

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

Executive Board Committee  
February 08, 2017

---

[LB530 LB539]

The Executive Board of the Legislative Council met at 12:00 p.m. on Wednesday, February 8, 2017, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB530 and LB539. Senators present: Dan Watermeier, Chairperson; John Kuehn, Vice Chairperson; Kate Bolz; Ernie Chambers; Sue Crawford; Dan Hughes; Tyson Larson; John McCollister; Jim Scheer; and John Stinner. Senators absent: None.

SENATOR WATERMEIER: Welcome to the Executive Committee meeting here. My name is Dan Watermeier. I'm Chairman of the Executive Board from Syracuse and represent the 1st Legislative District in southeast Nebraska and serve as the Chair of the Executive Board. The committee will take up the bills in order as posted. Our hearing today is your public part of the legislative process and your opportunity to express your position on the proposed legislation before us today. The committee members may come and go during the hearing. We get called away for various reasons and it is not an indication we are not interested in the bill being heard. It is just part of the process. To better facilitate today's proceedings, I ask that you please abide by some procedures. Please silence or turn off your cell phones. And the order of testimony will be the introducer, proponents, the opponents, neutral, and then closing by the introducer. If you are testifying, please make sure you fill out the green sheet in the other room, and they're located out in the entrance. When you come to testify, please hand the green sheet to the page. Please state and spell your name for the record at the start of your testimony. If you will not be testifying but want to go on record as having a position on the bill heard today, there is a white sign-in sheet in the entrance. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. Written materials may be distributed to the committee members while testifying is being offered. Hand these to the pages. We will need 12 copies. If you have written testimony but do not have them, ask the page for some help. To my immediate right is legal counsel, Janice Satra. To my left is Laura Olson, our committee clerk. And the committee members can start today and introduce themselves. To my far left is Speaker Scheer.

SENATOR SCHEER: Jim Scheer, District 19.

SENATOR MCCOLLISTER: John McCollister, District 20, central Omaha.

SENATOR BOLZ: Kate Bolz, District 29, south-central Lincoln.

SENATOR HUGHES: Dan Hughes, District 44, ten counties southwest Nebraska.

SENATOR KUEHN: John Kuehn, District 38.

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

Executive Board Committee  
February 08, 2017

---

SENATOR CHAMBERS: Ernie Chambers, citizen of the world, but representing District 11 in Omaha.

SENATOR CRAWFORD: Senator Sue Crawford, District 45.

SENATOR WATERMEIER: Missing today is Senator Larson from northeast Nebraska and Senator Stinner from Appropriations who serves Scottsbluff. Our page today is Alex from Aurora, Nebraska. And we will start today on bill LB530 from Senator Harr. Come on up.

SENATOR HARR: (Exhibit 1) Thank you. Members of the Exec...Chairman Watermeier, members of the Executive Committee, my name is Burke Harr, H-a-r-r, and I am also a citizen of the world. But I represent Legislative District 8, and I am here today on LB530. I have a quote unquote simple amendment, just strikes two words from the bill. What this bill does it amends RRS 50-420, a section of statute which requires agencies to provide fiscal-related information to the fiscal analyst upon request. The first thing it does is it requires that any data be electronic. And second of all, it deletes "upon request" so that agencies are now required to furnish the data. The goal is to create a legislative data collection for in-house analysis of fiscal estimates without having to rely on interpretations of the executive branch. Thus, we create our own CBO like environment here within the Legislature. LB530 provides that agencies' appropriations will be withheld if the agencies do not comply with furnishing the data. You'll see there's a fiscal note attached to this which kind of goes back to death by fiscal note to a certain degree. They're saying it will cost \$78,000, well, excuse me, \$82,000, then \$78,000, then \$79,000 to provide information to us. I find that a little surprising, but I won't object to it. What we're trying to do here is, you know, assuming we ever get to rules, we will have two ways we're going to change fiscal. Right? We're going to give them more lead time and we're also going to allow to have an interim fiscal note. And that interim fiscal note I think is very important because when you're making...and specifically in the area of tax policy, you got to be able to fiddle around with the numbers a little bit and figure out what you're doing, especially if you want to do tax reform as opposed to tax cut--tax reforms being, of course, revenue neutral. Tax cuts or tax...you don't want to accidentally have tax increases necessarily. This allows us to really get our hand into the data, analyze the data, see what we're doing is working, what we're doing isn't working. And maybe, you know, maybe we're too reliant on a certain type of tax. And maybe that's causing a disproportionate burden on certain sectors and we need to adjust that. But until we can look at the number analyze the numbers ourselves and really have a chance to see what we're doing, I think it's difficult for us to do good tax policy. I've been involved with another incentive bill this year, and Senator Watermeier has one as well. And what I find amazing is that when you work with the executive branch you can get fiscal analysis and fiscal notes all you want. And if I were trying to do this on my own, and I have in the past, you can't get it. It's not possible. And I just don't think that's a good way to make policy. And I think if we are the ones controlling the purse strings, we ought to know how the money...we know...we can allocate the money, but we can't

