

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

Appropriations Committee
March 18, 2009

[LB648]

The Committee on Appropriations met at 1:30 p.m. on Wednesday, March 18, 2009, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB648. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; Danielle Nantkes; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: Welcome to Appropriations Committee. We're going to start. We do have some senators that are absent today. We just got out of Retirement Committee and that's why I'm a little bit late. Senator Nordquist and Senator Mello also are on Retirement. We probably got some people introducing bills so we are a little bit short today, but we're going to start up. We'll start with some introductions. Senator Nordquist usually sits on my right way to the end, is gone; he's from Omaha, District 7. Senator Tom Hansen from North Platte, District 42, is here. Sitting next to his left is Senator Danielle Nantkes from Lincoln, District 46. Sitting next to her left, Senator John Wightman from Lexington, District 36. Our committee clerk is Anne Fargen. Pages for today is Andy and Stephen. And I am Senator Lavon Heidemann from Elk Creek, District 1. To my left, the fiscal analyst actually at the present time is Mike. Sitting next to his left is Senator John Harms from Scottsbluff, District 48. Coming later will be Senator John Nelson from Omaha, District 6; Senator Tony Fulton from Lincoln, District 29; Senator Heath Mello from Omaha, District 5. At this time we would like to remind you if you have cell phones if you could put them on silent, vibrate, or just turn them off as not to disrupt us later. Testifier sheets are on the table or near the back doors. We ask that you please fill them out completely and put them on the box on the table when you testify. You do not have to fill out this form if you aren't publicly testifying. At the beginning of the testimony, we ask that you please state and spell your name. Nontestifier sheets near the back door if you do not want to testify but would like to record your support or opposition, you only need to fill out this if you aren't publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of the testimony. We need approximately 12 copies. In a matter of time, we ask you please keep your testimony concise and on topic, under five minutes would be appreciated. With that, we will open up the public hearing on LB648. Senator Christensen. [LB648]

SENATOR CHRISTENSEN: Thank you, Mr. Chairman and members of the Appropriations Committee. I'm Senator Mark Christensen, M-a-r-k C-h-r-i-s-t-e-n-s-e-n, represent the 44th Legislative District. I'm here to introduce LB648. LB648 would direct the state of Nebraska to provide local matching funds for a corridor location study for a four-lane expressway along Highway 83 connecting Interstate 80 to Interstate 70 when federal funds become available. Last year, the Legislature passed LB846 which included a total of \$15 million, \$5 million over the next three fiscal years from the Cash Reserve Fund to the Roads Operation Cash Fund to provide the Department of Roads

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

Appropriations Committee
March 18, 2009

with the required state match for federal funding made available through congressional earmarks. It is my understanding from reading the plain language LB846 that the necessary matching funds needed for the four-lane expressway study mentioned in LB648 would be eligible for a portion of that \$15 million when federal dollars became available. However, it has come to my attention that Department of Roads has interpreted the intent of the \$15 million appropriated for matching funds last year were only for those projects known at the time that LB846 passed. They have said that matching funds are spoken for and the new project, like the corridor study in LB648, would need additional funds appropriated. That may have been the intent at the time of LB846, but the language does not specify that limitation. I'd encourage the Appropriations Committee to address this. I believe this study is needed. It would be one more step in the right direction and a great opportunity for rural economic development in southwest Nebraska. Following me will be other testifiers who will give other specific reasons why they believe the corridor study is important for the continued economic development of southwest Nebraska. I strongly encourage you to consider moving ahead with either appropriating additional matching funds for LB648 or allowing matching fund road projects to have access to the \$15 million made available over the next three years. Thank you and with that, I'd try to answer any questions you might have. [LB648]

SENATOR HEIDEMANN: At this time I'd like to announce that Senator Heath Mello from Omaha, District 5, has joined us. Are there any questions? Senator Harms. [LB648]

SENATOR HARMS: Senator Christensen, what's the fiscal note on there? I looked at that a couple of days ago and... [LB648]

SENATOR CHRISTENSEN: About a million dollars for the project or \$200,000 from the state to match. [LB648]

SENATOR HEIDEMANN: Senator Hansen. [LB648]

