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Nebraska Retirement Systems Committee February 1, 2024  
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**McDONNELL:** --Chair of this committee. Committee hearings are an important part of the legislative process, and provide an important opportunity for legislators to receive input from Nebraskans. Today, we're here for 5 confirmation hearings for members of the Nebraska Investment Council and Public Employees Retirement Board, and director of the Nebraska Public Employees Retirement System. Committee hearings are an important-- if you plan on testifying today, you will find pink testifier sheets on the table inside the doors. Fill out a pink testifier sheet only if you're actually testifying before the committee, and please print legibly. Hand the pink testifier sheet to the clerk as you come forward to testify. There is also a yellow sheet on the table, if you do not wish to testify but would like to record your position on a bill, this, this sheet will be included as an exhibit in the official hearing record. If you are not testifying in person on a bill and would like to submit a position letter for the official record, all committees have a deadline of 12:00 p.m. Central Standard Time, the last work-- last work day before that hearing. Please know that the position letters to be included in the official record must be submitted by the way of the Legislature's website, nebraskalegislature.gov. A new feature of the website allows testifiers and disabilities to submit testimony for the record on the site. The website will be the only method of submission of the letters for the record, other than testifying in person. Letters and comments submitted by way of email and hand-delivered will no longer be included as part of the hearing record, although they are a viable option for communicating your views with the individual Senator. Keep in mind that you may submit a letter for the record on the website or testify at a hearing, but not both. We ask that you begin your testimony by giving your first and last name, and spell them for the record. If you have copies of your testimony, please bring at least 10 copies and give them to the page. If you are submitting testimony on someone else's behalf, you may submit it for the record, but you will not be allowed to read it. We will use a-- be using the 5-minute light system. When you begin your testimony, the light on the table will turn green. The yellow light is your 1-minute warning. And when the red light comes on, we ask you to wrap up your final thoughts and stop. As a matter of committee policy, I would like to remind everyone to use the cell-- the use of cell phones and other electronic devices is not allowed during the public hearing. Although you may see senators use them to take notes or stay in contact with staff, I would ask everyone to look at their cell phones and make sure they are on the silent mode. Some senators will be using their laptops to pull up

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documents and follow along with each bill. You may notice committee members coming and going. That has nothing to do with how they regard the importance of your testimony. Senators may have bills coming up to introduce in other committees or other meetings to attend. And that-- I will-- we'll now have the committee introduce themselves, starting with Senator Ibach.

**IBACH:** Thank you very much. Senator Teresa Ibach. I'm-- represent District 44, which is 8 counties in southwest Nebraska.

**CONRAD:** Hello. Good afternoon. My name is Danielle Conrad. I represent north Lincoln in the fightin' 46th Legislative District.

**HARDIN:** Brian Hardin, District 48, Banner, Kimball and Scotts Bluff counties.

**McDONNELL:** Assisting the committee today, to my far right, is Tim Pendrell, who is the committee clerk. And to my immediate right is Neal Erickson, the committee's legal counsel. Committee page today is Molly Penas. She is a student at UNL, and we appreciate her being with us today. With that, we will now invite Gail Werner-Robertson, a nominee for the Nebraska Investment Council, to come up to test-- the, the testifier table. Thank you for being here.

**GAIL WERNER-ROBERTSON:** Thank you. My name is Gail Werner-Robertson. That's G-a-i-l, last name W-e-r-n-e-r-R-o-b-e-r-t-s-o-n. Would you like my address, too?

**McDONNELL:** No, no.

**GAIL WERNER-ROBERTSON:** No? OK.

**McDONNELL:** Thank you.

**GAIL WERNER-ROBERTSON:** Yes, absolutely. So I am delighted to be up for, I think this is my fourth or fifth renewal for the Nebraska Investment Council as the chair. And I've really had the honor to be able to work with some really smart people through these 20 years, and with Michael the entire time that he was here. So I really love, love the opportunity to serve the state in this way. And I'm really looking forward to working with Ellen as she gets started, as our new statement-- state investment officer.

