

Transportation and Telecommunications Committee January 22, 2019

GEIST: [RECORDER MALFUNCTION] Lincoln and I represent District 25. I'm the Vice Chairman of the committee and I'll begin just with a few procedural items. Please silence your cell phones and any other electronic devices you may have brought with you. We will be hearing the bills in the order listed on the agenda. Those wishing to testify on a bill should move to the front of the room and be ready to testify. We have set aside an on-deck chair here in front so that the next testifier will be ready to go when their turn comes. If you will be testifying, legibly complete one of the green testifier sheets located on the table just inside the entrance. Give the completed testifier sheet to the page when you sit down to testify. Handouts are not required; but if you do have a handout, we'll need ten copies. One of the pages will assist you if you need help with copies. When you begin your testimony, it's very important that you clearly state and spell your first and last name slowly for the record. If you happen to forget to do this, I will stop your testimony and ask you to do so. Please keep your testimony concise. Try not to repeat-- repeat what has already been covered. We will also use the light system in this committee. Beginning with the green light, you will have five minutes for your testimony. The yellow light indicates one minute left. When the light is red, time is up and we ask you to wrap up your testimony at that time. Those not wishing to testify may sign in on the pink

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sheet by the door to indicate their support or opposition to a bill.

I'd like to have the staff intro-- well, I'll introduce the staff and then I'll allow the senators to each introduce themselves. Our committee legal counsel is Tip O'Neill; he's to my right. Committee clerk is Sally Schultz and she is back here. Our pages are Alyssa and Preston. And I believe Alyssa and Preston's around here. There he is. And we will begin open-- open the hearing with-- oh, no, actually we're going to allow the Senators to introduce themselves and I'll start to my right.

BOSTELMAN: I'm Senator Bruce Bostelman, District 23.

ALBRECHT: Hi, I'm Joni Albrecht, from District 17: Wayne, Thurston, and Dakota Counties. Welcome.

DeBOER: I'm Senator Wendy DeBoer, from District 10: Bennington and parts of Omaha.

HILGERS: Mike Hilgers, District 21, northwest Lincoln and Lancaster County.

CAVANAUGH: Machaela Cavanaugh, District 6, south central west Omaha.

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

GEIST: Thank you. Now with that, we will open on LB79.

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TIP O'NEILL: Senator Geist, members of the Transportation Committee, my name is Tip O'Neill, that's T-i-p O-'-N-e-i-l-l. I am the legal counsel for the Transportation and Telecommunications Committee. And I'm hearing-- appearing here today on behalf of Senator Friesen, who apologizes that he is not able to make the hearing. Senator Friesen is the sponsor of LB79. This bill was introduced on behalf of the Nebraska State Patrol and the Department of Motor Vehicles. It would provide the annual update of federal regulation in statutes relating to cabin trailers, low-speed vehicles, parking, registration, driver's licenses, state ID cards, source documents, trucks, hazardous materials, seatbelts, the Lemon Law, and records. Basically in those provisions, the law changes the dates of federal regulations we have adopted by reference to January 1, 2019. Again, this is something that we do as a committee every year. The second part of the bill allows interstate motor carriers to carry an elot-- an electronic registration certificate for their vehicles, as opposed to a paper copy of a registration certificate. It also clarifies how some registration fees are credited to the Motor Carrier Services Division Distributive Fund. Rather than credit the funds as they come into the DMV, we would allow an end-of-the-month distribution of the funds. This bill has the emergency clause. I ask you-- Senator Friesen asks you to advance LB79 to General File. I'm sure that some testifiers

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coming after me will be able to answer specific questions, but I'd be happy to answer any of your general questions about the bill.

GEIST: Any questions? Seeing none, thank you.

TIP O'NEILL: Thank you, Senator.

GEIST: We'll have the first proponent.

GERALD KROLIKOWSKI: Senator Geist and members of the Transportation and Telecommunications Committee, my name is Gerald, G-e-r-a-l-d, Krolikowski, K-r-o-l-i-k-o-w-s-k-i. As Commander of the Carrier Enforcement Division, I am here today on behalf of Nebraska State Patrol to testify in support of the motor carrier safety provisions of LB79. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on the states' adopting uniform safety measures with the ultimate goal of a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to may-- remain consistent and comply with these federal requirements, it is necessary to update our commercial vehicle safety regulations annually. The language contained within LB79 submitted on behalf of the Nebraska State Patrol concerning the Motor Carrier Safety Act addresses date changes by striking 2018 and inserting 2019. LB79 does contain additional language, which will be addressed by director Rhonda Lahm of the Department of Motor Vehicles. Every day our troopers strive to make our highways safe. In federal fiscal year

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2018, the Nebraska State Patrol conducted 28,402 roadside inspections, with 4.35 percent of those drivers inspected being placed out of service. Of the 8,585 vehicles inspected, an average of 3.2-- .12 violations per vehicle were discovered, with 30.6 percent of the vehicles being placed out of service. The roadside inspection program has enabled Nebraska to establish clear guidelines for commercial vehicle operators while ensuring a Nebraska-- while ensuring a Nebraska State Patrol presence to assist in correction that-- of operators who have vehicle or driver defects. Along with our enforcement efforts, public education is a valuable too-- tool used by the agency to improve highway safety. Once again, in federal fiscal year 2018, the Carrier Enforcement Division of the State Patrol conducted 137 public education seminars across the state, with over 4,700 attendees directed at commercial motor vehicle owners and operators. In addition, the Nebraska State Patrol Web site provides a Passenger Carrier Webinar and other vital videos for commercial motor vehicle owners, operators, and the public. This legislation will enable the State Patrol to continue enforcing updated federal motor carrier safety regulations and the federal hazardous materials regulations. And I will be happy to answer any questions that you may have.

GEIST: Committee?

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ALBRECHT: Hi. I just have a question: Do all states do this, or is this just something that we're starting here?

GERALD KROLIKOWSKI: No. Every state-- let's see. I'm pretty confident that every state is now doing it. Yes.

ALBRECHT: OK. We just got on board this year.

GERALD KROLIKOWSKI: What's that?

ALBRECHT: And we're just doing it this year. Or did you have the electronic last year?

GERALD KROLIKOWSKI: The electronic.

ALBRECHT: Is it-- is that what you're talking about in here, the electronic part of this bill?

GERALD KROLIKOWSKI: We are supporting-- you're supporting our-- our efforts to update the commercial motor vehicle regulations. I mean, we're talking about inspections on the-- on the vehicles and everything else, the regulations having to do with hours-- hours of service, vehicle--

ALBRECHT: So [INAUDIBLE]--

GERALD KROLIKOWSKI: --equipment and everything else.

ALBRECHT: --[INAUDIBLE]

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GERALD KROLIKOWSKI: Director Lahm will speak to the--

ALBRECHT: Oh, she's--

GERALD KROLIKOWSKI: --electronic registration--

ALBRECHT: OK. Very good. OK.

GERALD KROLIKOWSKI: --area in just a little bit. I believe that's what
your question.

ALBRECHT: [INAUDIBLE] Thank you. Sorry.

GEIST: Anyone else? Thank you, sir.

BOSTELMAN: [INAUDIBLE].

GEIST: I'm sorry.

BOSTELMAN: That's OK. It's hard to read.

GEIST: Senator-- Senator Bostelman.

