SENATOR ALBRECHT: Do we have questions? Senator Howard...Senator Crawford, sorry. [LB519]

SENATOR CRAWFORD: Thank you. Thank you, Senator Hansen. I just wondered if you know from any of your discussions or research whether or not the fact that this was not in place for reimbursable was an intentional policy or does it just appear that it was...the policy was passed to clarify it for the contributory employer and just wasn't done for... [LB519]

SENATOR HANSEN: I do not know the legislative history on this. I will note, I've read the case of the Airport Authority and the judge in that case said, basically agreed that it was confusing but said that was the Legislature's problem, so. [LB519]

SENATOR CRAWFORD: So we have directions to fix it. Thank you. [LB519]

SENATOR ALBRECHT: Do we have any other questions for Senator Hansen? Do you know, I just have a quick...on the back page, is that where all of the changes are made of the bill? [LB519]

SENATOR HANSEN: Yes, so I believe it's just one long section and the changes are all on page 6. [LB519]

SENATOR ALBRECHT: Okay. So that's where it's rewritten, taking out and put back in, in case of the contributory employer, or employer's reimbursement account, in the case of reimbursement from the employer. So thank you. That's what I just needed to clarify. Okay, if you'll take a seat we will ask for any opponents that would like to speak to...or proponents, sorry, sorry. Proponents first for LB519, proponents. Hi there. [LB519]

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WILLIAM AUSTIN: Good afternoon, Chairman Albrecht, members of the commission. My name is William F. Austin, W-i-l-l-i-a-m F. A-u-s-t-i-n. I serve as general counsel for the Airport Authority of the city of Lincoln and I do want to thank Senator Hansen for introducing this bill. Imagine if you would that you are driving along, you come upon a one car accident, you stop, pull the driver out of the wrecked car, render aid, and give the man a ride home. Some time later you're hailed into court where to your surprise you're ordered to pay a portion of the cost of repairing the man's car. In the employment context, the Airport Authority found itself in a rather analogous situation. The Airport Authority, being a political subdivision, has elected to be what is referred to as a reimbursable employer. A reimbursable employer, as Senator Hansen has explained, is one who makes contributions in an amount equal to the full amount of regular benefits paid to a former employee entitled to such compensation. This is in contrast, as you know, to what is called a contributory employer that regularly pays a tax based in part upon their actual experience with respect to benefits charged against their experience account. The Airport Authority hired an individual on a part-time capacity. He had been previously been employed full time, but had been laid off due to no fault of his own. The new employee was entitled to unemployment compensation benefits. However, he made his second application for benefits while he was employed by the Airport Authority. To the surprise of the Airport Authority, it was included this time as a base period employer. It was directed to pay some \$500 to \$700 toward the unemployment compensation paid to this particular individual. Clearly, the Airport Authority was not responsible for the man's loss of prior employment. He had hired him after he had been laid off and thus actually mitigated his financial woes. The Airport Authority appealed the decision to the Department of Labor and it was told that if it had been a contributory employer, Neb. Rev. Stat. Section 48-652(7) would have provided relief for it. That statutory section currently provides that if an individual's base period wage credit represents part-time employment for a contributory employer and the contributory employer continues to employ the individual to the same extent during the base period, then the contributory employers experience account shall not be charged. It was our position that a similar explicit statutory exemption was not needed for reimbursable employers. We did not need such statutory exemption because we did not have an experience account to charge. We argued that as reimbursable employer, we were simply required to pay for unemployment compensation made necessary by our actions by terminating an employee. We were not required to make other contributions toward the fund or the system. In a nutshell, our appeal was rejected. We appealed to the district court who again affirmed the decision of the Department of Labor stating to us that while our argument was appealing from a policy standpoint, it was one properly addressed to the Legislature. Thus, here we are. We would suggest to you that the proposed amendment to (Section) 48-652 represents both common sense and equity. An employer, however classified, should not be penalized when it retains or hires an employee in a part-time capacity. Our policy argument is simply this, as referenced by Senator Hansen, to perpetuate this difference between contributory and reimbursable employer under these circumstance militates against reimbursable employers offering employment on a part-time basis to individuals who it is determined are entitled to

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unemployment compensation. The reimbursable employer risks assumption of financial responsibility for unemployment compensation paid in circumstances where it is not at fault, not involved, and from which it cannot protect itself. As I alluded to at the beginning, it is somewhat similar to the good Samaritan being required to pay for the damaged car. And with that, I'd be happy to take any questions. [LB519]

SENATOR ALBRECHT: Thank you. Do we have any questions for Mr. Austin? Senator Crawford. [LB519]

SENATOR CRAWFORD: Thank you, Senator Albrecht. So I'm just trying to make sure that I understand the language on page 6. So because...I guess what I'm concerned about is it says something about continues to employ an individual to the same extent as during the base period. So someone who gets laid off and then comes to get a job from you, explain to me what base period means in that case. [LB519]

WILLIAM AUSTIN: Okay. [LB519]

SENATOR CRAWFORD: I just wanted to make sure it's the case that someone coming to a job after they've been laid off of the other job is still covered in this language, that's what I was wanting to make sure. [LB519]

WILLIAM AUSTIN: Oh, yes. They are covered. The base period is a statutory period calculated by the Department of Labor and I am going to have to defer if someone starts shaking their head behind me, but I believe it's the last five quarters they go back to and make a determination as to what the individual is entitled to. This would not affect an individual's entitlement to unemployment compensation. This is just a question of who ends up paying for it. It will always be...it has no bearing whatsoever on whether the individual is entitled or whether they will be paid. It would simply mean that the payment would be coming out of the Unemployment Compensation Fund, but we would not be asked to reimburse that amount. [LB519]

SENATOR CRAWFORD: Thank you. [LB519]

SENATOR ALBRECHT: Do we have any other questions for Mr. Austin? Seeing none, thank you, sir. [LB519]

WILLIAM AUSTIN: Thank you very much. [LB519]

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SENATOR ALBRECHT: Do we have any other proponents wishing to speak to LB519? Any other proponents? Seeing none, do we have any opponents wishing to speak to LB519? Any opponents? Seeing none, do we have anyone in a neutral capacity? [LB519]