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**McDONNELL:** Thank you for your 20 years of service and also, with your continued willingness to serve. Any questions from the committee? Yes, Senator Conrad.

**CONRAD:** Yes. Thank you so much, Chair. Thank you so much, Gail. I just wanted to say it's a pleasure to see your renomination for the committee. I know that we've had a chance to work together on a host of issues over the years, and just wanted to, to add my gratitude for your continued dedication and, and friendship and leadership. And always nice to see strong women in leadership, so thank you so much.

**GAIL WERNER-ROBERTSON:** Thank you. I agree.

**McDONNELL:** Any other questions from the committee? Thank you for being here.

**GAIL WERNER-ROBERTSON:** Absolutely. Thank you. And I will work very hard for the citizens of Nebraska.

**McDONNELL:** Next, Gerald Clausen.

**GERALD CLAUSEN:** Good afternoon, I'm Gerald Clausen, currently a member of Nebraska Public Employees Retirement Board. As a board member, I served an unfinished term, and seeking to-- your approval to a 5-year term, which I'm already 1 year into.

**McDONNELL:** Any questions from the committee? Thank you for your service, and thank you for being here.

**GERALD CLAUSEN:** Thank you.

**McDONNELL:** Next. Luke Splattstoesser.

**LUKE SPLATTSTOESSER:** Good afternoon, Chairman McDonnell and members of the Nebraska Retirement Systems Committee. My name is Luke Splattstoesser, L-u-k-e S-p-l-a-t-t-s-t-o-e-s-s-e-r. I am honored to be considered for this appointment as a Nebraska State Patrol Representative on the Public Employee Retirement Board, and humbly submit my testimony before the board today for your consideration. I became a trooper with the Nebraska State Patrol in 2006. I've had the privilege to serve in several divisions within the Nebraska State Patrol to include the Patrol Division, Executive Protection, Internal Affairs, and Professional Standards. In my current role as captain of our Professional Standards Division, I oversee our legal division, internal affairs, executive protection, statewide evidence,

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information governance, public records, policy and accreditation, and lastly, serve as the agency's legislative liaison. In my current role, I've had the opportunity to be part of the agency's budget processes and understand the importance of ensuring we manage taxpayer dollars appropriately. As a member of the Retirement Board, I would look forward to ensuring the proper management of our fellow state employee retirement funds. I am thankful for the many opportunities my career with the Nebraska State Patrol has afforded me. The Patrol has continually recognized the importance of investing in the future of its leaders. In 2020, I had the privilege of attending the Northwestern University School of Police Staff and Command to further develop my leadership abilities. I'm also on my second term of serving as the midwest vice president for the National Governors Security Association. I'm excited and honored to be considered for this position, and I recognize the importance of serving on the Public Employees Retirement Board. The PERB is responsible for the administration of the judges, State Patrol, school employees, state and county employees' retirement systems, and deferred compensation plan. The last several months, I have been attending the public portion of the monthly board meetings and feel this exposure has given me a better understanding of the great work being done by the board. I'm thankful for the hard work for those members who came before me, and all the current members who have worked diligently to ensure these retirement plans continue to be some of the healthiest and well-funded in the nation. Thank you for the opportunity to be here today, and I would be happy to answer any questions you might have. Thank you.

**McDONNELL:** Any questions from the committee? Yes, Senator Ibach.

**IBACH:** I'll just make one comment. Thank you, Mr. Chair. I think we've had a couple opportunities to visit on a couple of different issues--

**LUKE SPLATTSTOESSER:** We have, Senator.

**IBACH:** --and I've really appreciated your professionalism and your input. So I have no doubt you will make a great contribution to this. So thank you very much.