BOSTELMAN: Thank you for being here today. Real quick question on the
infractions that you see. Are there-- is there a-- as far as your
inspections and what you're finding, putting vehicles out of service--
is there a tendency or is there a certain area that you're seeing more
prevalent than others? Or is it--

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GERALD KROLIKOWSKI: Out of service for vehicles, of course, is-- has continuously been brake systems. As you imagine, the weight of the vehicle and the-- and the heavy weight and the stopping and especially local vehicles. The amount of times that they stop and with that weight you tend to have the brake components break down. And then tires and then probably some lighting. And then after that, probably safe loading and spilling a load.

BOSTELMAN: Thank you.

GEIST: Anyone else? Commander Krolikowski, thank you for your testimony.

GERALD KROLIKOWSKI: Thank you.

RHONDA LAHM: Good afternoon, Senator Geist, members of the Transportation and Telecommunications Committee. I'm-- I'm Rhonda Lahm, R-h-o-n-d-a L-a-h-m, Director of the Department of Motor Vehicles. I'm appearing before you today to offer testimony in support of LB79. And I'd like to thank Senator Friesen for introducing LB79 on behalf of the department. This is a joint update bill, introduced annually, to keep the Department of Motor Vehicles and Nebraska State Patrol in compliance with federal laws and regulations. LB79 adopts the most recent version of federal laws and regulations in effect as of January 1, 2019. It contains rules governing manufactured homes, regulations governing the issuance of commercial driver's licenses,

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background check requirements for individuals involved in the issuance of driver's licenses and state identification cards, parking regulations for those persons with disabilities, regulations governing low-speed vehicles contained within the federal motor vehicle safety standards, and regulations governing registration for commercial motor vehicles. Statutes related to motor carrier enforcement are also updated, as are those ensuring access to motorist information is restricted to appropriate purposes. This would retain Nebraska's compliance of federal regulations contained within the Fixing America's Surface Transportation Act, and ensure the DMV maintains standards for informal dispute settlement procedures for automobile warranties. Section 9 adopts the latest version of the International Registration Plan, which includes a modification allowing an electronic registration credential. The modification allows a registration certificate to be displayed either as a legible paper credential or as a legible electronic credential and requires officials to accept the same. We're currently conducting a pilot project exploring electronic credentials with limited carriers. Section 10 of the bill changes the language governing the process by which Motor Carrier Services registration fees are distributed to the State Treasurer. The change clarifies statute and reflects current remittance practices. I encourage the advancement of LB79 to General

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File. At this time I'd be happy to answer any questions the committee may have.

GEIST: Committee, do you have any questions?

ALBRECHT: Thank you. I'll ask the same question. So this came down from the federal level, that it was OK to have everybody do the electronic if they wish to?

RHONDA LAHM: So that--

ALBRECHT: How does that happen? Do they just take a picture of their own and put it on their phone or--

RHONDA LAHM: So a couple-- two parts to your question. The first part, the International Registration Plan, is a plan that all the states are members of and also territories in Canada.

ALBRECHT: OK.

RHONDA LAHM: And so as a group they-- they set the parameters for how the process works. And in Nebraska law, we've adopted that plan into state law, similar to we do with the federal laws. And so Nebraska is a member of the plan. They had a ballot and changed their plan, which requires people to acknowledge an electronic credential. It doesn't require states to produce them, but it requires, like, law enforcement or others-- regulatory people or people who may ask a carrier for their credential to accept it if it's electronic. We believe that the

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future holds making-- providing electronic credential, so that's why we're in the process of working with a couple of our carriers and submitting, so that when they register we can provide them an electronic credential in addition to their paper. And so we're working with that now. And it's a couple of different ways, depending on the carrier where we submit it and then they have their own database, so to speak, that people log in and access it too. Or we may submit it and they may do, as you suggested there, just have a PDF of it that their driver carries with them, so that is dependent a little bit on the company. And we're still working through that process. But in anticipation that may be coming down the road, we're already starting work on that.

ALBRECHT: OK. Great.

RHONDA LAHM: Does that answer your question?

ALBRECHT: And one more thing, then. Did you have to add-- did it have a fiscal note of any kind that you have to have a specific type of [INAUDIBLE]?

RHONDA LAHM: So our computer system that operates the-- maintains the registration for commercial carriers-- we have an employee programmer on the staff at the department, so that time spent for that is just absorbed within our existing appropriation.

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ALBRECHT: OK.

RHONDA LAHM: So we did not request any additional appropriation for that.

ALBRECHT: Very good. Thank you.

GEIST: Anyone else? Director Lahm, I would just ask, if you would explain-- there are some new people on our committee--

RHONDA LAHM: [LAUGHS] I know.

GEIST: -- and if you would just explain the process why this bill is brought forward.

RHONDA LAHM: OK. So there's several places in state statute where we've adopted references to federal law. And so what we do each year is we go through and we adopt and change the date to January 1 of the current year so that we stay current with the federal regulations to stay in compliance with the Fixing America's Transportation Act so we don't lose federal highway funds. If we don't stay in compliance with that act, then a certain percent of our funds that go to the Highway Trust Fund are in jeopardy. And we adopt it each year because we can't just let it be in law. And then if they change it, it automatically changes state law because that's what all you folks get to do, is set policy for the state. So we can't just do that and make it permanent forever. We have to do it each year and update it as the years go.

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GEIST: Thank you. I thank you for indulging me. I thought we could use this as a learning opportunity too. So thank you. Any more proponents for the bill? Any opponents of the bill? Anyone wishing to testify in the neutral? If not, we will close the hearing on LB79. We will now advance to LB82. And once again, Mr. O'Neill will be testifying for Senator Friesen, who is not here for health reasons.

TIP O'NEILL: Senator Geist, members of the Transportation Committee, my name is Tip O'Neill. That's T-i-p O-'-N-e-i-l-l. I'm the legal counsel for the Transportation Committee, and I am here today to provide Senator Friesen's testimony on-- on LB82. This bill was introduced at the request of the Nebraska Department of Transportation. It has two main purposes. First, it would eliminate unnecessary reporting requirements by the counties, cities, and state to the Nebraska Board of Public Roads Classifications and Standards. Second, it would amend the road design standards program in making project design decisions to provide more flexibility and in short, allow the state to get more bang for its bucks in highway construction and maintenance. Director Schneweis will be following me and will handle the details of this bill. Senator Friesen did want me to indicate that, in his opinion, sometimes bureaucracy consumes unnecessary effort by having reporting requirements that no longer make sense in an electronic world. And sometimes rigid standards for highway construction don't make sense in all situations. Cost versus

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benefit analysis that provides flexibility in standards can serve the citizens and taxpayers well. I will let the experts tell you about the details. I know this is a high priority for the Department of Transportation. And Senator Friesen would ask your support in advancing this bill to General File. I'd be happy to answer any questions.

GEIST: Any questions? Looks like none. Thank you.

KYLE SCHNEWEIS: Senator, is it OK if I come up here?

GEIST: It is OK if you would-- if you'd come up here. You're on.