JOHN ALBIN: (Exhibit 2) Senator Albrecht and members of the Business and Labor Committee, again for the record, my name is John Albin, J-o-h-n A-l-b-i-n, and I am the Commissioner of Labor. I'm appearing here today in a neutral position on LB519. LB519 presents a policy decision on whether certain unemployment benefit costs that are now paid by reimbursable employers who employ a person drawing unemployment benefits on a part-time basis should be shifted to contributory employers. Reimbursable employers are governmental employers and 501(c)(3) organizations. Reimbursable employers do not pay state or federal unemployment taxes, but rather only reimburse the department when benefits are paid based upon wages earned in the employment of the reimbursable employer. Contributory employers pay quarterly state and federal unemployment taxes. The state taxes are used to pay for unemployment benefits and the federal taxes pay for the cost of administering the state unemployment programs as well as federal unemployment program costs. If an individual's full-time employer lays the individual off, but the individual has a part-time job, wages from both jobs are used to establish the individual's weekly benefit amount. However, if the part-time employer is a contributory employer and continues to employ the individual, the contributory employer is eligible for noncharging and benefits attributable to the part-time employer are charged to the "pool" account to which the contributory employer has already contributed. When subsection (7) of Section 48-652 was adopted, a policy decision was made that the noncharging would not be granted to reimbursable employers employing an individual on a part-time basis. The decision was made because reimbursable employers do not contribute to the pool account from which noncharged benefits are paid. Consequently, benefits paid based upon wages earned from the part-time reimbursable employer are charged to that employer. LB519 would shift costs now paid by a reimbursable employer to contributory employers. The department estimates that approximately 100 claims per year would be affected by this change and that approximately \$186,000 per year now paid by reimbursable employers would be shifted to the contributory employers. That concludes my testimony and I'll be happy to try and answer any questions you might have. [LB519]

SENATOR ALBRECHT: Very good. Do we have any questions for Mr. Albin? Senator Crawford. [LB519]

SENATOR CRAWFORD: Thank you, Senator Albrecht, and thank you, Commissioner, for being here. So the base period is a period when they were employed in both of these jobs and is that...what I pick up here is if they're employed in both jobs, both jobs are contributing to their unemployment benefit even though they're only laid off from one of those jobs. [LB519]

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JOHN ALBIN: Yes. [LB519]

SENATOR CRAWFORD: Is that correct? [LB519]

JOHN ALBIN: Pretty close. All right. The base periods is calculated from the day that you file your claim and then it's...you look at the five quarters prior to that and you're either eligible under the first four and the last five or you're eligible for the last four, you can get benefits. In this particular case, as I understand it in the case of the Airport Authority, the individual was not working for the Airport Authority at the time they first got laid off from the one employment. Our process also allows for a subsequent claim that has a claim in a second year after your first benefit year expires, and it's my understanding this individual then filed as...he was entitled to for that second benefit year which we have to establish a new base period for. And that includes wages from that fifth quarter, what we call the lag quarter, plus any subsequent employment. So then the Airport Authority got picked up in that second claim that the individual filed. [LB519]

SENATOR CRAWFORD: The base period of the second claim basically. [LB519]

JOHN ALBIN: Yes. [LB519]

SENATOR CRAWFORD: Okay. [LB519]

SENATOR ALBRECHT: Do we have any other questions? Thank you. [LB519]

JOHN ALBIN: Thank you. [LB519]

SENATOR ALBRECHT: Okay, do we have anyone else in a neutral position for LB519? Welcome, Senator Chambers. I'm sure you were busy with other things. As we said, the Senators will come and go as they need to for other committee meetings that they need to be at, so welcome back to our group. Okay, we're still in a neutral position. Do we have anyone wanting to speak to LB519 in a neutral position? Seeing none, Senator Hansen, would you like to close? [LB519]

SENATOR HANSEN: Certainly. So I think I...thank you to Mr. Albin for kind of playing out, writing some more perspective on this issue. I think kind of a fundamental issue here that I'm trying to address is that if a governmental or nonprofit or reimbursable employer is looking at hiring two people for a part-time position, one who is receiving unemployment benefits and one who's not, they have an incentive to pick the one who is not receiving unemployment benefits because they know there's no possibility they'll have to pay extra where if they hire the person

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who is receiving unemployment benefits because they want a part-time...full-time employment to no employment, they might be on the hook for an extra payments through their reimbursable account. I think that's...as you would expect from an employer, an uneven playing field and would give the person who's not receiving unemployment a leg up because just quite simply, they would be cheaper to hire, even same base wages. That certainly is a policy decision we as a committee in the Legislature can make and I'd be happy to discuss it further with everyone else. That's the problem that was brought to me and what I'm trying to solve. [LB519]

SENATOR ALBRECHT: Very good. Any questions of Senator Hansen? I just have one. Can you actually ask an employee when they come to work for you if they are already on unemployment? And it might be not something you couldn't ask...maybe I should have asked one of the attorneys or Mr. Albin, but... [LB519]

SENATOR HANSEN: I...I do not know for certain, but I do not think it would fall into one of the more traditional protected classes of employment, so we can certainly follow up and get it finalized. [LB519]

SENATOR ALBRECHT: Okay. Very good. Thank you. So that ends the debate, if you will, or testimony, I should say, on LB519. And Senator Hansen is up next again with LB363. We have no letters or anything to read into the record on the last one, so we'll go ahead with LB363. [LB519]

SENATOR HANSEN: Good afternoon, Chairwoman Albrecht and fellow members of the Business and Labor Committee. My name is State Senator Matt Hansen representing Legislative District 26 in northeast Lincoln. And for the record, Matt Hansen is spelled M-a-t-t H-a-n-s-e-n. I'm here today to introduce LB363. LB363 intends to harmonize provisions in the Conveyance Safety Act to make elevator mechanic licensure requirements consistent across the state. Currently, the Conveyance Safety Act applies two major items, the first being inspections. Conveyance inspections apply to conveyances across Nebraska on an annual basis. Those inspections are done through state elevator inspectors within the Department of Labor. The second major item is mechanical repairs to conveyances. Current law requires only qualified elevator mechanics make major repairs to conveyances only in Douglas, Lancaster, and Sarpy Counties, or as the law specifies, counties over 100,000 population. LB363 would make that requirement in the Conveyance Safety Act apply to all 93 counties in the state. The intent of this bill is to enhance public safety and make sure we have qualified individuals repairing our conveyances statewide. The requirement is only for operational aspects of conveyances and does not include simple operations to conveyances such maintaining or changing a light bulb or whatnot. There are 38 states that license mechanics, 20 states that license inspectors, and at least 35 states that license contractors. I believe public safety should be consistent across Nebraska.

