

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee May 23, 2019

KOLTERMAN: Welcome to the Retirement Committee System [SIC] hearing. I'm Mark Kolterman from District 24, and I serve as Chair. Today, we're gonna take up some confirmations. Our hearing today is our public part of the legislative process. So this is your opportunity to express your opinions on your positions on the proposed legislation before us today. The committee members are to my right, I'll let them introduce themselves.

BOLZ: Senator Kate Bolz, District 29.

KOLOWSKI: Rick Kolowski, District 31.

STINNER: John Stinner, District 48.

LINDSTROM: Brett Lindstrom, District 18.

KOLTERMAN: And we have Katie Quintero, our, our clerk; and Kate Allen, our legal counsel. And to my left, we have our page. Do you want to stand and introduce yourself?

KATIE ANDERSEN: Hi, I'm Katie Andersen. I'm from Lincoln.

KOLTERMAN: OK. Please silence your cell phones. If they ring, we're gonna fine you \$100 [LAUGHTER]. We're getting kind of hard-nosed today. We're all kind of punchy after, after yesterday. I think we'll just take testimony. We're gonna start with Janis Elliot. Janis, you've been on the committee-- on PERB Board now for two terms?

JANIS ELLIOTT: Yes.

KOLTERMAN: Welcome to the confirmation hearing.

JANIS ELLIOTT: Thank you.

KOLTERMAN: I would ask that you spell your name and then go from there.

JANIS ELLIOTT: Thank you. My name is Janis Elliott, J-a-n-i-s E-l-l-i-o-t-t. I reside at 1306 Lydia Circle in Papillion, Nebraska 68133. I do reside in Legislative District 14 that's represented by Senator John Arch. I would like to thank the members of the Legislative Committee-- Retirement Committee for the opportunity to share a little bit about myself. I am science department chair at Central High School in the Omaha Public Schools, and this is my 35th

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year of education teaching. It has been my honor to serve as a Public Employees Retirement Board Member for the last ten years. I have worked with NPERS through your Legislative Retirement Committee, and I realize the vital work that everybody here today does for securing and retaining public employees of the state of Nebraska's retirement. The work has led to a dignified retirement for education members throughout the community and for all of our public employees. I have taken the opportunity as a member of the Nebraska Public Employees Retirement System Board to gain expertise in retirement issues, both locally and nationally. Examples of my involvement in the retirement community issues include active participation at retirement board meetings during my tenure as a board member. I currently serve as board chair, and I have served on the following committees of that board: Education and Retreat, Policy Planning and Budget, Assumed Rate, and Personnel Committee. My leadership on the PERB has included board chair for the last two years, vice chair, and as committee chair on various committees over my tenure. Attendance-- I have attended the Nebraska investment educational retreats over the years for the Invest Nebraska Investing-- Investment Counsel. I reviewed and evaluated actuarial firms as a part of the Nebraska Public Employees Retirement Board selection during the last two cycles. As a board chair, I served in leadership in the search and selection of new PERB Board Director prior to Randy Gerke being hired. Participation at the national level in National Education Association pension forms has-- have been part of my formal training. I have been actively, actively involved as a retirement committee member of the Nebraska State Education Commission in the past-- or Education Association in the past. This service affords me an opportunity to have direct communication with representatives of educators across the state of Nebraska. I participated in the National Council on Teacher Retirement meetings and seminars. And those seminars include: education, regarding plans that are defined benefit, defined contribution, cash balance in nature. NCTR education also pertains to public employees such as police, fire, state and county employees, and the educators, of course. I currently serve as education-- as executive committee member of NCTR. I have presented at Harvard as a panelist during national training seminars for NCTR. And I have a membership of professional pre-retired education associations at the state, local, and national level. I have acted as a plan fiduciary over the last ten years to the members of our plans and to the beneficiaries in every plan that's represented by the Public Employees Retirement Board. I understand that my board position is that of a school plan member stipulated by law to serve on the board. I recognize that I serve all plans,

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stakeholders and stakeholders as a trustee. I will continue to strive to learn and lead with a fiscally prudent and fiducially sound judgment as I have in the past. I do thank this committee for their time and I'm honored to have been nominated by the Governor. I would like to answer questions for the board if there are any.

KOLTERMAN: Thank you, Miss Elliott.

JANIS ELLIOTT: Um-hum.

KOLTERMAN: Any questions? Senator Groene.

GROENE: I missed it and there is no information here. Are you a reappointment?

JANIS ELLIOTT: I am a reappointment. I served for ten years.

GROENE: All right.

JANIS ELLIOTT: Um-hum.

GROENE: So what in your opinion as an Omaha teacher? What's your opinion of OSERS's mess of mismanagement?

JANIS ELLIOTT: Well, first of all I'm not-- you know, I'm not a trustee at OSERS so I don't have internal information as to what maybe our research will produce in the next year. I have watched Michael Walden-Newman work with the investment side of that. And I believe as an Omaha educator, not as a trustee obviously, but as an educator, that Michael has managed those finances to the best of his ability and the team's ability to secure a sound financial future for the Omaha teachers. And beyond that, I really can't speak to it because--

GROENE: I think that's the plan you're, you're basing your retirement on right, the OSERS?