KYLE SCHNEWEIS: Thank you. Good afternoon, Senator Geist, distinguished members of the committee. I'm Kyle Schneweis, K-y-l-e S-c-h-n-e-w-e-i-s. I am the Director of the Nebraska Department of Transportation. I very much appreciate the opportunity to be here today in support of a bill that includes many of the same principles that I hope you have come to expect from us at the DOT over the last four years: things that streamline processes, things that improve our efficiency and our ability to be effective and customer-focused. I very much appreciate Chairman Friesen's support and thank him for introducing LB82. It's a two-part bill as Tip indicated. There's a piece that talks about practical design, which I'll get into many details later. And then there's also a piece that talks about how counties and cities currently do their reporting for how money to-- to

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ensure that money intended for transportation is in fact used for transportation. I'm going to focus on the practical design piece first. Practical design is not something that is new. It's been happening across the country over the last decade or so. And what it essentially is-- is-- is an opportunity for engineers to make smart business decisions and stretch limited funds as far as we can without impacting safety. And as an industry, we've designed roads the same way for a very long time. And this can't and should not continue. Taxpayers deserve more and DOTs need to be able to make educated decisions that can help them address the needs of the road. When professional engineers utilize practical design, they are exercising flexibility within design standards to-- to-- to strategically focus funding on the primary problem at hand. They're making a deliberate choice to look at the big picture and evaluate the intent of the project and identify opportunities to provide the most substantial benefit to the public at a reasonable cost. When practiced effectively, practical design provides DOT professional engineers the flexibility to safely and efficiently maintain and modernize our transportation system to best serve the needs of Nebraskans. A question I hear a lot is, if it makes so much sense then wa-- sense then why don't you just do it? Why do you need permission? And I'm here to tell you that we are doing it. Practical design is becoming a big part of our business. And-- but-- but I believe that defining that process in statute will provide all the parties, DOT, the Board of

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Classifications and Standards, our local partners, with a more defined and authority to practice practical design. Currently, all construction projects are required to comply with design standards that have been adopted by the board. If an entity finds that the specific design required by standards does not provide a benefit, they may appeal to the board and are granted a one-time project specific relaxation of standards. And so I'd like to walk you through what that kind of looks like and I have a couple examples in my written testimony. I actually want to point to a different one first. If you turn to page 4 or 5 on your handout that we provided, it's the one right after the testimony; the picture looks like this. This is an example of a place where we did not use practical design. And so if you take a look at the picture, you'll see on the top-- top right side you've got a flat road. It's got a nice turf shoulder and the road is maintained and performing well. Well, the bridge needed to be replaced, that small bridge, and the standards required that we-- we build it to new standards. And so you can see how much wider the bridge is than the road. If you look at the bottom, you can see how much dirt we had to move to be able to accommodate that little bridge. We probably had a complex environmental process to be able to get through the permitting because we're changing the channel flow with a-- with a bigger bridge, all of which, in my opinion, I think we could do without and still provide a very safe and effective roadway. So this is an example where we did not ask for an exemption from the

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Board of Classifications and Standards. My expectation today would be that if we did that project, we would. And I would-- I would hope and expect that the board would grant that exemption and we would be able to save money on that project. So that's an example where we didn't do it. I want to talk through a couple where we are. The first, we have about a 20-mile segment of highway, well-maintained; it's in good condition. There is one mile out of that 20 miles that's in a-- in a valley that's not in good condition. And so as we-- we were approaching the project, we elected to request a relaxation of standards from the board, in order to build that one-mile segment to match the design of the other 20 miles and not be constructed to that higher new standard. And we-- we applied those principles of practical design to that project and were able to extend the life of the project, extend the life of the road, and get the maximum benefit while controlling for cost. Another example that's on a little bit bigger scale, there are 22 bridges between Lincoln and Grand Island that are more than 50 years old on the interstate. And those bridges need to be repaired. And under current standard, we would have to widen those bridges to the minimum design standard which is 37.5 feet. The bridges today are 36 to 37 feet. And so we would be looking and forced to widen those bridges by as little as six inches to meet those standards. And you can-- you don't have to be an engineer to-- to guess that six inches of wider bridge is not going to get you a very large safety benefit. But the trick is that in addition to not

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providing that safety improvement, widening those bridges is a more complicated construction cost or process. And so now we have to close a lane to be able to widen the bridge. And lane closures are not only inconvenient to people, they also are-- our numbers indicate that can nearly double the anticipated safety impacts. And so it doesn't make sense from a safety perspective. It's also \$2 million cheaper to build the bridges at the width they are-- to repair those at the-- at the width they are today. And so we went before the board, we were at-- we asked for an exemption and we were granted that. So that's a little bit about what practical design is. I think what LB82 really does is increase our ability to be efficient and effective in doing this by allowing a programmatic approach to relaxation of standards. And I'd stress that the legislation does not eliminate design standards but allows us to capitalize off our experience and use practical design where it has worked in the past. And so going back to the bridge example on the interstate, a programmatic approach would allow us to save time and money by not needing 22 specific project exemptions but we would have a programmatic ability to-- to make those decisions at DOT. I encourage the committee to consider the impact of these savings. I don't have to tell you here on Transportation if you remember my testimony in November about the large needs. We have 10,000 miles of highways. Trying to stretch these dollars as far as we can so we can keep the performance up and make safety improvements all across our state is important, and this is a-- a key way that we're

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able to stretch those dollars further than we ever have before. With that, I'll move to the second piece of LB82 quickly. It addresses a 50-year-old statutory requirement that requires all 93 counties and all 529 cities to submit three reports to be included in our public-- in the entity's public record and filed with our board. Currently these entities submit-- develop and submit three things: a one-year plan; a six-year plan of road and street improvements; and a detailed financial report that is used to ensure that revenues and-- and funding intended for roads is being used for that purpose. What this does is revise the-- the statute to reduce the regulatory burden on counties and cities by changing that submittal requirement to a simple certification process. It does not alter their obligation to publish planning documents in accordance with the law, but does remove an unnecessary layer of bureaucracy and provides time savings for everyone involved. We've-- we've got a handout in your folder that explains that reporting and certification requirements in detail. And so just to wrap up, I would really appreciate the attention that you're giving this topic and your consideration of LB82. We believe that the taxpayers expect a thoughtful and programmatic approach to practical design and this legislation solidifies that. It also creates and streamlines efficiency of the reporting process and those transportation planning documents. And so with that, I would be happy to answer any questions.

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GEIST: Thank you for your testimony. Are there any questions? Yes.

ALBRECHT: A few questions. Sorry. Thanks for being here. I just got this on my desk--

KYLE SCHNEWEIS: Sure.

ALBRECHT: --so I didn't get a chance to look at it.

KYLE SCHNEWEIS: Me, too, this morning. I got it as well.

ALBRECHT: So help me understand. What is it that you're wanting the cities and counties-- you only want to see one year, you don't want to see their one and six--

KYLE SCHNEWEIS: So--

ALBRECHT: --you don't want to see their financials?

KYLE SCHNEWEIS: So we-- the statutes require that they-- they do a one- and six-year plan and the statutes will not change. They still have to do that.

ALBRECHT: They still have to do that?

KYLE SCHNEWEIS: What we want them to do is still make that public, part of their public record.

ALBRECHT: Good.

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KYLE SCHNEWEIS: It's available for anyone and everyone to see,
including us--

ALBRECHT: Good.

KYLE SCHNEWEIS: --but all we need is a certification that they have
done it.

ALBRECHT: Yeah.

KYLE SCHNEWEIS: And that way, it's-- it cuts down on the amount of
paperwork they have to submit to us.