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Per the Consumer Product Safety Commission, incidents involving elevators and escalators kill 31 people annually and seriously injure about 17,000 more annually in the United States. Half of the annual deaths are people working on or near elevators including those installing, repairing, or maintaining our elevators. With this bill, we're attempting to strike a balance between public safety and limited regulation. To that end, we continue to exclude agricultural conveyances, although we are including language that will allow for inspections at the request of the owner. Under this bill, conveyances in privately held residence only need to be inspected under the installation or transfer property or at the request of the property owner. I think that making sure conveyances such as elevators are safe and expected is an important public policy decision for the state. Be happy to work with the committee and stakeholders on how best to expand these inspections beyond our three largest counties. There certainly might be questions about work force in the state and there will be people after me that can talk about the distribution and quality...quantity of elevator mechanics around the state. With that, I'd be more than happy to close and field questions. [LB363]

SENATOR ALBRECHT: Great. Anyone have any questions for Senator Hansen on LB363, Senators? Senator Halloran. [LB363]

SENATOR HALLORAN: Senator Hansen, you give the statistics nationwide for accidents and deaths. How about outside of the three largest cities...or counties in Nebraska,... [LB363]

SENATOR HANSEN: Sure. [LB363]

SENATOR HALLORAN: ...what are the statistics for this deaths and accidents? [LB363]

SENATOR HANSEN: You know, I do not actually have Nebraska-based statistics at the moment. But that's certainly something we can look for if it would be helpful. [LB363]

SENATOR HALLORAN: That would be great, and also within the three counties that are currently covered. Thank you. [LB363]

SENATOR ALBRECHT: Any other questions? And in reference to the fiscal notes, do you have any comments on that? [LB363]

SENATOR HANSEN: Yes. Well, I guess I'd be happy to answer questions and comments of the fiscal note. I will note it is out of cash funds. And there is, based on this, there will be more potential inspections but will also be more potential fees charged for those inspections, so it will increase expenditures but revenue as well. [LB363]

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SENATOR ALBRECHT: All right. Thank you. No other questions, we'll go ahead and start with the... [LB363]

SENATOR HANSEN: Thank you. [LB363]

SENATOR ALBRECHT: ...proponents. Hi, there. [LB363]

STEVE SIMPSON: Hello. Thank you, Senator Albrecht and members of the committee. My name is Steve Simpson, S-t-e-v-e S-i-m-p-s-o-n. I am the business manager for the Elevator Constructors Local 28. We cover the entire state of Nebraska and southwest Iowa. I represent around 95 percent of the licensed elevator mechanics in Nebraska. I want to point out that we have heard from elevator and conveyance industry all in support of LB363. I have heard from the worldwide businesses: Otis, Schindler, and KONE elevator companies. They are going to send a letter collectively in support of this. They didn't realize they had to get it in by today. So it's coming and we will get it to you in support of this. I also represent small businesses such as O'Keefe Elevator Company, Schumacher Elevator Company both have written a letter in support of this. Currently I work...I am in the...represent the union and the union supports this for safety. We are all coming together for safety reasons. Currently this law is in place. There is no need to reinvent the wheel on this law except we just need to expand safety aspect to every county outside of the three that are already covered. You're going to hear from the opponents that there isn't enough coverage. There is. We've got people all over the state who are licensed who can cover all the areas in the state that need to be covered. We're fine with that. You're going to hear that they are looking for a solution to a problem that doesn't exist. I say we are fortunate and have dodged some bullets. I do have some examples. Wayne State University where the safety devices have been jumped out by the people who work at Wayne State University to allow the elevators to run even though this disabled stop switches and endangered the service tech and the public. Adams County courthouse where the maintenance people tried to disable a floor call to prevent the elevator from going to that floor and blew up a card and caused a person on the elevator trapped for over an hour. Or the Shriners building in Grand Island where the door circuits were jumped out allowing an elevator to run with the doors open in an occupied building. The same contractors have four other buildings to work on right now and all of them have elevators. I can get into the Panhandle where a company inspected an elevator in a grain elevator and it jumped and during a five year full-load safety test they crashed the elevator. And this, it's kind of something we have to do is crash the elevator every five years. And it jumped, all the cables jumped off of the device that runs the elevator, all but two. The others were laying on top of the motor and they turned it back on and let it run. And the explanation for why it jumped off is because these cables were too big for the sheave. It's a half-inch sheave. It should run half-inch cables. If you put smaller cables on there it will slip traction. So that was that was bad. We have a furniture store in North Platte where the elevator was over capacitated so they kept pushing the buttons in order...in the controller to make the elevator run, actually stopping just in

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time because all the elevators had popped off of the counter weights on the elevator which was at the top of the hoistway but one. When they called the elevator companies to come out and look at this, they were all...they wanted the elevator right now. Obviously that's not going to happen. We got to recable the elevator. These are examples of what actually do happen here in the state of Nebraska. There was a question about statistics and injuries and deaths. I can tell you there haven't been many deaths, had been one that didn't really pertain to this particular bill. It was in a residence. But with that being said, I've given you examples here that could have easily lead to serious injuries or death without...the technicians have no idea why it's jumped out when they get in there. They have no idea who's been working on it. They have no idea what's going on when they walk in the door. They think that when they walk in on an elevator and do some preventative maintenance on an elevator that's already been looked at, the one that they looked at often and had no idea that there's a problem. Currently there's three people in this room right now that are experts on this. I believe all three of us are going to testify in favor of this. I'm one of them so I have put in over a hundred elevators in my career. I have also got...work on hundreds of on myself and I'm willing to take any questions you have at this time. [LB363]

SENATOR ALBRECHT: Well, thank you. Do we have any questions, Senators, of Mr. Simpson? Senator Halloran. [LB363]

SENATOR HALLORAN: If I may, Chairman Albrecht. And this is probably in here and forgive me if it is, but the frequency of inspections now currently are... [LB363]

STEVE SIMPSON: Yearly. [LB363]

SENATOR HALLORAN: Yearly. [LB363]

STEVE SIMPSON: But this bill isn't...the inspections are already being done statewide. This bill doesn't affect the inspections. This bill affects the licensing for the people who work on the elevators. [LB363]

SENATOR HALLORAN: Okay. Thank you. [LB363]

SENATOR ALBRECHT: Any other questions? I do have one. Since I'm new, kind of help us out with some history of why just the largest cities and not all 93 counties? [LB363]

STEVE SIMPSON: Well, we originally introduced the bill to go statewide and it covered a lot more things like the platform lifts that we're bringing up now and everything else. And it had gone to the floor. One of the state senators really didn't want their county involved in this

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particular issue. And so that state senator was able to lobby to get this to be tied to what used to be called the contractor registration law which only covered counties that had 100,000 or more which is Sarpy, Douglas, and Lancaster Counties. So when they did that, they tied it to that law. They passed it so it would take care...it was essentially taken care of on the floor is what happened. Things were changed on the floor and this is what we've come up with. So once it hits the floor, as you know, we don't have a whole lot of say-so in what the conversation is. And then the bill passed. [LB363]

SENATOR ALBRECHT: Very good. Well, thank you. We'll go on to the next proponent. Do we have another proponent wishing to speak to LB363? [LB363]

BOB SACKETT: Bob Sackett. I'm with Complete Access, B-o-b S-a-c-k-e-t-t. I'm not a lawyer, so I'm confused about this bill. I think the intent of this bill is very good, but as I read it...so I got one foot here and one foot here. So I didn't know how to testify so I apologize if I'm in the wrong spot at the wrong time. [LB363]