**LUKE SPLATTSTOESSER:** Well, thank you, Senator. Appreciate it.

**IBACH:** Thank you, Mr. Chair.

**McDONNELL:** Yes, Senator Conrad.

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**CONRAD:** Thank you so much, Chair. And, and I-- to echo Senator Ibach's comments, as well. I just wanted to thank you for your service in law enforcement and in this role, of course, as well. And I, I really wanted to make sure to reaffirm a point that you made in your sound opening statement. I think Nebraskans should know how proud they should be of how we manage our employee retirement systems and investments. And I think it has been a hallmark of sound management to really put aside the, the loudest voices in the political arena and really focus on-- focusing on getting it right for the, the public servants that depended upon us to be good fiduciaries. So I, I, I think, you know, in many instances when things are going right, you don't grab a lot of headlines, but that hard work doesn't go unnoticed. And, and I'm glad you mentioned it in your, your opening, and, and just want to reaffirm that for the record. So thank you.

**LUKE SPLATTSTOESSER:** Thank you, Senator.

**McDONNELL:** Captain, thanks for being here and thank you for your service.

**LUKE SPLATTSTOESSER:** Appreciate it. Thank you.

**McDONNELL:** Charles Neumann.

**CHARLES NEUMANN:** Good afternoon.

**CONRAD:** Good afternoon.

**McDONNELL:** Welcome.

**CHARLES NEUMANN:** My name is Charles Neumann, C-h-a-r-l-e-s N-e-u-m-a-n-n. In my first life, I was a veterinarian- still am a veterinarian. And I've been on the county board in Adams County for about 20 years. And this would be my first rodeo with the, the public employees retirement thing. I've-- Adams County has been a member there, and it's, it's a great deal. And I just-- I don't know if you have any questions for me. I enjoy Nebraska, and the-- I want to thank you folks for what you do. It's, it's a great honor to be a Nebraskan.

**McDONNELL:** Thank you for being here. Any questions? Yes, Senator Ibach.

**IBACH:** Thank you, Mister Chair. I'll just make one comment. Any time there's a veterinarian in the house, I'm supportive, so thank you.

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**CHARLES NEUMANN:** You what now?

**IBACH:** Every time there's a veterinarian in the house, I'm supportive. So thank you for what you do in agriculture. And it looks from your resume and your application that you will be very qualified, so we appreciate your contribution, as well.

**CHARLES NEUMANN:** Thank you for your comments. Have a great day.

**McDONNELL:** Any other questions? Thank you. John Murante.

**CONRAD:** Oh.

**JOHN MURANTE:** [INAUDIBLE] veterinary school.

**CONRAD:** Quick. It's not too late.

**IBACH:** We need treasurers and smart people, too.

**JOHN MURANTE:** Good afternoon, Mr. Chairman, members of the committee. My name is John Murante, J-o-h-n M-u-r-a-n-t-e, and I am the director of the Nebraska Public Employees Retirement Systems. I have held that role since September, when I was selected by the PERB board to hold this position, and approved by Governor Pillen. I can tell you, in my time here so far, our staff of 55, it is a group of very professional people who are committed to our 150,000 plan members and the plan itself to, to look at as we discuss the, the funded status of the plan, as well as providing good customer service for the folks in getting retirement dollars out the door as expeditiously as possible, and looking at them as though it is a customer service operation, because they're, they're really priority number one. So, I've, I've, I've also been on the-- serving on the PERB board. And I can tell you, with the very difficult decisions that they have to make and at times, decisions which can impact a significant amount of money, they understand their fiduciary role and are very cautious to make sure that their fiduciary obligations are upheld and also that our plan members are, are taken care of. So it's been a great experience so far. And it's just wonderful to be surrounded by a great professional staff. As you know, prior to my selection as director of NPERS, I was Nebraska's State Treasurer. As State Treasurer, I served on the Nebraska Investment Council, which is the entity responsible for investing our pension funds, and was also the custodian of Nebraska's pension funds. So, have a, a background and a familiarity with the pension plan and the retirement systems, as well as running our college savings program, which has a lot of synergies to our

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retirement savings, in-- insofar as we have to take care of both our fiduciary obligations and our plan members, as well. So I'll kind of wrap it up there and answer any questions that you may have.