ALBRECHT: So you don't want to see it. But if they have a big project
that they're working with you and the federal government and-- and--

KYLE SCHNEWEIS: Nothing changes. They keep going, yeah.

ALBRECHT: --locally, you want to be able to see the financials and--

KYLE SCHNEWEIS: Correct.

ALBRECHT: --that they're able to--

KYLE SCHNEWEIS: Yeah. We just-- we just aren't requi-- requiring them
to submit it in a big packet of paper that we-- we don't have much
time to do much with, so--

ALBRECHT: OK.

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KYLE SCHNEWEIS: So we want-- those one- and six-year plans are very important and they need to continue.

ALBRECHT: Yes.

KYLE SCHNEWEIS: And we'll continue to support the-- the cities and counties in development of those. We just eliminate the-- the-- the outdated reporting element.

ALBRECHT: OK. And then on-- they're sending it all electronic to you?

KYLE SCHNEWEIS: We don't need them to send them to us. They-- we need them to be available to us. We want them to certify that they have done it.

ALBRECHT: Just certify they've done it.

KYLE SCHNEWEIS: And-- and I would add that I believe the certification process actually adds an element of-- of-- of-- of reassurance to all of us--

ALBRECHT: Uh-huh.

KYLE SCHNEWEIS: --because it requires the board to act. It requires the-- the county board to say--

ALBRECHT: Right. I'd like to see that.

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KYLE SCHNEWEIS: --we have done this. We certify that we have done this and we've sent it to you.

ALBRECHT: OK.

KYLE SCHNEWEIS: And so that certification is actually an extra layer, I believe, of-- of security for us, but doesn't require the paperwork.

ALBRECHT: OK. Thank you.

GEIST: Any other questions? Yes.

DeBOER: Hi. Thank you so much for testifying. I'm wondering, just because this is new and I'm trying to figure out exactly what this would entail, the practical design standards that you're talking about, so--

KYLE SCHNEWEIS: Yeah.

DeBOER: --in the case of the interstate bridges--

KYLE SCHNEWEIS: Yeah.

DeBOER: --then there would still be some sort of application to the board for en masse approval of--

KYLE SCHNEWEIS: Correct.

DeBOER: OK, so--

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KYLE SCHNEWEIS: Yeah. You want me to walk through that a little bit?

DeBOER: Yeah. Please.

KYLE SCHNEWEIS: OK. So-- so right now we have to go before the board every time. What we would do is-- is probably design a program that says for-- for instances like this, in the case of the interstate-- interstate bridges that need to be widened to the modern standard, we're going to allow bridges that are close enough to be exempted without having to come here and make a presentation every single time. And that programmatic approval, which the board would ensure you-- assure you would take very seriously and evaluate, would be something that we would work through with them. And then once we got through that approval now we no longer come back for every one. We just move forward.

DeBOER: And so would that carry over-- because I'm not familiar with all the [INAUDIBLE] of that--

KYLE SCHNEWEIS: Sure.

DeBOER: --does that carry over for other projects? Let's say ten years from now there's a bridge. Could they say, well, we have this programmatic approval for interstate bridges to be 36--

KYLE SCHNEWEIS: 37.5 feet wide, yes.

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DeBOER: Thirty-- yeah, inches. It was [LAUGHTER] a very small bridge.
A 37-- let's say we have a 36-foot bridge that-- then 10 years from
now, there's some sort of thing and--

KYLE SCHNEWEIS: Uh-huh.

DeBOER: --we now think the bridges need to be 39 feet.

KYLE SCHNEWEIS: Uh-huh.

DeBOER: So there's been a change in whatever in the meantime. Does
that approval from a previous program-- would that apply then later?

KYLE SCHNEWEIS: So I would-- have-- having sat through some of the
exemptions, and I-- I know that Roger is here to talk about it a
little bit from his perspective on the board, they take these
exemptions very seriously. And so I would expect that we would write
them in such a way that it's very clear where and when we have the
ability to do that. And it would be done in a way that gives us
flexibility but also gives the board, who has a lot of authority and
responsibility in this area, some comfort that we're going to do it
right.

DeBOER: OK. Thank you.

GEIST: Any other questions? Director, I do have one.

KYLE SCHNEWEIS: Sure.

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GEIST: Is there anything about the process that you're currently doing that this specifically cuts out? And I'm-- other than the testifying before-- are you making your presentation every time you need to change a bridge?

KYLE SCHNEWEIS: So--

GEIST: Does it cut out some things that is actually money saving?

KYLE SCHNEWEIS: So I've-- there are a couple of comments I would make. First of all, I believe that-- we take our standards very serious in Nebraska. It's why we have a whole board that-- that's-- that's responsible for that. I think by making that clear in statute that practical design is what we expect of our engineers and of our DOT going forward, I think that that will enhance the opportunity for us as-- as engineers to explore those opportunities. And that's a good thing when we have your support and that support in law. So that isn't a step that's removed, but I think it's a-- it's a huge benefit. And while the steps do not have to go before the board, that saves a little bit of time. You have to prepare and get the presentation ready and you have to wait three weeks for the next meeting. That stuff all can be simplified, but the real money is in the construction. And-- and last year-- I'll just give you an example. In fiscal year '19 we saved \$6.2 million by our estimation in applying some of these practical approaches, getting the exemptions from the board, and our

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construction program was \$6 million cheaper, or we were able to put that \$6 million towards something better than putting it towards an improvement that we didn't see any benefit in. And I would expect that to be the norm. I would expect that number to increase over time as we get smarter and better at this and encourage more and more of our engineers to take this seriously. So the real savings is in construction.

GEIST: OK. Thank you. Any other questions? Thank you for your testimony.

KYLE SCHNEWEIS: Thank you.

ROGER FIGARD: Good afternoon, Vice Chairman Geist and distinguished members of Transportation and Telecommunication Committee. My name is Roger Figard, R-o-g-e-r F-i-g-a-r-d. And I'm currently the chairman of the Nebraska Board of Public Roads Classifications and Standards. I also served as city engineer for Lincoln, Nebraska, for more than 25 years. On behalf of the entire board, I appreciate the opportunity to come before this committee and testify in support of a bill that I and the board believes that it continues and supports the major updates and the changes that the board has incorporated over the last ten years. The most major and significant of those, I think, has been updating the design standards to include 3R standards for cities and counties which allowed our dollars at the city and county level to go

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much farther the same way as the state which has been a focus of the board and of the state. I want to start off with my testimony with some assurances. This bill, in no way, shape, or form, reduces, eliminates, or changes the responsibilities that the DOT, the cities, or the counties have from meeting the statutory requirements that the Nebraska Legislature placed on us all nearly 50 years ago with the creation of the Highway Trust Fund. The goal and mission at that time was to create a safe transportation system for all Nebraskans and to provide-- help provide some funding to do that. There was also the need for transparency and accountability that the funds were being used as intended. At that time, not many local governments had a system for creating a road program, whether it be one year or six years, and they didn't necessarily have an accounting system to provide for all those finances that were coming from the state. So the board at that time created a set of forms and requirements for filing this information. In the past 50 years, the board has seen a vast growth in knowledge and expertise of local governments and the DOT in producing good road programs and financial systems able to track and account for the use of these road funds that are provided to them by the Legislature. Many of them have also developed their own processes on public involvement, transparency, public involvement, and the environmental process. This bill is intended to recognize and respect and validate the processes of these governments and no longer require them to duplicate the process by filling out separate or additional