SENATOR ALBRECHT: That's okay. You're fine. [LB363]

BOB SACKETT: The way I read this bill currently it looks like they will start inspecting private residence stairway lifts and wheelchair lifts throughout the state, okay? And at the same time we're going to ignore wheelchair lifts in churches and places of business and not inspect them. So we're actually going to start going into people's homes when your mother or dad or brother or sister gets a lift in and that's going to be inspected. There's positives to that, but I think it's a little bit of overreach. And then we turn around and ignore the places that people have the expectation of safety like going to church and getting on a wheelchair lift that the doors aren't jumped out like Steve was talking about or other mechanical safety devices. We're going to ignore those the way I read this bill. And if we could clear those issues up I think it would be about positive. But they're not really addressed in this bill. The other thing is the current bill isn't very Nebraskan. We're treating and protecting only people that live in three counties and that's not right in my opinion. So this is a good attempt at protecting everybody in the state. But like I said, it does have some holes and hopefully they'll be addressed in committee or whatever. And that's my testimony. [LB363]

SENATOR ALBRECHT: Thank you. Do you mind taking any questions? [LB363]

BOB SACKETT: Sure. [LB363]

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SENATOR ALBRECHT: Senators, do you have any questions of Mr. Sackett? Thank you very much. [LB363]

BOB SACKETT: Thank you very much for your time. [LB363]

SENATOR ALBRECHT: Appreciate you coming. Do we have any other proponents wishing to speak to LB363? Hi, there. [LB363]

KEVIN SULLIVAN: Hi. Good afternoon, Chairman Albrecht and members of the committee. My name is Kevin Sullivan; that's K-e-v-i-n S-u-l-l-i-v-a-n, and I am here today as a proponent of LB363. I'd like to thank Senator Hansen for introducing LB363. As a national coordinator at the Elevator Industry Work Preservation Fund, I am experienced in advocating for conveyance safety throughout the United States. As of today there are 32 states and the District of Columbia that have similar elevator safety laws. There is legislation also pending in Kansas, Ohio, Pennsylvania, and New York. My organization works on legislation to be proactive rather than reactive and we try to get ahead of tragedies before they happen. It is not our intent to be overly burdensome on regulation and licensing requirements. We don't think qualified elevator mechanics should be burdened by onerous licensing requirements and that is why we support reciprocity and currently have reciprocity in Nebraska and are okay with temporary licenses. We want to make it easy for people to get that license. Any qualified elevator mechanic could be licensed with the Department of Labor very quickly. The purpose of the bill is to make sure that a janitor at a school or an auto mechanic does not try to fix a door lock or a safety circuit on an elevator. The overwhelming majority of property owners hire the right people, but we're attempting to make sure that this is the law, to have a qualified elevator mechanic make these repairs. In line with the commitment, the Elevator Industry Work Preservation Fund supports LB363 to make great strides in protecting public safety with respect to elevators and other conveyances in the state of Nebraska. And my testimony today will highlight the public policy reasons to support the bill. Let me tell you a little bit about the EIWPF, where I work. I skipped over that. We are a nonprofit, labor-management cooperative committee. We represent nearly 500 industry employers as well as the International Union of Elevator Constructors which is comprised of approximately 25,000 members in the U.S. And our organization is committed to promoting public safety and the general welfare in the elevator industry. From a public policy standpoint, there is a tremendous reason to improve the safety of elevators and other conveyances. While the elevator industry is relatively safe when compared to other areas of construction, when something goes wrong the stakes are high and injuries are usually very serious and even fatal. The public policy implications of ensuring safety elevators and other conveyances obviously do not stop at individuals working on or near them, but it also spills over to those members of the public including Nebraska residents and visitors who ride on elevators and escalators every day. Protecting public safety through elevator safety acts or the like is not a new or novel approach. As noted before, most other states have long recognized the need to

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ensure public safety in the elevator industry and have adopted similar laws including states like Utah, Oklahoma, Alabama, and Colorado all have similar elevator safety laws. According to a recent analysis, despite having a lower injury rate, elevator constructors face a higher death rate than other occupations in the construction industry. Elevator constructor deaths predominately result from falling down elevator shafts or getting caught in between elevator machinery or being struck by an object. Some may toss this up as the nature of the industry, but to the extent that these accidents can be avoided, steps must be taken. Many of us are also too familiar with stories about how malfunctioning elevators can lead to a tragedy for passengers. This past New Year's Eve in New York just moments after helping another person escape from a trapped elevator, another rider was crushed when that elevator started to move. Is that...? [LB363]

SENATOR ALBRECHT: You can keep going. When the red light comes on, you need to stop. [LB363]

KEVIN SULLIVAN: Okay, I'm almost done. A recent study observed that many elevator-related deaths occurred in situations where unqualified and untrained personnel were performing elevator repair and maintenance. I brought a study. Actually it's across the street in our attorney's office and I can bring that over when we're done. As the study notes, there are many...many of these tragedies may have been prevented if qualified elevator personnel were used to repair those units. I can take...I'd be happy to answer any questions. [LB363]

SENATOR ALBRECHT: Thank you. Do we have any questions for Mr. Sullivan today? Any senators have questions? Seeing none, thank you for coming. Do we have any other...we're still on proponents. Any other proponents wishing to speak to LB363, any other proponents? Seeing none, we'll go on to any opponents wishing to speak. [LB363]

JOHN ALBIN: (Exhibit 1) Senator Albrecht, members of the Business and Labor Committee, for the record, my name is John Albin, J-o-h-n A-l-b-i-n. I am the Commissioner of Labor. I am appearing here today in opposition to LB363. LB363 will add substantial costs to the regulated public with no known return on investment. The Conveyance Safety Act does not now regulate the installation and repair of stairway chair lifts and platform lifts. LB363 would require all such lifts in personal residences to be inspected and would only allow such lifts to be installed and repaired by licensed contractors and mechanics. The Department believes that LB363 will substantially increase the cost to handicapped individuals who are installing lifts intended to address their disability for no demonstrable safety reason. Moreover, the same lift that a handicapped individual would be required to have inspected and installed or repaired by a licensed mechanic in their personal residence would be exempt from regulation if installed in a shopping center in the same town. The Department believes that expanding its existing inspection program into all private residences is regulatory overkill providing a solution in search