SENATOR HANSEN: Senator Christensen, how many miles is that project? I mean we can only go to the state border. We can't go any further south. So North Platte to McCook is about 70. [LB648]

SENATOR WIGHTMAN: 66. [LB648]

SENATOR CHRISTENSEN: I was going to say it's roughly... [LB648]

SENATOR HANSEN: Thirteen songs. [LB648]

SENATOR CHRISTENSEN: (Laugh) Yeah, be about right. I'm going to guess it's

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

Appropriations Committee
March 18, 2009

around, rough 100 miles in there. [LB648]

SENATOR HANSEN: Thank you. [LB648]

SENATOR HEIDEMANN: Senator Harms. [LB648]

SENATOR HARMS: I just want to go a step further in regard to the project. Do you have any idea what the total cost of the project? Are we talking a million dollars a mile or more than a million dollars a mile for something like this? [LB648]

SENATOR CHRISTENSEN: Oh, to build the whole... [LB648]

SENATOR HARMS: Yeah, to build the whole. [LB648]

SENATOR CHRISTENSEN: That I can't answer. [LB648]

SENATOR HARMS: Okay, thank you. [LB648]

SENATOR HEIDEMANN: Just out of curiosity for me, I've gone through southwest Nebraska a little bit, but Highway 83 runs from where to where? [LB648]

SENATOR CHRISTENSEN: North Platte to McCook on down into Kansas. [LB648]

SENATOR HANSEN: North of Valentine. [LB648]

SENATOR CHRISTENSEN: Yep, north of Valentine. [LB648]

SENATOR HEIDEMANN: Yours would just go from 70 to Interstate 80. You don't care... [LB648]

SENATOR CHRISTENSEN: Interstate 70 to 80 to connect it to...if you look at, there's not another connecting road from, what, about I-25 over to York? [LB648]

SENATOR WIGHTMAN: It's just about at Colby, isn't it, is where they match up with 70 and 83 comes in actually I think south of Colby somewhere. [LB648]

SENATOR CHRISTENSEN: Yeah, it'd be right to the east of Colby, east out of town there I believe is where that's... [LB648]

SENATOR WIGHTMAN: Yeah, south and east. [LB648]

SENATOR CHRISTENSEN: Yeah. [LB648]

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

Appropriations Committee
March 18, 2009

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thanks, Mark. [LB648]

SENATOR CHRISTENSEN: Thank you. [LB648]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB648? [LB648]

REX NELSON: (Exhibit 1) Good afternoon. I'm Rex Nelson from McCook Economic Development. That's R-e-x N-e-l-s-o-n. I'm executive director of McCook Economic Development Corporation. We serve a large area of southwest Nebraska and work in partnership with organizations and communities throughout the area to build the economy of the region. I'd like to thank you for this chance to testify in behalf of LB648. As Senator Christensen said, the purpose of this legislation is to secure state funding to match requested federal funds to commission the corridor location study for the route along U.S. Highway 83 from south of North Platte to McCook, and ultimately we'd like to see I-80 connected to I-70 in Kansas. It's about 86 miles to the Nebraska border. I'd like to direct your attention to these...to the letters of support that we have. In fact, if I could, I would read a portion of the one from North Platte, the second page. We have good support from the North Platte area. Unfortunately, they were unable to be here today with us. But on behalf of the board of directors of the North Platte Area Chamber and Development Corporation and our more than 630 members, we urge you to support to advance LB648 to the floor for debate. Our board has passed a resolution of support for the efforts of our neighbors along the Highway 83 corridor. As you know, Nebraska has no north-south interstate highway, and we're seeing increased traffic along this corridor. The rapid expansion of companies related to wind powered renewable energy, for which our area is particularly well suited, would be further enhanced with the new transportation option. It is our understanding that U.S. Senator Ben Nelson strongly supports this idea, and we believe that there is a possibility that federal funding for a corridor study is possible. LB648 would ensure that state matching funds would be available should the federal funds be appropriated. I further pledge on behalf of our leadership to support efforts to more broadly address the urgent funding crisis that we are beginning to feel due to an inadequate funding formula for roads. Thank you for your consideration of this matter. Respectfully, Dan S. Mauk, President/CEO North Platte Area Chamber and Development Corporation. On the next page you'll see a list of the resolutions. We have over 24 letters of support and resolutions from governments, municipalities, counties in the southwest Nebraska area. We believe the study will confirm that there's more demand for this route than many realize and that the potential economic impact is greater than one might think. Consider, for instance, that Highway 83 is already an important commercial link between north and south, experiences heavy truck traffic, and a disproportionate flow of wide and overweight loads. Highway 83 lies in the center of the longest span between north-south expressways in the United States--over 300 miles--Highway 83 would land right in the