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forms and sending them to the Board of Public Roads. The proposed certification process requires that the highway or street superintendent and their mayor and city council or the county board need to attest they know the law. They're following it as it relates to the use of highway funds, but it does reduce bureaucracy, duplication, and it streamlines the process. Director Schneweis testified at length on the pract-- on the concept of practical design, so I'm not going to go into that. I would simply say that the board agrees with this proposed process and it's a great way to acknowledge and incorporate changes in design, safety, and public needs that have evolved over 50 years since the initial legislation. The board clearly believes this is a great way to continue to streamline the process and create programs that ensure safety-- number one, safety on our transportation systems. But it does extend the value and the distance that our precious dollars go in delivering road programs. We all know the DOT and the city and counties struggle to have enough dollars to do our road programs annually to the level we would like to. The board would also like to thank our public partners as we've worked with the League of Nebraska Municipalities, the Nebraska Association of County Officials, and the Nebraska Association of Highway Superintendents for their participation in helping the board on these initiatives and proposed legislative changes. Thank you again for your time and

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attention. I'd be happy to answer any questions you might have, as well.

GEIST: Are there any questions? Yes, Senator Bostelman.

BOSTELMAN: Thank you, Vice Chairman Geist. Thank you for being here today and testifying. Couple of questions. One question would be: Since they don't-- no longer have to provide the documents, what's the checks and balances to ensure that what's being done is being done the correct way and being tracked?

ROGER FIGARD: Well, first of all, we're saying they don't have to send the documents to us. They're still required to have a road program: a one-year, a six-year. They are still required to have financial accounting systems. And the assurance really comes in what I would consider is a letter signature, a resolution and certification by the city council and the county board, the city council one signed by their mayor. Those certifications will be sent to the Board of Public Roads. They are acknowledging in a public process that they know the law and the rules, they are doing those programs, and then they're sending that certification to us. We're just not asking them to send that in a duplicative form. But they still have to do the programs. We're validating also that many of them have their own public process. We're not mandating how their public hearing must go. They can use their own state-- statutory requirements for this hearing, so they

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still have to do the programs. Cities like Omaha and Lincoln have their own road programs, their own one and six called capital improvement programs. They just wouldn't have to use these forms. Many of the smaller cities and counties, though, don't have their own. Lancaster County uses the forms that the Board of Public Roads developed nearly 50 years ago, and they will continue to use those forms for public process, accounting, and tracking. They simply don't have to send all those out to the Board of Public Roads. We don't have the staff. The DOT doesn't have the staff to review those. Within the statute we are not eliminating the penalty that should anyone not use the funds correctly in an audit, either through the state audit or the board itself, has the authority to do random checks, and we would con-- we would do that. So those-- those assurances are still there, to know the law, to follow it, just not duplicative process on the forms.

BOSTELMAN: Thank you. That's all.

GEIST: Any other questions? Thank you, Chairman.

ROGER FIGARD: Thank you.

GEIST: Any other proponents?

LARRY DIX: Good afternoon, Senator Geist, members of the Transportation and Telecommunications Committee. My name is Larry Dix, spelled L-a-r-r-y D-i-x. I'm executive director of the Nebraska

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Association of County Officials, appearing today in support of LB82.

First of all, we too want to thank the partners, and those partners are the Board of Classifications and the Department of Transportation. This summer, we had the opportunity to look at this, had some conversations about it, made our way through it, looked at the bill, looked at-- what was going to be in the bill. We provided that draft document to our highway superintendents. They have looked at the bill. We have passed this bill past a number of our county board members. They have looked at the bill. So I truly appreciate both questions from Senator Albrecht and Senator Bostelman because I think you're dead-on in saying, OK, well, what happens? And, Senator Albrecht, you know I'm going to ask you to put your Sarpy County hat on and sort of remember those days when the highway superintendent would present to the county board the one- and six-year plan and the financial documents. And if you'll remember, that was a pretty good chunk of paper that the county board had to look at, review, make a motion, pass a resolution, and vote. I would tell you what we're doing here today is the highway superintendent will again have to present that to the county board, one- and six-year plan, have to discuss it, have to take-- have discussion, have to advertise it on their agenda. The board will have to vote, pass a resolution, so on and so forth. What will happen today is now that information, once it comes in front of a county board, obviously it becomes a public record. It is there. So any citizen that wants to look at that one- and six-year plan can--

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can come forward and look at it and request it. In the past, then we used to take that stack of paper, make a whole bunch of copies, package it up, ship it in the mail, send it down here to the Department of Transportation. When you're talking about county road plans, one- and six-year plans, very few times will our taxpayers say, oh you know, I want to see what's going on, you know, in that that road five miles east of town and two miles south of town. They typically don't go to the Department of Transportation to look at the one- and six-year plan. They go to the counties and that will continue. So the county boards now are going to have to certify that they have stepped through those steps, just like they have in the past. Certainly we want to make sure that from a county government's perspective, those papers are still available to our taxpayers, to our citizens, because that one- and six-year road plan is very, very important to those local citizens. So I think everybody else has explained it very, very, well, touched on the points. From a county's perspective, we're certainly in support of-- of all the provisions in there where it does make reference to counties and change that process ever so slightly. We think it's good. We always think it's good when we can look at a process where we can make government more efficiently as we move forward in this electronic era. We're never trying to take away information to the public. I think we always want to remember we have to make it available when requested. I believe this bill does

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that. I would ask you to support this bill and advance it out of committee. I'll be happy to answer any questions anybody may have.

GEIST: Thank you. Any questions? Yes, Senator Albrecht.

ALBRECHT: Thank you, Chair Geist. You know, Larry, I-- I am concerned when they say "electronic" for 90 counties that might not be able to send it in electronically. Is there any heartburn there that they have to be able to do that or?

LARRY DIX: Not really. In-- in the counties, you know, the counties still, even under this process, you know, we talk about electronic. And in this day and age of e-mail, everybody has e-mail-- has e-mail capabilities. More than likely, you know, when you sort of step through that county process, county board is going to-- going to go through, they're going to vote. There's going to be minutes.

ALBRECHT: Uh-huh.

LARRY DIX: The county clerk is going to document those minutes--

ALBRECHT: Uh-huh.

LARRY DIX: --in that there's going to be a certification. They'll probably instruct the county clerk to draft a letter. The chairman of the board will send that letter. That letter may be scanned and

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e-mailed to the Department of Transportation. It may be put into an envelope, stamp, lick, put on it, and mailed into the--

ALBRECHT: And that-- that's why I just want to make sure that--

LARRY DIX: -- into the department. Either way meets that requirement.

ALBRECHT: --I know it says electronic in here and I know in the last two years we've had some bills that say electronic. But if they're not able to do that-- because I'm one of those 90 counties that did not have Internet access for four months at my home. Now that can happen and I know it can. So if all I'm asking our council even to take a look at is that if it says everyone has to do it electronically, you know, snail mail is still OK. But obviously we're trying to-- to move in that direction, but not everyone can. So I just wanted to make that-- put that on the record.

LARRY DIX: Yeah. Certainly, certainly from the perspective of our 93 counties, we-- we think all counties will be able to satisfy that obligation.

ALBRECHT: Good. Thank you--

LARRY DIX: [INAUDIBLE].

ALBRECHT: --for being here.

GEIST: Any other questions? With that--

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LARRY DIX: Thank you.