**McDONNELL:** Any questions from the committee? Senator Conrad.

**CONRAD:** Thank you so much, Chair. Thank you. It is good to see you, John, Director. Sometimes I forget the formality since we've enjoyed such a warm, professional relationship for so long. So for those that don't know, Senate-- then-Senator Murante and I had an opportunity to serve together, and have stayed in communication during his time as Treasurer and my return to the Legislature, as well. But, Mr. Murante, I'm hoping that maybe you can help me think through 2 issues in regards to your appointment. And I think that you touched upon them in your opening statement and then perhaps in the supporting materials as well. But, and if you don't have it off the top of your head, we can follow up afterwards with additional written materials, as well. But, you know, as this committee has tried to make sure that we have the right person in this really important role, 1 issue that the committee and the broader body has really tried to focus in on is some of the specific statutory requirements for qualification for this role. And I know-- if you want to speak more specifically to that or lift up additional management experience or otherwise, I, I think that would be appreciated to help build out the record for those statutory requirements.

**JOHN MURANTE:** Yeah, absolutely. And I can-- so the statutory requirements that-- that's really a requirement of the PERB board, is that they are to appoint a director who would have supervisory or management experience and training and experience with or demonstrated knowledge of the qualified public employee retirement plan. So with respect to the first, supervisory or management experience, I've operated my family's small business for a number of years. Of course, as, as State Treasurer, I led a state agency, led a, a staff and a budget very, very comparable to what we have at NPERS, supervising-- hiring folks, very infrequently firing. But unfortunately, that is a--

**CONRAD:** Yes. Right.

**JOHN MURANTE:** --a, a, a product of, of management. And so, I, I believe we can objectively say that we check that box. With respect to the training and experience with and demonstrated knowledge of the retirement plan, I would say 2 things. So, first of all, with experience on the Nebraska Investment Council--

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**CONRAD:** Yes.

**JOHN MURANTE:** --you see day, day in and day out, the, the decisions that are made to invest the plans. Because without the skillful investment of the Nebraska Investment Council, the funded status kind of goes away. So I've been observing that and participating in those discussions for an extended period of time. So I, I think that's-- and then I'd also like to point out that when the interview process was happening and the application process was going on, the PERB board did a very good job of vetting the candidates and ensuring that I met these qualifications and did ask questions about demonstrating my knowledge of, of the pension plan. And, and so I believe that requirement was satisfied, as well.

**CONRAD:** Great. Thank you so much. I, I-- and we had visited about this when your nomination was made public and had worked through that, as well. And I was satisfied with where we landed in our private conversations, but just wanted to make sure that was memorialized in the record. The other thing that I just wanted to kind of tease out a little bit, Mr. Murante-- it feels so formal and awkward to say that, John-- is just that no doubt working in the public sphere, wearing a lot of different hats over the years, as a state senator, as an elected treasurer, now, as a gubernatorial appointment for a fiduciary position, obviously, you did a great job serving your constituents and advancing your beliefs, very strongly and sometimes unafraid to wade into controversial issues or even what some might term as partisan issues. But that being said, I always enjoyed working with you whenever we were able to find common ground, which was frequent, and deeply appreciated. But can you help me and the committee and the public understand kind of how you see that advocacy experience or lends its role in previous elected positions versus-- versus moving in, transitioning into this position. And of course, we don't want anybody to give up their political beliefs or ideas, but I think there is perhaps some important or should be some important differences in terms of, you know, how we go about our advocacy when we're-- we have different obligations. So I know that's a lot to unpack, but--

**JOHN MURANTE:** Sure. Yeah. No, I think-- so of the, the 3 relevant positions, and that is--

**CONRAD:** Yeah.

**JOHN MURANTE:** --being a state senator, state treasurer and now director of NPERs, probably the first one that is the least like the



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other 2, is being a state senator, where you're a representative of your constituents, who are-- who is responsible for advocating for the priorities of your constituents and taking political stances is part of the job.