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

Appropriations Committee
March 18, 2009

middle of that span. Highway 83 would be an attractive alternative to the congestion on I-25 running north and south in Colorado. Capturing some of that traffic here in Nebraska would capture some of that economic activity as well. You know, when President Dwight D. Eisenhower signed the Federal Aid Highway Act in 1956 creating the interstate system, he was thinking more about the efficient movement of troops and supplies than about the movement of consumer goods and civilians. In fact, no one could have dreamed the impact the interstate system would have on commerce and industry and the creation of wealth in the United States. It was the largest public works program of the time with perhaps the highest returns to society and to Nebraska and, no, the traffic counts didn't justify it. We're asking you today to look ahead to fund a planning exercise that will help us assess the feasibility and economic impact of continued investment in the expressway system in Nebraska. Would you have any questions? [LB648]

SENATOR HEIDEMANN: Senator Wightman. [LB648]

SENATOR WIGHTMAN: Yes. Can you tell me...thanks for being here and testifying. Can you tell me whether Kansas has taken any separate steps to fund this expressway... [LB648]

REX NELSON: I don't know the specific steps that Kansas may have taken. [LB648]

SENATOR WIGHTMAN: ...or fund the study for the expressway? Because if we do it and Kansas doesn't do it, we're not going to get down to Interstate 70. [LB648]

REX NELSON: Sure, we understand that. We do, however, believe that Nebraska is in a good position to take a lead, and I would suggest that that's an appropriate role. [LB648]

SENATOR WIGHTMAN: Can you tell me about how many miles it is down to the intersection from the state line? [LB648]

REX NELSON: It's not quite as long as it is...it's not quite as long as Nebraska. It's about 80 miles, though, to Colby. [LB648]

SENATOR WIGHTMAN: Thank you. [LB648]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB648]

REX NELSON: Thank you. [LB648]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB648?

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

Appropriations Committee
March 18, 2009

Welcome. [LB648]

LINDA TAYLOR: (Exhibit 2) Hi, good afternoon, and thank you for giving us the opportunity to speak to you about this bill. One of the things that I would like to say is I had the opportunity to travel this state in 2002 when our former Governor Mike Johanns formed a transportation task force. And we were able to go around the state. We had 12 public hearings where we had 138 people representing their municipalities, counties, businesses, and economic development give testimony of needs that they had in their area. And we had over 300 projects for consideration at that time. Here we are, roll it forward, and one of them was the Highway 83 corridor, one of the projects that we had as a need. The Department of Transportation estimates that for every \$1 billion that we spend on road projects, 47,500 jobs are created. Our state's portion of this project would be 76.7 miles from North Platte to take I-80 to the state line. We already have 4.5 miles completed out south of North Platte already. If you're traveling on I-80 and want to take an expressway down to I-70, you would literally have to go either to Kimball or to York...I mean it's 300 miles in-between to go north and south. That 300 miles in-between can have truck drivers have to spend a lot of time if they want to out south. Highway 83 is one of the longest north-south highways in the United States, connecting two major east and west interstates. And this in itself would be a help for economic development in our area. The longer we wait to do this appropriations study, the costs will continue to increase. When we looked at this study six years ago, it was going to be \$250,000. Today, we're looking at \$1 million to do this corridor environmental study and these take time. We believe that Nebraska and Iowa have had one of the larger population gains that we've had in more than a decade. I read in the Omaha World-Herald that we've added 14,000 new residents, which is good. The expressway would increase safety and it would relieve congestion in other parts of the state. One of the things, and I'm sure John Craig could back this up, are cost of road construction has been increasing double digit rates over the last five years. At one point, an annual rate of 11 percent in the years 2005, 2006, and 2007; and in 2008 it was 24 percent. Traffic on state highways is projected to increase 50 percent in the next 20 years. We're going to have more population. We're going to have more people. And, of course, we have...we're right in the middle of the United States. Gas funds are not sufficient to cover the economic development for our state of Nebraska. And I know it's hard for the Appropriations Committee. I know it's hard to stretch our highway funds. I believe that an important part of this also is we're building a new Army National Guard and Army Reserve facility in McCook where we're putting in an \$8 million facility. So obviously we are going to have more travel on our roads. Job creation is important for Nebraska. We need interstate construction and road projects all over the state, from Scottsbluff to Omaha. And it will help improve Nebraska's economy. Roads equal economic development to rural Nebraska and Kansas. I would encourage you to really take a look at this project to see if you could help us come up with the matching funds. Nebraska continues to work on economic development for the whole state. It's very important that we continue to do this. Our last economic development in our area was the Wal-Mart