GEIST: --thank you, Mr. Dix. Any other proponents?

LASH CHAFFIN: Good afternoon. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n, represent the League of Nebraska Municipalities. And very quickly, I'd like to express our support for LB82. The-- and I very much appreciate the-- the efforts-- the extreme efforts of the Board of Classifications and Standards to involve the League and the cities in this process. This is, I mean, there's been multiple steps in reforming and transforming the Board of Classifications and Standards' road standards over the last five or six years, and they really-- they-- they went out of their way to involve cities. And I-- I do appreciate that, and it's-- it's been a fascinating and often overwhelming process to-- to develop modern-day road standards. And-- and I was probably very naive how these standards worked. Every-- every standard-- and road width and bridges are sort of stuff people can understand. Tell you, there's a road standard for everything. I mean every road is designed to a certain pitch. There have been-- there's-- there's a-- there's-- there's just a standard for everything and everything ties back to-- I started asking questions at a certain point-- everything ties back to a safety standard. I mean, this is-- it's a very intricate process al-- although I was shocked how often, you know, someone would come up with a scenario that just didn't fit. And-- and quite frankly, the board currently has processes that deal

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with-- with those on a-- on a one-on-one basis. And-- and-- and cities and counties are very good at utilizing the flexibility processes in place to save money. But hopefully LB82 will open up more flexibility and more discussion. You know, for instance, you-- you-- say, a road pitch. If the-- if there's a group of trees in a certain place, or the road, you know, floods in a certain way, there's all kinds of these things. It just made sense sometimes to do stuff in a slightly different way. And-- and it's been-- it's been a fascinating process, and I hope that LB82 can bring even more-- more flexibility to the process yet maintain the safety standards that-- that-- that-- over the years I've become shockingly impressed how-- how detailed those standards work and how the whole process works. But certainly I'll answer any questions.

GEIST: Yes. Are there any questions from the committee?

LASH CHAFFIN: Thank you.

GEIST: Thank you. Thank you for your testimony. Any other proponents?

JEANNE McCLURE: Good afternoon. I'm Jeanne McClure, J-e-a-n-n-e M-c-C-l-u-r-e, and I'm the executive director for the American Council of Engineering Companies, and we are here today just to give our support to this initiative, LB82. We support the streamlining of these processes because they will allow public agencies to realize the efficient use of their funding, which will result in increased

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resources to be utilized for design and construction projects. Our members are proud to work in partnership with the Nebraska Department of Transportation to realize innovation and efficiency through collaboration. We think that practical design is-- is key here, and letting engineers work with those entities to-- to-- to do that as well as possible to stretch resources is a great idea and a great use of taxpayers' funds.

GEIST: Thank you. Are there any questions? I do have one. May I ask?

JEANNE McCLURE: Yes.

GEIST: I, being not an engineer, and not even engineerly-minded--

JEANNE McCLURE: I-- please don't accuse me of being an engineer. I'm their whisperer so-- yeah.

GEIST: Could you give me an example of-- of something that in a-- in-- in this arena that we're talking about-- I'm just trying to get my mind around what we're doing that saves so much that we can't do without coming to the Legislature.

JEANNE McCLURE: I think-- I think the director gave you-- there was a couple of items in his-- his handout that are a-- a great example of that having to do with width of a bridge and things like that-- that-- that otherwise-- but I could work to get you a couple of examples, if you like.

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GEIST: Well, I didn't mean to put you on the spot.

JEANNE McCLURE: Yeah.

GEIST: I'm sorry, I shouldn't--

JEANNE McCLURE: No worries. And I-- I would think that the director would--

GEIST: OK.

JEANNE McCLURE: --be very good at that.

GEIST: I'll talk to him off the record. Thank you.

JEANNE McCLURE: Thank you.

GEIST: Thank you. Are there any more proponents? Are there any opponents? OK, are there any who wish to testify in a neutral position? No? Then we will close the hearing on LB82. Thank you. All right. We will now advance to LB117. Hello, Senator Hilgers.

HILGERS: Good afternoon, Vice Chair Geist. May I proceed?

GEIST: You are welcome to open on your bill.

HILGERS: Thank you very much. Good afternoon, Vice Chair Geist and members of the Transportation and Telecommunications Committee. My name is Senator Mike Hilgers, M-i-k-e H-i-l-g-e-r-s. I represent northwest Lincoln and Lancaster County. I'm pleased to be here today

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to open on LB117, which is a bill that I brought on behalf of the-- the NDOT, Department of Transportation. It's part of their continued attempts to improve efficiency and make things operate sma-- smarter, faster, and for less money. So LB117 proposes two changes to the current process to-- to improve that process. One is to-- for the qual-- prequalification of bidders for particular construction projects-- to change that process from its current state, which is a construction company that wishes to bid on a project, to be prequalified, has to go and get a certified financial statement from a CPA, to one in which that qualification occurs, not through a certified financial statement, but rather through a bonding agency. That's the first change. And then the second change is to allow for electronic distribution of bidding documents. So I'll speak on both of them just briefly. I will say the director is here to speak behind me and he can answer any technical questions you might have. But the-- the-- the value of the change, the first change that I described, going from the CPA to the bonding agency, there's a few different benefits, one of which is the current process is pretty cumbersome. It requires a company that wishes to bid on a project to go through the financial statement process, go to a CPA, there's some cost involved. And secondly it's also-- well, if they were to change that and go to the bonding agency, you've already got a bonding agency that has-- they can go through and sort of do their fiscal analysis in a way that maybe the CPA can't. The CPA is not there just to certify to the

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department and say, hey, this project can-- this-- this particular company can do the project. They're just certifying the financial statements. So under the current process, the department has to go through the work of saying, OK, now we have this bundle of documents. Is this a sufficient-- does this give us a strong enough level of confidence that the-- that the contractor can do the work? That bundle of documents isn't always sufficient to be able to-- to make that determination. It's not the most-- it's not necessarily the piece of information that's most valuable, in part because a lot of these particular contractors-- they may be different, more complex corporate structures, right? They may-- they may have-- maybe they have their equipment in a different LLC or corporation. And so it's kind of cumbersome, and at the same time it puts more of a paperwork burden on the department. Through the bonding agency-- the bonding agency relationship in this process-- they will bond for the performance of the contract. In other words, they're sort of-- they got some skin in the game. They have-- if the contractor can't do the work, then they're-- they're on the hook. And so they have an economic incentive to make sure that-- that the key piece of information that we want to know, not necessarily the financial statement, but are they economically able to or-- do they have the ability to perform the project if done. So that change would allow, one, it would, I think, increase the-- the pool of bidders because now they don't have to go through that prequalification through a CPA, but actually get us more

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valuable information than the financial statement itself. And it would take some burden off of the department. So kind of a win-win-win. The second change, to the electronics submission of bid or distribution of bid documents-- currently that's on paper. This committee and others over the last several years have seen bills that have allowed for electronic distribution or either distribution or acceptance of various types of documents. This is one where right now it's required to be distributed by paper. These can be very big sets of documents. It can be very costly. Through an electronic distribution, it will save money, save time, and be of some value to both the department and to the contractors themselves. So I'm happy to take any questions you might have. As I mentioned, the director's behind me for any specific questions, but I'm happy to answer any.

GEIST: I think you answered my previous question. Thank you. Are there any questions on the committee? Seeing none, thank you Senator Hilgers. Senate-- Director Schneweis.