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of a problem. None of the three adjoining states that have conveyance laws--Missouri, Iowa, and Colorado--require inspections of conveyances that are installed in private residences. LB363 is the antithesis of LB341 to LB348. Rather than expanding opportunities for individuals to enter into business, LB363 would erect barriers to individuals wishing to enter the elevator trade or profession by expanding licensing requirements for installations of conveyances to the entire state. LB363 will increase the cost to consumers and businesses wishing to purchase or repair elevators in rural Nebraska by requiring that installations and repairs, including nonmechanical repairs, could only be performed by a licensed elevator mechanic or contractor. The overwhelming majority of licensed elevator mechanics and contractors are located in Douglas, Sarpy, and Lancaster Counties and the rural Nebraska elevator owner would incur substantial charges for travel time. Nebraska has only one licensed elevator contractor with an office location west of Lincoln, and no Nebraska contractors have offices west of Grand Island. Of the adjoining states nearest to the counties most affected by the changes proposed in LB363, only Colorado has an elevator and contractor statute that is similar to Nebraska's program. Consequently, in order to do a single elevator repair in Chadron, an elevator mechanic or contractor from Rapid City would have to obtain a license from Nebraska to do that single repair. Whether they would do so or tell the elevator owner to look elsewhere is unknown. The Department also opposes the expansion of the membership of the Conveyance Safety Committee, but in the interest of time, I will conclude my testimony with that comment. I'd be happy to try and answer any questions that you might have. [LB363]

SENATOR ALBRECHT: Thank you, Mr. Albin. Any questions for Mr. Albin? Senator Howard. Thank you. [LB363]

SENATOR HOWARD: Thank you, Senator Albrecht. So am I correct to understand that we only require a licensed elevator mechanic in big cities? [LB363]

JOHN ALBIN: In the largest three counties, yes: Douglas, Sarpy, and Lancaster County. The statute is tied at 100,000 as its population threshold. [LB363]

SENATOR HOWARD: And so is the implication or the historical implication that the lives outside of those cities don't merit that type of expertise? [LB363]

JOHN ALBIN: I think the...my recollection of the history of that bill was that the rural opposition was so strong that they couldn't pass the bill without exempting 90 out of the 93 counties. [LB363]

SENATOR HOWARD: Are quite a lot of tall buildings in Chadron? [LB363]

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JOHN ALBIN: I don't know what the university...Chadron State College has out there. There are 5,600 elevators across the state. [LB363]

SENATOR HOWARD: And where are they mostly located? [LB363]

JOHN ALBIN: Primarily in the three counties. [LB363]

SENATOR HOWARD: So I guess I...it seems a little discriminatory that the safety of people in Omaha are more important than the safety of people in Chadron. [LB363]

JOHN ALBIN: Or you could take the position that the regulation in Douglas, Lancaster, Sarpy Counties is unnecessary. [LB363]

SENATOR HOWARD: I think we'll have to differ on that. I do think that there's a ROI in terms of the safety of everyday Nebraskans. If every life matters, then every life should be taken care of. But that's not a question and you don't have to answer that. Thank you. It's nice to see you. [LB363]

JOHN ALBIN: Nice to see you again. [LB363]

SENATOR ALBRECHT: Okay. Any other questions? Thank you, Mr. Albin. Do we have other opponents wishing to speak? [LB363]

KATHY KAY: Madam Chairperson and committee members, my name is Kathy Kay, K-a-t-h-y K-a-y, and I am the co-executive director of the League of Human Dignity. I represent the League of Human Dignity in opposition of LB363. The League of Human Dignity is a private, nonprofit organization which for 46 years has assisted people with disabilities to live independently in their homes and communities. Services provided include independent living skills training, information and referral, individual and systems advocacy, peer mentoring, financial benefits counseling, services coordination, recruitment and supervision of in-home providers, transition and diversion from institutions, youth transition, disability awareness, and grants to make accessibility modifications to consumers' homes. The League is very concerned about the content of LB363. The League of Human Dignity has operated a barrier removal program since 1977. The purpose of the barrier removal program is to provide grants to low and very low income individuals with physical disabilities for the purpose of making their homes wheelchair accessible. One of the frequent modifications made in the homes of people with physical disabilities is installation of vertical platform chair and stairway lifts. A vertical platform lift is used where ramp isn't feasible because of the lay of the geography so that they

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can get into their home. And also stair lifts, of course, are to let people when they have a two-story home to be able to get up and down if they're not able to move, which a lot of our consumers are not able to move because of financial reasons. I first want to address one thing leading on to some of the previous testimony. There has not been one documented safety issue with manufactured chair and vertical platform lifts in Nebraska. There has been an incident, but it was not with the manufactured lift. It was with one that was made by a private contractor; they had kind of pieced it together. So the lifts that we're talking about--manufactured lifts, vertical platform, and stair lifts--there has not been a documented safety issue. The legislation, the way it's written we feel is confusing and needs to be better clarified in regards to platform, stairway, and chairlifts in both residential and commercial settings. Stair lifts and vertical platform lifts need to not be considered conveyances under this act. The League of Human Dignity does not think that the language in LB363 goes far enough to exclude all vertical platform chairlifts and stairway lifts. It's confusing and not clear and we're opposed to this legislation due to the potential for adverse impact for people with disabilities. We respectfully ask that LB363 be indefinitely postponed until the language can be clarified to ensure protection of the very vulnerable population of individuals with physical disabilities. Thank you. [LB363]

SENATOR ALBRECHT: Thank you. Do we have any questions for Ms. Kay? Senators, any questions? Thank you for coming. [LB363]

KATHY KAY: Thank you. [LB363]

SENATOR ALBRECHT: Do we have any other opponents wishing to speak to LB363, any other opponents? Seeing none, do we have anyone in a neutral capacity that would like to speak to this issue, LB363? Anyone else in a neutral position? Seeing none, Senator Hansen, would you like to close? [LB363]

SENATOR HANSEN: Yes, I would. Thank you, Chairman Albrecht and the fellow members of the committee, for hearing LB363. As always, I'm willing to work with committee and interested stakeholders in moving forward with this legislation. It certainly sounds like the personal residence inclusion of some of the conveyances is a sticking point and that's something that I would be absolutely negotiable in removing out. I will say just to my commitment to this offer to compromise, this is my ninth bill that I've introduced this year in committee so far and this is my first one with opposition testimony. So I take that very seriously when I offer to work with others and try and come to a solution. In terms of just the overall scope and goal and the intent of the bill, I think, Senator Howard, your question was very kind of on the point of why this caught my attention and why I brought it. I just take for granted--I guess maybe I'm lucky because I live in one of the three largest counties--that elevators are safe and that in terms of just one of the largest, complicated, heaviest things that I interact with on a usual basis, it's repaired

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appropriately. The question is then, why do we, about half the state's population, have licensed mechanics repairing their elevators and the other half doesn't? That's definitely a policy determination of the state. And with me bringing this bill, you can tell where I'm at. So with that, I'd be happy to answer any questions. [LB363]

SENATOR ALBRECHT: Great. Any questions for Senator Hansen? Seeing none, thank you. [LB363]

SENATOR HANSEN: Thank you. [LB363]