JANIS ELLIOTT: Well I am, I am a member of OSERS, yes.

GROENE: All right. Thank you.

JANIS ELLIOTT: Um-hum.

KOLTERMAN: Any other questions? Having none-- oh, I'm sorry, Rick-- or Senator Kolowski.

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KOLOWSKI: I just want to say thank you. Thank you, Mr. Chairman. I just want to say thank you for your career and the excellent job you've done in all the locations you've been connected with. And thank you for your willingness to serve. I think it's important.

JANIS ELLIOTT: Thank you.

KOLTERMAN: Yeah, I, I, I agree with that. Ten years is a long time to be on a, on a voluntary board. But you've, you've, you've put your heart and soul in it. Thank you very much.

JANIS ELLIOTT: I have, thank you. And I appreciate the work-- you know, Kate has provided me-- you know, educational knowledge. We talked about that earlier in the week. And I love the numbers game you might say. I taught physics for many, many years prior to my current position and, and I, I enjoy actuarial reports. I, I think that-- you know, members of the board must be well-versed in all the pieces of what goes into a plan and how those numbers all piece together. It's, it's not one factor that we look at when we make any kind of a legislative change to those plans and Nebraska is a model. I'm often complimented on that nationally as to the fact that we are such a model to the nation. We should be proud of this. This committee should be proud.

KOLTERMAN: Thank you.

JANIS ELLIOTT: Thank you.

KOLTERMAN: Seeing no other questions, thank you for coming this morning. We will Exec probably right after this and make our decisions.

JANIS ELLIOTT: Thank you.

KOLTERMAN: Are there any proponents? Are there any opponents? Anybody want to speak in the neutral position? With that, we'll close that confirmation hearing. Now we'll open the hearing for Allen Simpson. This is a unique situation. Mr. Simpson was here already this session once. You've changed jobs, had to quit, and then got reappointed to a different position on the same board. So two times in one year with the same board.

ALLEN SIMPSON: We can only hope, sir.

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KOLTERMAN: Yeah, so would you give us your testimony, please?

ALLEN SIMPSON: Senators, my name is Allen Simpson, A-l-l-e-n S-i-m-p-s-o-n, and I'm honored to be before the committee today. On January 29 of this year, I was before the committee for an appointment as an at large member for the Public Employees Retirement Board. I was grateful to get confirmed to the PERB, but unfortunately I had to resign on March 1, because I was selected as the state's Risk Manager. I was excited when I heard there was an opportunity for me to serve as a state employee member on the PERB. I believe the short time I have spent as an at large member on the PERB has prepared me for this new role. Senators, I retired after a 30-year military career on January 3, 2017. I enlisted in the Missouri Air National Guard in February 1986 before joining the Nebraska Air National Guard and earning my commission in the summer of 1992. I served as the Air Refueling Wing's budget officer from 1992 to 1996, when I was selected as the unit's comptroller. In 2006, I was selected as the first commander of the 155th Comptroller Flight where I was responsible for formulating, developing, and executing financial budgets for more than 976 Air National Guard members for the Air Refueling Wing. In addition, I earned the highest financial certification from the Department of Defense when I received the Certified Defense Financial Management Level III Certification. This expertise in managing federal tax dollars was instrumental in my selection to the National Guard Bureau's Financial Stewardship Team. This team was formed to ensure the entire National Guard expanded its judicious, financial stewardship of federal tax dollars throughout all the units within the United States. Finally, under my leadership in the Air National Guard in 1996, 2000, 2001, and 2008, our finance office was selected as the best within the Air National Guard. I want to bring this expertise in managing and oversight of federal tax, tax dollars to the Public Retirement System. Are there any questions?

KOLTERMAN: Any questions? You've already been here once. [LAUGHTER]
Thank you very much.

ALLEN SIMPSON: Thank you, Senators.

KOLTERMAN: We'll now take people that are supportive of the position? Are there any opponents? Anyone here in a neutral position? We'll close the hearing on that then. Thank you very much, Mr. Simpson. Our next-- we'll open the hearing for Michael Jahnke. Is that correct?

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MICHAEL JAHNKE: Yes, sir.

KOLTERMAN: Welcome.

MICHAEL JAHNKE: Thank you, sir.

KOLTERMAN: He's a State Patrol [INAUDIBLE].