**CONRAD:** Yes.

**JOHN MURANTE:** And there's no way to depoliticize being a state senator. Right. That is-- Senator Chambers used to always say, if you're in this body, you're a politician. You may not think you're a politician, but that's what the-- that's, that's the nature of the universe that you're in. So that's sort of one thing. As State Treasurer, it was very different. And I was very, very cautious to ensure, especially the college savings program, was not politicized in any way. Because to politicize something like that, where there, you're dealing with 300,000 account holders, \$7 billion in assets. It, it doesn't do anybody any good. It doesn't do the account owners, it doesn't do the beneficiaries, it doesn't do the state of Nebraska any good to start politicizing and weaponizing that office, and I was very cautious not to do that. With this role, there's synergy there, where it-- we need to make sure not to politicize it. The difference is, as treasurer, you know, I, I sort of was able to advocate for the positions and I would sometimes testify in favor of bills that I thought was important for the good of the, the, the college savings plan or unclaimed property or whatever. Here, I'm an advocate for the PERB board. So if I'm before you, I'm not advocating for what John Murante thinks. It means it's-- there's been a policy that's been vetted by the Public Employees Retirement Board. They've taken a stance on it, and I'm here to try to effect-- as effectively as I can, communicate that position. So there are differences. There are similarities. But that's kind of how I see it.

**CONRAD:** That's great. I think that makes a ton of sense to me. And then just the last question, I've received some feedback from public employees who, I think, perhaps are looking a bit myopically at your record in public life, and, I think, raising unfounded fears that, oh my gosh, Mr. Murante has a history of, you know, bringing forward hard right, radical, conservative perspectives. And he's going to demolish public employee retirement and privatize as many systems as possible. And, you know, do all that he can to be detrimental to this system. I have shared back with those that have voiced those concerns that I do not share them. But I wanted to give you a chance to respond on the record, about what your vision and commitment to the work is and will be going forward.

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**JOHN MURANTE:** Sure. So--

**CONRAD:** And that's the last question, then you're out of the hot seat.

**JOHN MURANTE:** So no, I, I remain steadfastly committed to ensuring that the plan is well-funded-- there is-- there, there is no-- there's no good that would come from messing around with what has already been described as a very well-funded plan-- plans, that have been very well run plans for a very long time. We have taken a lot of pride as a state in our retirement systems, going back a long ways. So I have no interest in jeopardizing anything. And as a matter of fact, in the application process, I had acknowledged that I don't view this position as needing there to be some sort of substantial change to how NPERs operates or how the PERB operates or anything like that. If they, if they wanted to change anything, I was not the right candidate for them. So that's sort of my viewpoint. But I would also say, going back to the responsibilities of the PERB.

**CONRAD:** Yeah.

**JOHN MURANTE:** I have bosses. They would not tolerate that level of, of politicize-- politicizing, this office. And, and so I, I understand the concern and, and people can disagree with political opinions, but this is not a political position, from my point of view.

**CONRAD:** Yeah. Very good. Well said. And, and thank you for engaging in that dialogue on the record. I, I hope it will calm some of the unfounded fears that I did not share. And I, I think that you spoke very, very clearly and passionately to those. Thank you.

**McDONNELL:** Yes, Senator Hardin.

**HARDIN:** Congratulations to you, for the time that you have already been there and have been serving. In as far as the continuity of what has happened, I often tell people and I have expressed this in this room before, I would rather be us than them. And the them is the 43 other states in the United States who are deeply in the red, as regards their public sector unions. We're not. We're 1 of the 7 states that aren't. And again, of those 7 states that are not, we're the only one that's a nonenergy state. We don't have goodies going on that we can sell in the way of, of oil and, and so on and so forth. And so, we do more with less, and we've proven it. And we're the only state that has proven that. And so it's really been from you and people like yourself, who have held a hard line in terms of let's make sure we're

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responsible and not slipping-- slipping down the slippery slope that 43 other states have gone down, where they find themselves typically in tens of billions of dollars related to issues that GASB says they will never dig out of.