SENATOR ALBRECHT: (Exhibits 3 and 4) Just for the record, we do have a proponent, Bret Abels, president and CEO of O'Keefe Elevator Company, Inc, so I have a letter from him; and then we also have an opponent, Nebraska Realtor Association, by Korby Gilbertson. We have an opposition letter there. At this time I'd like to ask Senator Crawford to take over for me, as I will introduce the next few bills. [LB363]

SENATOR CRAWFORD: Okay, we will now open the hearing for LB172, Senator Albrecht. Welcome. [LB172]

SENATOR ALBRECHT: Well, thank you. Well, members of the Labor Committee...Business and Labor Committee. Thank you for taking my spot there, Senator Crawford. Again, my name is Joni Albrecht, it's J-o-n-i, Albrecht, A-l-b-r-e-c-h-t. I'm here to introduce LB172. LB172 was introduced at the request of the Department of Labor to revise the Nebraska Employment Security Law. This bill is reintroduced of LB828 from last year. LB828 was unanimously voted out of this committee but because it lacked priority designation, it was not scheduled for debate. I would like to thank Senator Harr for his extensive work along with the legal counsel, Meghan Chaffee, and for being the cosigner to LB172. We can agree the unemployment laws are too complicated and difficult to understand. The goal of LB172 is to eliminate obsolete language and provide better understanding for all parties who read this law, claimants, employers, policymakers, attorneys, and others. LB172 contains no policy changes. Again, LB172 contains no policy changes. We wanted to keep the bill free of policy debate, hence, why we have three different bills introduced at the request of the department this season...or this session, related to unemployment that are not contained in LB172. I'd like to thank the Labor Department for their work on this bill to provide better clarity of this important section of law and this concludes my testimony, and I'd be happy to answer any questions that you may have while noting that the Commissioner is planning to testify as well. Thank you. [LB172]

SENATOR CRAWFORD: Thank you, Senator Albrecht. Any questions? Senator Howard.
[LB172]

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SENATOR HOWARD: Thank you, Senator Crawford. Thank you for introducing this bill. I do remember hearing it last year. I know...I'm curious in your role as Chair, LB172 also interacts with Senator Kuehn's bill, LB203, and how you'd like to proceed with those two bills? [LB172]

SENATOR ALBRECHT: I would have to understand what the difference or how we're interacting. [LB172]

SENATOR HOWARD: Well, they affect the same area of statute, but the language doesn't exactly align and so, do you plan to have the Kuehn bill go first or this bill go first, or what were you thinking? [LB172]

SENATOR ALBRECHT: I wouldn't know which one I would have first. Probably, if this is already something we're going to hear, and his comes after, or if his comes before and this comes after, we would probably have to amend one or the other. [LB172]

SENATOR HOWARD: Okay. And then one of the questions, and I didn't catch it last year, but the bill refers to a hearing officer, but I didn't see an area where a hearing officer is a defined individual. Commissioner is defined elsewhere in statute, but I was curious as to whether a hearing officer was defined. [LB172]

SENATOR ALBRECHT: Can you refer to the pages for... [LB172]

SENATOR HOWARD: Sure, so it starts on page 33 where you start talking about a hearing officer and then you use it a lot on page 36. It gets rid of sort of the tribunal or impartial hearing officer. It gets rid of the appeal tribunal and it replaces it with a hearing officer, but I was just wondering if there's language to define what a hearing officer is. [LB172]

SENATOR ALBRECHT: I would probably refer that to Mr. Albin at the Department of Labor... [LB172]

SENATOR HOWARD: Certainly, and then... [LB172]

SENATOR ALBRECHT: ...or counsel if they'd like to chip in since they worked on it. [LB519]

SENATOR HOWARD: Sure, and then this one is actually a funny one because I'd never heard of this before, but the bottom of page 7 it says a farm means stock, dairy, poultry, fruit, fur-bearing animals, and truck farms. What is a truck farm? [LB519]

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SENATOR ALBRECHT: Good question. I'm sure there's an explanation, but I wouldn't know. [LB172]

SENATOR HOWARD: Oh, thank you. I just thought you'd know. [LB172]

SENATOR ALBRECHT: Again, I didn't work on this for the year and a half. It was Senator Harr along with his counsel and the Department of Labor. [LB172]

SENATOR HOWARD: Right. It was just an interesting thing, because I've never heard of a truck farm before. And I know, you know, our first conversation was about farming and bringing that perspective. Yeah, I'm sure Commissioner Albin will be happy to answer those questions. [LB172]

SENATOR ALBRECHT: Thank you. [LB172]

SENATOR CRAWFORD: Thank you, Senator Howard. Anyone else have any questions? Thank you. We'll move to proponents of the bill and it looks like I'm going to need to turn it over to Senator Howard here. [LB172]

JOHN ALBIN: (Exhibit 1) Senator Howard, members of the Business and Labor Committee, for the record again, my name is John Albin and I'm the Commissioner of Labor. I'd like to thank Senator Albrecht for introducing LB172 and I'm appearing here today in support of the bill. The Employment Security Law was first passed in 1937 and is fashioned after the corresponding provisions of the Federal Unemployment Tax Act and the Social Security Act. While both acts have noble purposes, neither will ever be touted as an exemplary act of a legislative drafting. In the years that I have worked with the Department of Labor, I have often been asked by employers, claimants, and their attorneys to please show them where in the Employment Security Law they can find a particular provision. The provisions are often hidden in obscure passages or scattered over several sections of the law. In the summer of 2015, Senator Harr, Ron Sedlacek from the State Chamber, Rodney Vlcek from the State AFL-CIO, and the Department of Labor staff met to discuss this issue. We agreed to work on legislation that would eliminate obsolete language in the Employment Security Law and clarify other provisions to make the law understandable to both employers and claimants, without making any substantive changes to the law. It was introduced last session as LB828, that Senator Albrecht noticed did not pass due to the lack of prioritization. Throughout the interim, legal counsel for the Business and Labor committee and the Department of Labor continued to work on the rewrite. The intentions originally agreed to remain the same making the Employment Security Law more understandable without substantially changing the law. LB172 is the result of the collaborative efforts. Committee Counsel, Labor's General Counsel, and the Bill Drafter's Office have put a lot