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

Executive Board Committee  
February 08, 2017

---

really study. And we need to see how is money coming in. We get money going out. We don't analyze money coming in. And I think that's important because that may affect how we spend money out. It may create some savings or it may say, hey, we're just robbing Peter to pay Paul. Let's avoid the middle man or a pass through. I mean I don't know. There's a reason most states and the federal government have a separate congressional budget office. We don't. Yes, it's going to cost us a little bit of money, \$80,000. But when we're spending, as I like to say, billions upon billions upon billions of dollars, some of it is present I understand, but we are spending a lot of taxpayers' money. I think it's incumbent upon us to really analyze how that money is coming in. So I would ask for your support on LB530 and would entertain any questions you may have. [LB530]

SENATOR WATERMEIER: Thank you, Senator Harr. Senator Scheer. [LB530]

SENATOR SCHEER: Thank you, Senator Harr. You just...your intent is all fiscal-related information. So are we talking about monthly financials that may be given out to a committee or a commission or are we talking about just the annual reports or can you be a little more specific? [LB530]

SENATOR HARR: Thank you, Mr. Speaker. You know, as I have it written, it has to be turned over annually. If they want to turn it over more frequently, I don't think anyone would object to that and it might actually be simpler for everyone if it were handed over instead of there being a data dump, if it were handed over in a consistent manner. What we have in here is an incentive for them to turn the money over by a certain date; and if they don't, then we withhold their appropriations. But if they chose to go to the last day and dump in the last day, God bless them, good luck. (Inaudible). [LB530]

SENATOR SCHEER: So you're not necessarily asking for interim. You're just whatever annualized items they have. [LB530]

SENATOR HARR: Yeah. What information they have they give us and then we can analyze the raw data and we can interpret the way we think it should be interpreted. And there may be disagreements, right? And again, this is not at all a knock on our fiscal analysts and our Fiscal Office. They do a great job. You know, another thing that could happen, I didn't bring this up, is you are showing your hand a little early to the administration as far as what legislation you're going to bring by what information you ask. And we may not want the administration to know. Maybe we do, maybe we don't. But by asking for that information, it's kind of a tell. And so it's going to affect what or how they do things. And I had that happen to me on a...when I did an incentive act. I started asking for certain information and lo and behold--this was previous administration--there was another cleanup bill on the incentives act and where I would do

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

Executive Board Committee  
February 08, 2017

---

language like "shall" they would put permissive language "may" which then created no fiscal note, right? The outcomes were the exact same and the costs were the exact same, but the fiscal notes weren't the same, but it was also a tell. And that was the first time I realized how important it is if you're going to do something (inaudible) tax, you have to have the administration along with you. And if you don't, you know, I have a bill that I'm not going to have heard until March 8. I don't know what the fiscal note (inaudible). I had to introduce it. I really don't. I mean, and that's irresponsible way of creating legislation, not knowing what the cost of your bill is going to be because it could be (inaudible) instantaneous to death. So that's why. Now maybe if you have one shot at it and that's a step forward, but I also think when making tax policy it is important that we have all the information. [LB530]

SENATOR SCHEER: Thank you. [LB530]

SENATOR HARR: Thank you. [LB530]

SENATOR WATERMEIER: Thank you, Speaker Scheer. Questions? Senator Kuehn. [LB530]

SENATOR KUEHN: Thank you, Chairman Watermeier. And, Senator Watermeier, I appreciate the (inaudible) saving billions and billions reference. [LB530]