**JOHN MURANTE:** Right.

**HARDIN:** So thank you.

**JOHN MURANTE:** It's [INAUDIBLE] and I appreciate that. But really, the, the thanks goes to the NPERS staff--

**HARDIN:** That's right.

**JOHN MURANTE:** --and the hist-- and the PERB board and the history of this Legislature, of not overpromising, and running an efficient operation.

**McDONNELL:** Any other questions?

**CONRAD:** I'm good.

**McDONNELL:** Thank you for being here.

**JOHN MURANTE:** Thank you.

**McDONNELL:** Any other testifiers?

**KELLI ACKERMAN:** I'll be quick. This is-- seems to be going pretty good, so-- I mean until the hot seat questions. Good afternoon, Senator McDonnell and members of the Retirement Committee. I am Kelli Ackerman, K-e-l-l-i, which everybody has always misspelled my name, A-c-k-e-r-m-a-n. I am chair of the Public Employees Retirement Board. After extensive national search, John Murante was selected by the board as the Nebraska Public Employees Retirement Systems director on August 21st. His previous work experience includes leadership and management experience, serving most recently as Nebraska State Treasurer since 2019. As State Treasurer, he was cust-- custody-- custodian of over \$40 billion in assets, including retirement funds, and managed a budget of over \$21 million and 40 full-time employees. He was trustee and administrator of the NEST 529 program, and served on the Nebraska Investment Council as an ex officio nonvoting member. Mr. Murante served as state senator for 6 years, 2013-'19, and chairperson of several legislative committees, as you probably know. As senator, he provided oversight and communication with state

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agencies and political divisions and was a member of the Executive Board. He also has served as vice chair of the National Association of the State Treasurer's Pension Committee, and chair of the National Association of Unclaimed Property Administrators. His valuable experience serving as Nebraska State Treasurer and state senator shows his commitment as a servant leader. John has significant leadership experience and the ability to work collaboratively with others as key attributes to being an outstanding director. He has an immense level of experience working through the legislative process. As Senator Conrad has talked, the work-- that you work with fellow state senators is important. This experience will be valuable when working with agency budget issues and any statutory changes that may be required. He will also communicate retirement plan needs with the Retirement Committee of the State Legislature, which I think you've already had some conversations, so that's a good partnership. He began his duties in September, as he stated, and has done a terrific job learning and listening and leading. That's the three Ls, you know, so, hey, we're really excited to have him at NPERS. He replaced Randy Gerke, who retired September 10, and had shown exemplary leadership for the past 20 years at NPERS, and especially the last 6 years, as our director. Governor Pillen has officially appointed Mr. Murante to the position on the recommendation of the board. His appointment is contingent upon your approval in the Nebraska State Legislature. I want to thank you for your consideration for John as the new NPERS director. And also, I'd like to thank you for your consideration of the reappointment of Gerald Clausen. He has done an outstanding job on the board, and appointment of new board members Lucas Flattstier [SIC] and Charles Neumann and Ellen Young [SIC]. We're excited to get them on the board. Luke's been attending board meetings. He's a fast learner, and they all bring valuable experience to the board, so I'm happy to be here and answer any questions. We really have a great board, so I'm very proud of them.

**McDONNELL:** Any questions? Thank you for being here.

**CONRAD:** Thank you.

**KELLI ACKERMAN:** You're welcome. Thank you.

**McDONNELL:** Any other testifiers? Anyone else wants to testify? We do have 1 letter, a proponent for Charles Neumann, for the record. That ends our hearing. We are going to try to make a-- we're going to go into Executive Session and hopefully, be able to get back to you as soon as possible. But we do truly appreciate all of you for wanting to

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serve our state and the service you've already given to our state, so thank you for being here.

**CONRAD:** Yeah. Great job.