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

Appropriations Committee
March 18, 2009

distribution center at North Platte, and it has increased our road traffic. Financial decisions have to be made for our state in good times and in bad times. Our roads budget has not really gone up or down. It has remained about the same across the board, and we've had lots of construction as well as keeping up with our roads. We may have potholes and bridges are deteriorating. The stimulus package that we have for Nebraska is good to get some of these projects moving. And we're not asking you to put us ahead of other construction that's already in place. We realize the Governor has said that the projects need to be shovel worthy and shovel ready. And the stimulus package will help to move some projects forward. What we would like to have done is have this corridor study get in place, that if we receive another stimulus package further down the road this project could be one ready for consideration. We don't want to spend money on a project and have it sit on the shelf. We've seen too many of those in the state of Nebraska. If the appropriations study indicates that this project will be beneficial to all of the state of Nebraska for economic development, it will be beneficial for southwest Nebraska, northwest Kansas, we can move forward. It could open up the entire state, north to south. I would like to thank you for giving me the opportunity to share this very important vision for Nebraska's future and thank you for your time, and thank you very much for your consideration because I know you sit in a tough spot. [LB648]

SENATOR HEIDEMANN: For the record, could you please state and spell your name. [LB648]

LINDA TAYLOR: Linda, L-i-n-d-a T-a-y-l-o-r, Taylor. [LB648]

SENATOR HEIDEMANN: Thank you. I would like to announce at this time that Senator Jeremy Nordquist from Omaha District 7 has joined us. Are there any questions? Senator Wightman. [LB648]

SENATOR WIGHTMAN: How many miles did you say it was to Nebraska line? I thought you said 70-some, but... [LB648]

LINDA TAYLOR: Yeah. I have the exact figures. [LB648]

SENATOR WIGHTMAN: And I thought Rex Nelson said 86, but. [LB648]

LINDA TAYLOR: Let me tell you exactly here. I think it's 76.5. [LB648]

SENATOR WIGHTMAN: Okay. So we have an 86 figure and a 76.5. I don't know which... [LB648]

LINDA TAYLOR: We're close, yes, we're close. [LB648]

SENATOR WIGHTMAN: You're within ten miles. [LB648]

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

Appropriations Committee
March 18, 2009

LINDA TAYLOR: John, how close...go right in the middle. [LB648]

SENATOR WIGHTMAN: It should have been 76. [LB648]

JOHN CRAIG: Seventy-six is to McCook. [LB648]

LINDA TAYLOR: Okay. [LB648]

JOHN CRAIG: Yeah, ten miles. [LB648]

SENATOR WIGHTMAN: So it is 86 from North Platte to the border. Is that correct?
[LB648]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you.
[LB648]

LINDA TAYLOR: Thank you. And I have these handouts. [LB648]

SENATOR HEIDEMANN: Is anyone wishing to testify in favor of LB648? (See also Exhibit 7) Is anyone wishing to testify in opposition of LB648? Is anybody wishing to testify in the neutral position on LB648? Seeing no, would Senator Christensen like to close? Senator Christensen waives closing. We will close the public hearing on LB648 and open up the public hearing on Agency 24, the Department of Motor Vehicles.
[LB648]

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

Appropriations Committee
March 18, 2009

Disposition of Bills:

LB648 - Held in committee.

Chairperson

Committee Clerk