KYLE SCHNEWEIS: Good afternoon, Senator Geist, members of the committee. I'm Kyle Schneweis, K-y-l-e S-c-h-n-e-w-e-i-s, Director of the Nebraska Department of Transportation. It's a pleasure to be here before you today and offer our support of LB117. Thank you, Senator Hilgers, for introducing the bill on behalf of the department. It's really a process modernization bill, meant to improve customer service to the contracting community and increase efficiencies within the

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department's construction division. It will improve how the department manages prequalification for highway construction contractors while strengthening communication channels between the department and contractors by leveraging technology to expediate the bidding process. Currently, for contractors to bid on work advertised by the department, they must be prequalified through a financial showing certified by a public accountant. This is a cumbersome and expensive process for contractors. And after careful analysis in the department, we found that the method is an indeterminate way of evaluating a contractor's financial readiness. When the DOT looks for proof of a kind of contractor's financial condition and validation for their capacity to undertake the project, that's what we're looking for. And so we've determined this task can be better supported through the use of a certificate of surety as the primary validation of a contractor's financial capacity. Surety bonding agencies regularly vet highway contractors and are better positioned to make determinations to a contractor's capacity to undertake a construction project due to their role in issuing a performance and payment bond guaranteeing the contractor's ability to perform under the contract. Under LB117, the department would determine the extent of the contractor's qualifications through an evaluation of the applicant's experience and assessment of their bonding capacity as determined by the bonding agency licensed to do business in the state of Nebraska. And prequalification would no longer require certification from a public

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accountant and the department would have access to a more complete financial analysis of a contractor's capacity to undertake a certain project using a certificate of surety. The change re-- relieves administrative work on all parties while improving efficiencies and the department's ability to make informed and better decisions.

Turning now to the efforts to modernize the way our highway construction division engages with contractors in the bidding process. As you know, technology has changed our way of doing business in many ways; and leveraging these advancements can positively improve the flow of information and broaden opportunities for the contracting industry. Currently the department's bid proposal process requires contractors to solicit hard copies of bid documents through the department or to complete the proposal. And through LB117, the department's proposing to clarify that process and leverage technology to streamline the bidding process for both the department and for contractors. And the department would still require contractors to be assessed as qualified, but would issue an authorization to bid via e-mail which will allow a contractor to view and download all the bid proposals and necessary documents from our Web site. We believe this will increase the flow of information by increasing the turnaround time and potentially expand the pool of available bidders, giving us, and more importantly Nebraska taxpayers, the best bang for our buck.

In the same vein, LB117 will improve our customer service, something we're striving to do all the time to-- by enabling the engineering and

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construction firms to obtain electronic highway plans quickly and easily. This process modernization legislation will further advance our efficiency in engaging with the highway construction industry, thereby developing and launching needed transportation projects in a more effective and cost-effective manner. As I've shared with many of you, the department-- we're really trying to focus on opportunities to improve our business. We want to be easy to do business with. We want contractors to come and work with us. When we do that, we win. Companies are-- are more eager to bid on our projects and we see that relationship in the-- in the cost of construction. So, members of the committee, thank you. LB117 reflects feedback that we've had from the contractors and from department staff. And we believe this legislation improves efficiency and provides a better customer service to our industry partners. So with that, I would end my prepared remarks and answer your questions.

GEIST: Any questions? Yes, Senator.

DeBOER: I'm wondering-- obviously for the bonding agency to both make a profit and offset any default bonds that they might eventually have, there would be some sort of cost associated. So I'm wondering if you have any idea of the-- the cost that happened that-- the-- sort of to the whole process for the bonding agency versus the accountants doing this sort of thing.

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KYLE SCHNEWEIS: Yeah, so-- so on our side, the-- we require the bonding approval anyways. And so before we're going to let a contractor go out and do work, we need to know he's gonna be able to finish it. And if he walks off the job or does a poor job,--

DeBOER: Right.

KYLE SCHNEWEIS: --we approach the bonding agency. So that from our perspective, that piece actually-- by relying on that piece more, it's what we care about anyways. And so that's where we--

DeBOER: So it's already--

KYLE SCHNEWEIS: --don't see an additional cost from that part.

DeBOER: --so it's already in place to have?

KYLE SCHNEWEIS: Correct, and--

DeBOER: So then--

KYLE SCHNEWEIS: --and-- then the cost for the accountant-- some contractors, I'm sure, will still-- do use a CPA and get those financial documents. They just won't do it because of us.

DeBOER: Okay. Yeah. [INAUDIBLE]

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CAVANAUGH: Sorry. Could you-- could you just talk a little bit more about how this is going to increase the pool of people bidding for the contracts?

KYLE SCHNEWEIS: Sure. Well, so the paper process can be cumbersome and take a while to get through the mail and all the-- all the approvals. And so being able to do it faster and more elect-- and electronically, it eliminates anybody missing the opportunity to bid because of that cumbersome process. And we average about 3.3, 3.4 bidders per project. And I can tell you that every time we get more bidders, we see prices drop. So anything we can do to be easier to do business with, that's what we're trying to focus on. We want it to be as easy as can be. I-- I used to-- before I moved to Nebraska, I was a private consultant, and there were states I wouldn't work in after I did it once because it was so hard and cumbersome to get through their bureaucracy. It just wasn't worth my effort. And so we don't have that problem here, but we want to make sure it's easy, easy, easy, to do business with us. And this is one more step.

GEIST: You just have one?

ALBRECHT: Yes. Just one quick question. Do we-- since you've been here, do we really have that many contractors that don't fulfill their obligation on the job?

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KYLE SCHNEWEIS: Not, it-- it-- it's rare. We do have inspectors on the job and that helps make sure the taxpayer gets what the plans call for.

ALBRECHT: Uh-huh.

KYLE SCHNEWEIS: And there are times when work has to be redone. It is-- as much as we try to be perfect, sometimes it doesn't come out as smooth as we want, and we redo it.

ALBRECHT: Uh-huh.

KYLE SCHNEWEIS: And those-- and-- and the contractor's required to do that by contract. And those-- so those are more common than someone walking off the job. We do have a legal process to work through those. And occasionally, and in fact in your-- in previous conversations we've had, we've-- the-- that does happen, but it-- that's a fact of life and-- and--

ALBRECHT: [INAUDIBLE]

KYLE SCHNEWEIS: -- and the fact is, we do have good relationships with contractors--

ALBRECHT: Yeah.

KYLE SCHNEWEIS: --that's always the most important piece, is to be able to work through projects as they occur. The plans are one thing,

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and then you get in the real world out on the ground and it's never that easy. And so working through those with the contractors and that relationship is important, even though ultimately our responsibility is to the taxpayer to make sure that we get what we asked for and what we're paying for.

ALBRECHT: I like these bills that I'm looking at today because it does show that we're trying to do business and to make it easy for everyone to take care of business things.

KYLE SCHNEWEIS: Thank you.

ALBRECHT: Thanks.

GEIST: Anyone else? I do have one more question--

KYLE SCHNEWEIS: Always.

GEIST: --I want to ask you.

KYLE SCHNEWEIS: I always forget about the Chair, I am sorry.