SENATOR HARR: I feel like (inaudible). [LB530]

SENATOR KUEHN: It's always interesting. [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: I guess I do have some questions with regard to frequency Senator Scheer was asking as well. You strike the language that says "upon request"... [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: But there's no time interval--annually, quarterly. And so I think it begs the question as things change is it just going to be some continuous stream. I guess I'm not clear on what actually you're looking at in terms of what the bill says versus what you seem to be intending. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: And, you know, I'm not trying to be overly burdensome. I'm going to let them determine. If they, as I said, if they want to do a data dump on the last day, have at it. As long as we have the information previous year. If you look at what happens, though, if they don't...and for some reason I don't have a green copy of it. Thank you. Oh, I do, sorry. You know, they don't get their money. That's the big...you know. So it says beginning January and if they don't furnish the information as required, the treasurer and director shall withhold appropriations within five days. [LB530]

SENATOR KUEHN: And I guess that's my question is by taking out "upon request" and not specifying a time interval that's either quarterly or annually... [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: ...or within so many days after the end of the fiscal year,... [LB530]

SENATOR HARR: I see that. [LB530]

SENATOR KUEHN: ...basically the way I read it, and feel free to disagree, you're giving authority to the fiscal analyst after five days after receipt of notification with no time specificity that you can start withholding funds from an agency. So I guess without any... [LB530]

SENATOR HARR: Yep, yep. [LB530]

SENATOR KUEHN: ...interval information, it's really problematic. [LB530]

SENATOR HARR: I see what you're saying. And I am the author of it, but I have no pride of authorship. And I think you're right. We need to say that at a certain date they shall send it. And I think probably the best day would be I would argue August 1 because then you get to the end of the previous year's fiscal, gives them a month to collect the data and dump it. But I would also probably because Revenue seems to have the biggest heartburn over this, I probably should talk to Revenue and I will talk to and see what they're most comfortable with as a drop dead date. [LB530]

SENATOR KUEHN: Okay. And that's my second question has to do with the amendment that you provided for us in regard to Revenue. And I simply know this because of our challenges on Performance Audit with the tax incentives and trying to do a performance audit of those programs. When we start looking into tax data, the issues associated with the protection of privacy and identity surrounding all of that tax data... [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: ...is much more complicated than simply accessing financial data regarding, you know, expenditures in Department of Economic Development or financially any identifying information around financial payments in HHS. I mean, we're talking about organizations that to maintain this data and ensure the privacy of taxpayers, of entitlement recipients, of individuals in economic development incentive programs there's incredible firewalls. And now we're talking about... [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: ...just a gigantic data dump into a system that doesn't exist as of this moment. So how do we protect the integrity of that information electronically in an era of electronic data breaches? [LB530]

SENATOR HARR: So there are a couple of issues in there and maybe July 1 of 2017 is a little too aggressive. Maybe we make it '18. So I think you really have two questions. One is how do we protect the taxpayer, which is a valid question. I would address that two ways. Number one is we do it in education right now, right? And you can find out any test score of any kid. Now you can't say I want to see Burke Harr's test scores, but you can say I want to see the test scores for blank and blank school district, right? And so I don't know how we can do that there but we can't do it here. I think sometimes that's a Trojan horse. I would also argue that we aren't inventing the wheel. NCSL says, you know, other states do this. And so it's been worked out, how do we get this data to the state legislature? We're not the...we wouldn't be the first or the only state to have our own, I call it CBO, correctional budget office. You know, we can look to how they do it, the specifics. We aren't...so I'm not so concerned about that either. We could get...it's going to be sanitized a little bit and that's fine and it should be. And maybe we can't quite get everything, but we're also going to get a heck of a lot more than what we have today. And we're going to be able to really use that analysis. We live in the age of big data. You know, farming has changed tremendously over the last ten years, five years because of the use of big data. And yet here we are, we have all this information available to us, and we're putting blinders on ourselves and not using that big data to look at how we can be better. And so that's why I want to have that information. And then you had a second point. [LB530]

SENATOR KUEHN: Just in terms of security. I mean I don't disagree that this can be duplicated... [LB530]