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of time into the project and should be commended for the quality of the work they have done. The Employment Security Law, as it exists, contains a lot of obsolete and muddled language. Definitions are sprinkled throughout the Employment Security Law rather than being located in a single statute. LB172 will address those issues. In a lot of instances, definitions applicable under the act are not contained within the definitional Section 48-602, but are rather scattered throughout the act. LB172 moves those definitions to 48-602 making the definitions easier to find and the substantive sections easier to read. LB172 will remove obsolete references to an independent retirement plan separate from the state retirement plan that has been terminated, as NDOL employees are all now a part of the state retirement system. LB172 also breaks out unnecessarily long and complicated sections into individual sections containing topic-specific provisions that are more easily understood. In addition, LB172 consolidates other provisions that are all topic-specific, but scattered over multiple sections. Here are some examples of the changes: 48-628, as originally currently written, has 13 subsections relating to 13 different benefit disqualifications. LB172 breaks out the different disqualifications into separate sections so that each disqualification is more easily found and understood. LB172 consolidates all of the provisions relating to appeals of unemployment benefit determinations to the courts in Sections 48-640, 48-641 into 48-638 in a single section. Section 48-649, which contains the provisions regarding the computation of employer tax rates, is currently spread out over seven long and complex subsections. LB172 divides 48-649 into separate sections based upon specific topics relating to the tax computation process. The Employment Security Law has numerous references to effective dates that are no longer relevant. For example, Sections 48-662.02 and 48-622.03 contain reference changes that became effective in 1996 and 2015. LB172 will remove the references to the provisions that are no longer applicable to any unemployment claim in both those sections and throughout the Employment Security Law. LB172 also corrects references to federal legislation, such as the now repealed and replaced Workforce Investment Act. I urge the Committee to vote to advance LB172 to General File, and that concludes my testimony, but I would be happy to answer any questions. [LB172]

SENATOR HOWARD: Are there any questions? Seeing none, thank you for your testimony today. [LB172]

JOHN ALBIN: Thank you. [LB172]

SENATOR HOWARD: Our next proponent? Seeing none, is there anyone wishing to testify in opposition? Seeing none, is there anyone wishing to testify in a neutral capacity? [LB172]

RON SEDLACEK: Good afternoon. [LB172]

SENATOR HOWARD: Good afternoon. [LB172]

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RON SEDLACEK: Good afternoon, members of the Business and Labor Committee. For the record my name is Ron Sedlacek, it's R-o-n S-e-d-l-a-c-e-k, here on behalf of the Nebraska Chamber of Commerce and just wanted to confirm what Mr. Albin had said previously that the State Chamber as well as organized labor had met and discussed the legislation, the purposes therein, and it was our agreement that we would not try to amend and make any substantive changes in this legislation and that it was due for a cleanup of the statutes to make them more readable. And for that reason just wanted to appear before the committee to let you know that. [LB172]

SENATOR HOWARD: Thank you, Mr. Sedlacek. Are there any questions for the testifier? Seeing none, thank you for your time today. [LB172]

RON SEDLACEK: Thank you. [LB172]

SENATOR HOWARD: Is there anyone else wishing to testify in a neutral capacity? Seeing none, Senator Albrecht, you're up. [LB172]

SENATOR ALBRECHT: Again, I just ask that LB172 advances so that there's a lot of work that was put into this. It's my understanding...I'm sorry that some of your questions, Senator Howard, were not answered on page 33 are about the trucking. I can certainly find out about that and let you know, and with that, I'd like to close. [LB172]

SENATOR HOWARD: Are there any further questions? Seeing none, are there any items for the record? Seeing none, this closes the hearing for LB172 and opens the hearing for LB264. Senator Albrecht, go right ahead. [LB172]

SENATOR ALBRECHT: Thank you. Senator Howard, thank you for filling in and, committee members, good afternoon. And again, Business and Labor Committee, my name is Joni Albrecht. It's J-o-n-i, last name Albrecht, A-l-b-r-e-c-h-t, and I'm here to introduce LB264. LB264 was introduced at the request again of the Department of Labor. You should have before you an amendment which replaces the bill, AM57. In drafting LB264 there was an oversight so we needed to clean up...we needed a cleanup for the cleanup bill. AM57 updates a section of the Boiler Inspection Act to account for changes in boiler inspection industry terminology. The National Board is the organization that commissioners...commissions boiler inspectors worldwide. This board has changed names of the commissions and the endorsements that it issues. And it has changed the way that the commissions and the endorsements are described. AM57 changes Nebraska's language to match the industry's standard language. It requires that state boiler inspectors to hold an "AI" or an "IS" Commission from the National Board. It also requires that the state boiler inspector to either hold a "B" and "R" endorsements at the same

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time of hire or to acquire such endorsements within 18 months of employment. The last requirement is that the deputy inspectors hired by the commissioner must hold an "IS" Commission from the National Board or to acquire such within a 12-month hire...12 months of hire. And that concludes my testimony and I'd be happy to answer any questions that you may have. [LB264]

SENATOR HOWARD: Are there any questions for Senator Albrecht? Seeing none, thank you for your opening. Are there any proponents for LB264? [LB264]

JOHN ALBIN: (Exhibit 1) Senator Howard and members of the Business and Labor Committee, for the record my name is John Albin and I am the Commissioner of Labor. It's spelled J-o-h-n A-l-b-i-n. I would like to thank Senator Albrecht for introducing LB264 on behalf of the agency and I'm appearing here today in support of the bill. LB264 is a technical bill that is necessary to properly reflect changes at the national level in boiler inspection industry terminology. The National Board is the organization that commissions boiler inspectors worldwide. The board has changed the names of the commissions and endorsements that it issues, and it has changed the way that the commissions and endorsements are described. In order for Nebraska to have a law that is current with these changes in boiler inspection industry terminology, we need to change the way the Boiler Inspection Act describes the required commissions and endorsements for the state boiler inspector and for the deputy boiler inspector. The changes in LB264 match the industry's new standard language. And that concludes my testimony and I'd be happy to answer any questions. [LB264]

SENATOR HOWARD: Are there any questions for the Commissioner? Senator Lowe. [LB264]

SENATOR LOWE: What's the difference between a A and AI, do you know? [LB264]

JOHN ALBIN: I don't honestly know. They used to just have one and they've split it out, but it must be about the same as it was because the current commissions that are...the chief inspector has, include all of the...or transferred over. He didn't have to take any new licensing, so I think this is just the way they've decided to break it out. [LB264]

SENATOR LOWE: Thank you. [LB264]

SENATOR HOWARD: Are there any other questions? Seeing none, thank you for your time today. Our next proponent? Is there anyone wishing to testify in opposition? Is there anyone wishing to testify in a neutral capacity? Seeing none, Senator Albrecht. [LB264]

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SENATOR ALBRECHT: Thank you. I do have the different personal notes here. For an "IS", if I might, IS Commission is issued to a boiler inspector that inspects boilers after they've been manufactured and are installed for operation. And those boilers, they're in service. So that's an IS. An "AI" Commission is issued to a boiler inspector that has inspected...that inspects boilers during their design, manufacturing, or construction and testing prior to being shipped and installed for use. And then a "B" endorsement is issued to a holder of an AI Commission that designates that the person is to complete to supervising audit of other inspectors. So "IE" is a supervisory endorsement and an "R" endorsement is issued to a holder of an IS or an AI Commission and designates that person to complete the performance inspections of boiler repair companies and boiler repair work. And an "A" is an endorsement that is struck in the bill because the "A" endorsement no longer exists. It is now replaced with the "AI" instead now. Does that make sense? If you'd like a copy, I can certainly get you one. But I'd just like to request your support of LB264. Thank you. [LB264]