GEIST: [LAUGHS] I just have a question about-- all of these changes rolled together is where we're seeing a lot more efficiency and money savings. Do you have any ballpark figure what you're looking at? If these are in place, what kind of money we can [INAUDIBLE]--

KYLE SCHNEWEIS: Well, so I think--

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GEIST: --save?

KYLE SCHNEWEIS: --this one is people's time, and that's always beneficial in today's world. We're asking--

GEIST: Uh-huh.

KYLE SCHNEWEIS: --lots of folks. As you know, we're doing-- for example, design-build on a-- on a project on Highway 275, where it's a totally different way of contracting--

GEIST: Uh-huh.

KYLE SCHNEWEIS: --and we need our team to focus on finding and-- those efficiencies but then taking advantage of them to implement new ideas. And so in this one, I think it really is a time savings for us. We also hope it's time-saving for contractors; and anytime they can save time, we can hopefully save money on our bids, so. It's hard to quantify in this one. I mentioned earlier on the practical design one, I do think that that is in the-- in the millions of dollars every year in terms of resources we can save to put towards other projects.

GEIST: Uh-huh, good.

KYLE SCHNEWEIS: That is not a-- it's not an insignificant amount of-- of-- of resources we're gonna be able to see saved on the-- the previous bill.

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GEIST: OK, thank you.

KYLE SCHNEWEIS: Uh-huh.

GEIST: And thank you for your testimony.

KYLE SCHNEWEIS: Thank you.

GEIST: Appreciate it. Are there any other proponents? Any opponents? Any who wish to testify in the neutral position? Senator Hilgers, you're welcome to close.

HILGERS: Senator, I just briefly-- the severan-- Senator Cavanaugh's question about how it might increase the pool.

GEIST: Uh-huh.

HILGERS: I understand as well, just to add an additional point to the director, that the prefec-- prequalification process and eliminating that requirement for the financial statement, again, how-- that will at least of-- if it eliminates one redundant, fairly cumbersome, difficult, costly process, that maybe it will attract some more bidders. Whether we can quantify that or not, I don't know. But I think-- I think intuition tells us, I think, that piece also will increase. I just wanted to address that question and I have nothing else. I would ask the committee to advance it to General File. Thank you.

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GEIST: Thank you. I'll ask if there are any questions, just to be thorough. Seeing none, we will move forward. Thank you. We will now go to LB190. Hello, Senator La Grone.

La GRONE: Hello.

GEIST: You are welcome to open on LB190.

La GRONE: Well, thank you, Senator Geist, and thank you, members of the Transportation Committee. I'm here today to intro-- to introduce LB190, which is a cleanup bill on behalf of the Department of Transportation and dealing with its rule and regulate-- regulation authority. It really does six things. First, it moves the power to define promotion of aviation and add rules and regulations so it can be accomplished through a guidance document, which will allow the department more flexibility to adapt to changing needs. Second, it eliminates rule and regulation authority given to the department over insurance notice forms, and this is because these deal with aviation insurance. The department doesn't really have an expertise in insurance. Third, it eliminates two references to rules and regulations relating to blood alcohol reports so the regulations can actually be accomplished through a guidance document which would be a more appropriate means of addressing those issues. Fourth, it revises rule and regulatory-- regulation authority given to the department so that the blood alcohol content reporting requirements can be published

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in a manner more appropriate, as determined by the department. And fifth, it eliminates a requirement that school bus loading signs have their own regulation and instead incorporates the signs into the department supplement to the federal rules. Sixth and finally, it outright repeals an outdated section that requires the regulation of school bus loading signage that already is governed by another provision governing those signs. And I-- I'll leave the specifics to Director Schneweis, who will be coming behind me. But with that, I'd be happy to answer any questions you may have.

GEIST: Thank you. Any questions of the committee? Seeing none, thank you. Any proponents? Director Schneweis, this is your hour.

KYLE SCHNEWEIS: Good afternoon, Senator Geist, distinguished members of the committee. Kyle Schneweis, K-y-l-e S-c-h-n-e-w-e-i-s, Director of the Nebraska Department of Transportation. It's too far away. I'm appearing before the committee today to offer the department support for LB190. And I'd like to thank Senator La Grone for introducing the bill on behalf of the department. Essentially the bill addresses some outdated-- outdated statutes that we have deemed redundant, unnecessary, no longer relevant, or better addressed through policy. At the department, we're continually reviewing our policies and procedures as you would expect. And from time to time, we come across a rule or a regulation that is in need of revisions to better reflect current business practices. And that's the spirit of what we're

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bringing forward today. Specifically, I'll walk through the seven statutes that we're talking about. Three of the proposed revisions deal with blood alcohol content data and reports collected by the department for statistical purposes. On 60-6,102 and 60-6,103 the proposed change to the statute would remove the reference to the department's rule and regulation pertaining to relief-- pertaining to release of blood alcohol information to the public. And we've determined this regulation would be better served as a guidance document if necessary. For 60-6,107 in concert with the proposed revisions to the other two sections of the statute, this would be revised to give the department the flexibility to publish all blood alcohol content reporting requirements in the manner deemed appropriate by the department. That takes into consideration stakeholders who may-- might utilize that data. And revising these strat-- statutes would not eliminate our responsibility to receive and tabulate blood alcohol content information, but would permit the department to act only as a collector, not as a source for blood alcohol content information as it relates to crashes. The proposed revisions would also allow the department some flexibility to report blood alcohol content information in a manner that is deke-- determined the most beneficial to the public. The second area has to do with signage marking school bus loading areas. The department is proposing repeal of two regulations based on adaptations from the Nebraska Supplement to the national Manual on Uniform Traffic Control

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Devices, which we lovingly in DOT world call the MUTCD. Currently, federal law requires states to adopt and abide by the MUTCD, which provides consistency across the country for things like signals, signs, and pavement markings. Federal law also requires or allows for states to provide for a set of standards for science and other traffic control devices that may not be relevant nationwide but are imminently relevant in specific states. And so both the MUTCD and the Nebraska Supplement are required to be adopted as regulation. The department has begun the process of updating our MUTCD supplement and has included the school bus loading area sign details. So 60-6-- 60-6,175 and 60-6,176 requires the department to establish regulations for design and placement standards for a school bus loading area warning sign. And having this information within the Nebraska Supplement of the MUTCD renders the separate regulation unnecessary. Additionally, two of the revisions including an L-- included in LB190 were identified through analysis following the merger of the Department of Aeronautics and the Department of Roads. [Section] 3-104(4) implies that the State Aeronautics Commission may allocate funds for the promotion of aviation as defined by the Aeronautics Division. The department would propose that department policy would be a more effective direction than law. And 3-158: the proposed change would remove the requirement for the department to promulgate a rule to regulate insurance information or requirements when renting an aircraft. There is not an enforcement mechanism in place in the

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provision and it has been deemed a redundancy. So we feel these seven statutes can be revised or repealed to provide better clarity and efficiency by doing away with non-value-added pieces of regulation. Senators, we appreciate your support and look to further simplify and streamline our processes and provide better service to our customers. So in conclusion, I urge you to advance the bill, and I would be happy to answer any questions.

GEIST: Thank you. Any questions from the committee? Seeing none, thank you for your testimony.

KYLE SCHNEWEIS: You don't have any? [LAUGHS]

GEIST: I don't. Are there any other proponents? Any opponents? Anyone wishing to testify in a neutral capacity? With that, you would like to waive your closing? All right. Thank you. With that, we will close this hearing. Thank you very much.