MICHAEL JAHNKE: Senator Kolterman and members of the Nebraska Retirement Systems Committee, my name is Mike, M-i-k-e, Jahnke, J-a-h-n-k-e. I'm honored to appear before you today and provide you with information on my experience and education as you consider my appointment to the Nebraska Public Retirement's Board. I should add that I'm currently living in Lincoln, Nebraska, within Patty Pansing Brooks's district and I'm soon to move to North Platte as of today to Senator Groene's district. I'm a major with the Nebraska State Patrol and currently serve as the Western operations commander. My 25 years of experience with the agency has allowed me to experience multiple divisions which have included duties and responsibilities in operational, investigative, and administrative functions. Prior to joining the Nebraska State Patrol in 1994, I served in the United States Air Force spending the majority of my time stationed overseas. My service included a deployment to the Persian Gulf in support of Desert Shield and Desert Storm. In all, I have over 30 years of combined experience to my country and state. I'm proud to have grown up in Lexington, Nebraska, and hold a Bachelor of Arts degree in Public Administration from Doane University. I have also had the privilege of attending and graduating from the Federal Bureau of Investigation National Academy in 2010 and hold a certificate of achievement from the University of Virginia in criminal justice education. I have been actively involved with Lean Six Sigma, earning my yellow belt in 2017, while currently working towards obtaining my executive green belt. A financially solvent retirement plan is important to the taxpayers, this committee and the individuals who contribute and rely on it for their retirement. During my time with the agency, I've actively worked to facilitate the education of my coworkers on our retirement plan. After recognizing a need within my agency, I organized and facilitated a retirement 101 course utilizing subject matter experts from NPERS as instructors. This course has been positively received and has been conducted twice in the last year. I plan to organize and schedule future sessions and the agency is discussing expanding the course to our younger members and including possible components on financial responsibility. I have previous experience in working with Randy Gerke, the Director of NPERS, and

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have appeared before the PERB as a stakeholder representative. I plan to continue my collaboration with NPERS to organize educational opportunities for my coworkers, as I believe developing a fact-based understanding of our retirement plan helps to foster awareness and underscore the importance of a financially sound plan. As a member of PERB, I will diligently serve and take my responsibilities seriously. My priorities are both to ensure the solvency of the plan and represent the interests of all members. I thank you for your time and the opportunity to appear before you today. I would be happy to answer any questions that you might have.

KOLTERMAN: Thank you, Mr. Jahnke.

MICHAEL JAHNKE: Thank you.

KOLTERMAN: Any questions? Senator Groene.

GROENE: Could you tell us what Lean Six Sigma means?

MICHAEL JAHNKE: It's a program that's been installed by the Governor concerning efficiency in the operations of government, but primarily business. I believe it was started, Senator, in the business sector and it was brought over by the Governor and Matt Seng to put in practice in the government-- within government. The way we use it in the Nebraska State Patrol-- not to say that the Nebraska State Patrol is different from other government agencies, but we are as far as our customer service approach. We're not exactly making widgets. We're handing out tickets and enforcing the laws that you write. So sometimes Lean Six Sigma can be a, a challenging fit. But the way that we use it internally, and the way that I've used it internally, is to look at our workflows and operations, whether it's fingerprinting or CID or the way that we order cars or vehicles or uniforms. Is there a simpler way of doing it and cutting through that? Fixing the glitches and looking for ways to be more efficient and effective and what we do with taxpayer money. That's how we employ that within the Nebraska State Patrol and so then we look at hard and soft savings with that. Because I've worked with Senator Stinner on, on Appropriations and things and there's not an abundance of money and so we have to do what we can do with what we have and look for efficient ways to do it. We, we have that type of--

GROENE: What is your position gonna be out in North Platte?

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MICHAEL JAHNKE: Sir, I'm gonna be the Western Operations Commander which is basically from Elm Creek west. So the entire Panhandle in that section of Troop D, which you're familiar with in that North Platte area. So that entire Western Region, which is about 57 percent of the state geographically, but not population based. I will oversee the two captains, once we promote a captain in Troop D, the traffic folks--

GROENE: So you're going from fiscal management to personnel management basically?

MICHAEL JAHNKE: No, I don't do Lean Six Sigma full time.

GROENE: All right.

MICHAEL JAHNKE: I used to be the Professional Standards Commander over, over legal and those type of things within state headquarters. Lean Six Sigma is just something that the agency has dedicated itself from the basic trooper investigator level all the way up to the colonel, and which I've actively chosen to be a part of.

GROENE: Thank you. Appreciate it.

KOLTERMAN: Any additional questions? I have one.

MICHAEL JAHNKE: Yes, sir.

KOLTERMAN: Will you make a commitment to keep Senator Stinner and Senator Groene in line out there? [LAUGHTER]

MICHAEL JAHNKE: I will.

KOLTERMAN: Thank you.

MICHAEL JAHNKE: I, I, I will.

GROENE: And would you lower the limit from where you start giving tickets from 90 to at least 85? [LAUGHTER]

MICHAEL JAHNKE: I, I promise on the first one. On, on the second one, I'll do my best.

KOLTERMAN: Thank you, Mr. Jahnke.

MICHAEL JAHNKE: Thank you, sir.

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KOLTERMAN: Seeing no other questions-- OK, thank you.

MICHAEL JAHNKE: Thank you, sir.

KOLTERMAN: Are there any proponents? I do have one letter from Dennis Leonard, who served on the PERB Board, in support. It'll go into the record. Any opponents? Any in the neutral position? With that, I would like to thank all three of you for coming, my committee for coming in early this morning, and Randy, I appreciate you being here as well. So thank you very much. If it's OK, we'll go into Executive Session on this.