SENATOR HARR: Oh, security, yep. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR KUEHN: But we're talking about...I mean, again, for my colleagues who are on Appropriations know we're dealing with a couple hundred thousand dollar issue with server replacement for our existing systems... [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR KUEHN: And now we're talking about having to create a secured network that is going to secure health information potentially because we're talking about payments or HHS, we're talking about tax information. And is there another alternative or I think this fiscal note, I mean, \$78,000 isn't going to go very far in terms of a secure network for this kind of data. So I'm somewhat concerned about what that means as well. [LB530]

SENATOR HARR: You know, and you're right. And I think that's the real cost of this is having a separate housing unit for it and making sure that's secure. But just because it's going to cost a little money to secure it doesn't mean we shouldn't do it, but you're exactly right. And that's again, to use the word incumbent, I think that's our responsibility to make sure we protect our taxpayers and that we have a good system. But I...we're already creating strong systems so that people can't hack into them now or so we hope, right? We're using Gmail, more secure than our former Secretary of State's e-mail, but not as secure as others, right? But, yeah. That's always going to be an issue no matter...I mean, that's an issue for them right now, whoever is housing that information. [LB530]

SENATOR WATERMEIER: Thank you, Senator Kuehn. Further questions for Senator Harr? Senator Crawford. [LB530]

SENATOR CRAWFORD: Thank you, Senator Watermeier. So help me understand. We're taking out the "upon request." [LB530]

SENATOR HARR: Yeah. And I think we need to add a date in there. I agree with Senator Kuehn this needs a little tweaking. [LB530]

SENATOR CRAWFORD: I'm thinking. If you can help me understand why we're taking out "upon request." I think one of my questions is how all of these entities are going to know what information is related to the Fiscal Office's work. I mean in the amendment here for Revenue, that identifies some key kinds of information we really need to know which is helpful. But more broadly, it might be difficult for people to understand what information to... [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: What I would tell those agencies, you better err on the side of giving too much than too little because the last thing you want is to give too little; and then if you don't give it within five days, your funding is cut off, right? [LB530]

SENATOR CRAWFORD: Is it the Fiscal Office deciding what is relevant information like who's deciding? And then deciding? [LB530]

SENATOR HARR: Well, I think it has to do with what money is collected and how money is spent, yes. That's very...I mean, I think that's...I don't think that's very vague. It's we need to know how the money flows. If we're going to make policy decisions, we need to know how money flows and where it's flowing efficiently and where it's flowing inefficiently. [LB530]

SENATOR CRAWFORD: So it's basically any data about incoming revenues and expenditures. [LB530]

SENATOR HARR: And outgoing, yeah. [LB530]

SENATOR CRAWFORD: That's what you really want to know. [LB530]

SENATOR HARR: Yeah. I mean, that's the most important thing we do is control the purse strings. That's where our real power comes as a legislative body. That's why to a certain degree I had some issues with the process done in LB22 is because that's our...we can give that power away. But I don't like it when it's taken from us. Well, here we're saying we want to know the stuff up-front. [LB530]

SENATOR CRAWFORD: And so it's up-front instead of upon request because... [LB530]

SENATOR HARR: Yeah, it's give it to us and we'll decide how. And like I said, Senator Kuehn's correct. I need to put a date certain in there. And probably since Revenue, like I said, has the biggest heartburn, I should talk to them, maybe HHS as well because I bet you they're going to have a lot of information so I'll run it by them as well. And hopefully we can get together and find a date that's at least acceptable. I mean, I don't want to do it at the end of a quarter because that's when, you know, a lot of taxes are paid quarterly. I don't want to do it April 15. That's when a lot of taxes are paid. But I do want to find a time I think is helpful for us as we go forward making policy but also is not too inconvenient. I mean, this is...I'll admit it's probably going to be an inconvenience for them. So I'm going to try and make it as painless as possible. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR CRAWFORD: Thank you. [LB530]

SENATOR WATERMEIER: Thank you, Senator Crawford. Senator Stinner. [LB530]

SENATOR STINNER: So I'm trying to draw this out into kind of a graphical form. And what you're after...and I presume you also include the constitutional offices, they many times are not connected to a centralized place. So what you're trying to do is create a centralized place that you can go to... [LB530]

SENATOR HARR: That can store all the data. [LB530]

SENATOR STINNER: ...that can store all the data which would be on a server today, may be in the cloud tomorrow. [LB530]

SENATOR HARR: That's a decision... [LB530]