SENATOR HOWARD: Great. Any questions? Seeing none, are there any items for the record? Nope. Okay. This closes the hearing for LB264 and we'll open the hearing for LB301. [LB264]

SENATOR ALBRECHT: Thank you, Senator Howard and members of the Business and Labor Committee. My name again is Joni Albrecht, J-o-n-i A-l-b-r-e-c-h-t. I'm here to introduce to you LB301. LB301 was introduced at the request of the Department of Labor. This allows the department to provide electronic notice of unemployment claim determinations in addition to the current method of mailing notifications to claimants. When the claimant files a new claim or establishes a new benefit year, he or she will elect to receive notice of determinations electronically or by mail. The claimant has the power to change his or her election at any time. For those claimants choosing to receive notification electronically, this will allow them to receive information more quickly, but it still provides the option for individuals to receive notice via snail mail. Again, this is a straightforward bill that allows the Department to provide notice electronically if the claimant elects that option. That concludes my testimony and I'd be happy to answer any questions that you may have. [LB301]

SENATOR HOWARD: Thank you. Are there questions? Senator Hansen. [LB301]

SENATOR HANSEN: Thank you, Senator Howard. Senator Albrecht, I was wondering if you'd just help me out with the fiscal note a little bit. I see that there is a reduction of federal funds because this is a currently federal grant funded. It's a reduction of federal expenditures, but then it talks about savings from the grant funds, so it meets the money in a different way. So I was just wondering how, if they're using the money in a different way and you thought that correlated to a reduction in expenditures. [LB301]

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SENATOR ALBRECHT: I think the biggest reduction is if they do it electronically and it doesn't cost as much money to mail the...just do everything by mail. [LB301]

SENATOR HANSEN: Okay. Do you know what other...this might be a better question for Mr. Albin, but other use...resources they would use the federal funds for then? [LB301]

SENATOR ALBRECHT: I wouldn't be able to answer that. Thank you. [LB301]

SENATOR HANSEN: Thank you. [LB301]

SENATOR HOWARD: And before you go, my question was...are you able to elect for both? Is it one or the other? [LB301]

SENATOR ALBRECHT: Well, when the bill came to me they wanted it only electronically and I said I wouldn't present it unless it was both...it was either/or... [LB301]

SENATOR HOWARD: Okay. [LB301]

SENATOR ALBRECHT: ...because, you know, there's too many people in the rural areas that do not have access to Internet or a computer. So, therefore, I was happy to bring it forward if it was one or the other, or whether they do both or not, would probably not be as cost effective and sure as one or the other. [LB301]

SENATOR HOWARD: Yeah, it's just...I think, you know, from my student loans I get notifications, but then for big things like tax documents, I get them by paper. And you can elect to do that so that if it's something where I really don't want to miss this...falling into my spam folder or something like that, but I wasn't sure if that was a consideration. [LB301]

SENATOR ALBRECHT: And it could be with them, but for me, I'd like to "either/or" to save some money, that's great, but people also need to know that it's coming, so. [LB301]

SENATOR HOWARD: Thank you. Okay. Are there any proponents? [LB301]

JOHN ALBIN: (Exhibit 1) Senator Howard and members of the Business and Labor Committee, for the last time today, for the record my name is John Albin, J-o-h-n A-l-b-i-n, and I am the Commissioner of Labor appearing here today in support of LB301. I would like to thank Senator Albrecht for introducing LB301 on behalf of the department. The unemployment program

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operates under very short time lines. The abbreviated time lines are primarily due to federal requirements, such as the requirement that the first payment to an eligible claimant is to be made within 21 days of the claim being filed. Mailing documents to and from claimants gives them less time to respond to an inquiry and the department less time to effect a timely payment to that claimant. With the consolidation of mail processing centers, mail service is not as quick as it once was, particularly in rural areas. As a part of the resume process that each unemployment benefit claimant completes at the time the initial claim is filed, each claimant establishes an e-mail address for use in association with his or her claim. If the individual does not have an e-mail address, the software allows for the creation of a personal e-mail address. Web-based e-mail programs are available 24/7 and provide delivery and response within seconds. A web-based e-mail system can be accessed from the individual's own smart phone or computer, a public library, or one of fourteen different Department of Labor offices across the state. While some claimants would prefer that all correspondence be sent to an e-mail address, certain notices are statutorily required to be sent via the U.S. Postal Service. LB301 would give claimants the option of selecting electronic notices via e-mail. With approximately 75 percent of all initial claims now being filed on-line and over 93 percent of all weekly certifications of eligibility being made on-line, the department anticipates that electronic service will eventually become the preferred option of most claimants. That concludes my testimony. I would be happy to try and answer any questions that you might have. [LB301]

SENATOR HOWARD: Senator Hansen. [LB301]

SENATOR HANSEN: Thank you, Senator Howard. Thank you for testifying, Mr. Albin. I suppose you heard the question about the fiscal note. I wondered how they would work with the grant money being used. [LB301]

JOHN ALBIN: The Unemployment Program is a formula grant program and that is they look at the number of claims and the workload and the processing times and they give you a blanket amount regardless. And they make...they can give you a postal grant separate and apart from your base grant and the amount of the grant is still based on workload rather than actual postage. So our estimate is that we would have \$363,000 less in expenses. I think that's the number in the fiscal note, but the way the grant comes to us, it could actually be put into individuals who are processing the claims, it could be used for creating more computer labs, providing computers in the various offices as the department does now, so it would be allowed to be redirected to that. So it's a reduced expense on the postage side, but we could use it on other administrative purposes. [LB301]

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SENATOR HANSEN: Thank you. I think that clarifies. I just saw that there was a postage funding allocation, I wanted to make sure we were saving money to utilize elsewhere, we had that authority. [LB301]

JOHN ALBIN: Yeah, it's an odd grant process and it was a tough fiscal note to write because we were trying to put that out in English. (Laughter) [LB301]

SENATOR HANSEN: Okay. I think I'm all caught up to speed. Thank you. [LB301]

SENATOR HOWARD: Any other questions for the Commissioner? Seeing none, nice to see you today. He's done now. Are there any other proponents? Seeing none, is there anyone wishing to testify in opposition? Is there anyone wishing to testify in the neutral capacity? Seeing none, Senator Albrecht. [LB301]

SENATOR ALBRECHT: Again, I'd just like the committee's support, Business and Labor, for LB301. Thank you. [LB301]

SENATOR HOWARD: Any further questions for Senator Albrecht? Seeing none, are there any items for the record? All right. And this will close the hearing for LB301 and the hearings for the day. [LB301]