SENATOR STINNER: We would have to figure out how we collect that data and, as Senator Kuehn said, there has to be security in between those lines. [LB530]

SENATOR HARR: There would have to be security. [LB530]

SENATOR STINNER: (Inaudible). [LB530]

SENATOR HARR: You know, there's security today where that data is stored. And so, yeah, there would have to be security transferring and you have security at the end. [LB530]

SENATOR STINNER: Yeah. [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR STINNER: And you can probably get that accomplished. [LB530]

SENATOR HARR: I have literally hit buttons to transfer billions upon dollars, billions of dollars. [LB530]

SENATOR STINNER: Okay. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: And so, yes, it's possible electronically. [LB530]

SENATOR STINNER: I agree 100 percent with that, but people have to test all of this... [LB530]

SENATOR HARR: Yep. [LB530]

SENATOR STINNER: ...to make sure that it has integrity and all the rest, but that's what you're after is a centralized place where information is deposited so it can be accessed easily by the Fiscal Office, by the senators, by LRO. [LB530]

SENATOR HARR: I think we can talk about that, but I think we, you know, we first have to have that access to that data. And then it's up to I think the Exec Board to determine a policy of how that information is distributed. [LB530]

SENATOR STINNER: Have you talked to the Chief Information Officer about this idea? [LB530]

SENATOR HARR: Of DAS, of the Legislature, or where? [LB530]

SENATOR STINNER: DAS. [LB530]

SENATOR HARR: I have not. [LB530]

SENATOR STINNER: Okay. [LB530]

SENATOR HARR: And it might be good to do that too. I think...that is more of a logistics issue. [LB530]

SENATOR STINNER: Because I think you're still creating really a new system. [LB530]

SENATOR HARR: Yeah. And what you're talking about is logistics, and I think we can do that if we say we want the policy. It's possible to do today. [LB530]

SENATOR STINNER: Yes. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: There's logistics issues that goes with it. And quite frankly, I think that's probably a more valid fiscal note that didn't appear in here. [LB530]

SENATOR STINNER: Um-hum, um-hum. [LB530]

SENATOR HARR: But, you know, again, we're spending billions of dollars. We should probably...and we're creating tax policy. And, you know, we got to decide are we forgoing stimulating our economy, growing our economy because of our current tax structure. And if we are, you know, the cost of that system would be de minimis as opposed to the growth we could have in the state by analyzing the data and finding more efficiencies. [LB530]

SENATOR STINNER: Okay, thank you. [LB530]

SENATOR WATERMEIER: Thank you, Senator Stinner. Senator McCollister. [LB530]

SENATOR McCOLLISTER: Yeah. Thank you, Mr. Chairman. I understand the intent of the bill is to change the permissive nature to more of an obligation. When you say "any information," can you describe what kind of information you're hoping to receive? [LB530]

SENATOR HARR: The flow of money. [LB530]

SENATOR McCOLLISTER: Doesn't that occur on the state's checkbook from the Treasurer? [LB530]

SENATOR HARR: You have a spreadsheet, but you can't break down numbers, right? How much does this certain industry bring in? How much does that industry bring? You can't analyze it on minutia. There are large numbers, sure. I can get you, hey, here's how much we spent collecting income tax; here's how much we collected. We can argue individually. But for me to find out, okay, how much did the top quartile pay; how much did the top 10 percent, that's a little more difficult to find. And it's digging into the minutia. Why can't we live in the world of big data and we can play with numbers a lot more and find out what they really mean? And that's what I'm trying to get at. [LB530]

SENATOR McCOLLISTER: Well, can't you request that from the Revenue Department if you have those kinds of questions? [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: You can request. I can request anything. Doesn't mean I'll get the answer and it may take a long time to get the answer. Again, I don't have access to the raw numbers. So, yeah, you're right, you can request it. But let me tell you, I've tried to do tax policy and I had a full head of hair when I started; and just from beating my head, it just wore off. [LB530]

SENATOR McCOLLISTER: You know, I have a little concern over the definition of "any information" so. [LB530]

SENATOR HARR: Well, and if you want to, I'm more than happy...this bill is amendable as we like to say. [LB530]

SENATOR McCOLLISTER: Okay. [LB530]

SENATOR HARR: I'm more than willing to work with you and the committee to find a way to...as long as we agree on a policy end, you know, we can clarify the language and probably should. [LB530]

SENATOR McCOLLISTER: Okay. [LB530]

SENATOR HARR: As I said, I have no pride of authorship... [LB530]

SENATOR McCOLLISTER: Thank you very much. [LB530]

SENATOR HARR: ...even though this is one of the bills I did write. [LB530]

SENATOR WATERMEIER: Thank you, Senator McCollister. Senator Larson. [LB530]

SENATOR LARSON: Thank you, Senator Harr. Senator Stinner's picture helped a lot for both of us possibly. So I guess my main question is, as I've heard a little more like the data, will they just have to data dump everything they have and then we have to have somebody go mine through it when we make a request? Or is it they have to put the data in once the request is made? [LB530]

SENATOR HARR: Well, you know... [LB530]

SENATOR LARSON: Do you get what I'm saying? [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR HARR: I think so. You're asking do we want them to analyze the data. No. I want raw data, filter cleansed so that we can keep secrecy. [LB530]

SENATOR LARSON: Yeah. I guess that's sort of my question. Do they just data dump everything whether it's requested or not and it's there for us to go look? [LB530]

SENATOR HARR: Yes. [LB530]

SENATOR LARSON: Or do we have to request it first and then...? [LB530]

SENATOR HARR: No. I want to avoid the request. [LB530]

SENATOR LARSON: Okay, that's what I thought. So my next question is, is...and maybe...and I'm not quite understanding it, how do they code everything? I mean, obviously when we have people within Department of Revenue they can code everything within income tax, you know, from this county or this county. How much data are they dumping in? Are they dumping in socials, are they dumping in how much property tax is coming? You know, how do they take it down from counties? Are you requiring Excel sheets? I mean, because that's what all these departments have. You can say, I want to know how many property taxes were paid from Morrill County or Holt County or whatever. I mean you're just asking them to do raw data dumps and then us having somebody else having to go mine it. Who's mining that data? [LB530]

SENATOR HARR: No. They have the information; I want the information. They have the information right now how much property tax is collected. [LB530]

SENATOR LARSON: Yeah. [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR LARSON: I guess they have it but what form do they have it in? They have it in an Excel sheet, you know. How much of that do they have to cleanse in terms of taking out names and, you know, who owns it? Like, what is the extra burden on the... [LB530]

SENATOR HARR: The only burden that they have is to follow federal statute and that is that you can't release personal tax information. [LB530]

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

Executive Board Committee  
February 08, 2017

---

SENATOR LARSON: I guess my point that I'm getting to is right now we make the requests and then they cleanse it to where it's not being released. You're asking them to precleanse everything and then data dump it. It seems like there's a lot more work on their end because otherwise they don't have to cleanse all that data clean unless it is requested. [LB530]

SENATOR HARR: Well, what I would tell you is based on the fiscal note that they're saying it's going to take one person to do that. [LB530]

SENATOR LARSON: Maybe they didn't think all the way through, but maybe...I guess it's only one person. Thank you. [LB530]

SENATOR HARR: Yeah. [LB530]

SENATOR WATERMEIER: Thank you, Senator Larson. Further questions of Senator Harr? Thank you, Senator Harr. [LB530]

SENATOR HARR: Thank you. [LB530]

SENATOR WATERMEIER: All right. Those wishing to testify proponents of LB530. Anyone wishing to testify in opposition to LB530? Are there neutral testifiers? Senator Harr to close. Senator Harr waives his closing to LB530. That concludes the hearing in LB530 and we will open the hearing for LB539. Welcome, Mr. Krogh. [LB530]

RODNEY KROGH: Good afternoon, Senator Watermeier, members of the Executive Board. For the record, my name is Rodney Krogh, R-o-d-n-e-y K-r-o-g-h. I serve as a senior legislative aide for Senator Krist who represents District 10. Senator Krist deeply regrets he is unable to be here today due to a family matter. The following I will be providing are Senator Krist's comments that he asked me to provide. I appear before you today in introduction and support of LB539. In 2015, the Nebraska Legislature adopted the Office of Inspector General of the Nebraska Correctional System Act through the passage of LB598. The act outlines the many duties of this office and mirrors many of the provisions found in a similar act for the Office of Inspector General of the Nebraska Child Welfare System. Since the act went into effect, the Inspector General for Corrections has identified two potential changes to the act that would assist him in carrying out the duties of his office. These two changes are found in LB539. The first change would amend the definition of "serious injury." Currently, the Department of Correctional Services must report all serious injuries or deaths that take place in state correctional facilities. The current definition of "serious injury" is "an injury or illness caused by malfeasance or misfeasance which leaves a person in critical or serious condition." In working with the

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

Executive Board Committee  
February 08, 2017

---

department on this reporting requirement, the Inspector General learned that the department currently reports serious injuries to the Association of State Correctional Administrators. The definition that they use for this report is the one that is found in LB539. It is a less narrow definition that would provide the Inspector General with additional information on injuries that take place within the department. The second change relates to the Inspector General's ability to interview witnesses to an incident within the department. Currently, the act says that "Under no circumstances shall the Inspector General interview any person who has already been interviewed by a law enforcement agency in connection with a relevant ongoing investigation of a law enforcement agency." This mirrors the Inspector General of Child Welfare's language except that language only applies to minors. The current language has limited the ability of the Inspector General to interview some inmates and staff in the case of various incidents. The change in LB539 would allow the Inspector General to conduct such interviews with the consent of the prosecuting attorney. That concludes Senator Krist's comments. And I would say in closing should there be any questions, Chairman Watermeier, I would direct them to the Inspector General of Nebraska Correctional System, Doug Koebernick, who is kindly here behind me. Thank you. [LB539]

SENATOR WATERMEIER: All right. Thank you, Mr. Krogh. Are there any questions? Thank you. All right, those wishing to...proponents of LB539. Welcome, Doug. [LB539]

DOUG KOEBERNICK: Thank you. Thank you, Senator Watermeier. For the record, my name is Doug Koebernick, spelled K-o-e-b-e-r-n-i-c-k, and I am the Inspector General for Corrections for the Nebraska Legislature. I was appointed to that position in September of 2015 after the passage of LB598. I want to thank Senator Krist and Rod for their help with this legislation. And to save you some time, I mean, I...what he just said I say because that's exactly what the bill does and that's the point of the bill. The one thing I would probably do is just give you one quick example. When you look at the second part that deals with the interviews, for instance, in August there was an incident at the Lincoln Correctional Center where several staff were (inaudible) by several inmates. The...looking at that, there was several...I would say two or three inmates and some staff that I would have liked to have talked to, to learn a little bit more about the incident. I could watch the video of it where there was no audio or anything, couldn't see that, but there was nothing there that really told me what was said beforehand or during and things like that. The State Patrol investigated it. They didn't complete their investigation until December and then it was forwarded to the county attorney so that was several months or three months...four months after the incident took place. And it would have been nice for me to be able to go in with the consent of the prosecuting attorney and ask those folks a little bit more about that incident so I had a greater understanding of what took place. So that's just one quick example for you. [LB539]

SENATOR WATERMEIER: Thank you, Mr. Koebernick. Questions? Senator Bolz. [LB539]

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

Executive Board Committee  
February 08, 2017

---

SENATOR BOLZ: Just so I'm clear, the Department of Corrections fiscal note says that they have already been providing notice of serious injury to the Inspector General based on the modified definition. So is this just bringing practice into statute or is there a change related to the reporting that would be reflected in the statute? [LB539]

DOUG KOEBERNICK: No, it brings the practice into the statute. [LB539]

SENATOR BOLZ: Okay. [LB539]

DOUG KOEBERNICK: When I first started this position, they would report...they really weren't reporting any serious injuries because the bar was so high. And so I went and met with Director Frakes and we figured out that there was this other definition of serious injury that was a little bit more broad and they are reporting those things to that association and keeping track of it that way. So he agreed at that time that they would just go...moving forward that they would go ahead and report those serious injuries to me. [LB539]

SENATOR BOLZ: Thank you. [LB539]

SENATOR WATERMEIER: All right. Thank you, Senator Bolz. Further questions? Thank you, Mr. Koebernick. Further proponents on LB539? Is there anyone here today in opposition to LB539? Anyone in the neutral position? No letters. All right. Rod, you waived closing? All right, very good. That will close the hearing on LB539. Thank you all for attending. [LB539]