

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Transportation and Telecommunications Committee February 28, 2023

**GEIST:** Good afternoon and welcome to the Transportation and Telecommunications Committee. My name is Senator Suzanne Geist. I represent the 25th Legislative District in south Lincoln and southeast Lancaster County. We will start off having members of the committee and the committee staff do self-introductions, starting on my right with Senator Moser.

**MOSER:** Mike, Mike Moser, District 22. It's Platte County and most of Stanton County.

**GEIST:** Kind of a bare bones committee right now.

**DeKAY:** Barry DeKay, District 40, representing Holt, Knox, Cedar, Antelope, northern part of Pierce, and most of Dixon County.

**GEIST:** And we'll wait and let the incoming senator introduce himself as well.

**BRANDT:** Senator Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties.

**GEIST:** And to my right is our committee counsel, Mike Hybl, and to my left is our committee clerk, Caroline Nebel. And assisting us in our committee are pages Delanie and Logan. Delanie is studying political science at UNL and Logan is studying international business at UNL. And I'll have the senators who will be coming in here in just a few minutes, I'll have them introduce themselves as they arrive. This afternoon, we will be hearing five bills and one appointment. We'll be taking them up in the order listed outside the room. On the table near the entrance of the room, you will find the blue testifier sheets. If you are planning to testify today, please fill out one of the sheets and hand it to the pages when you come up. This will keep-- help us keep an accurate record of the hearing. If you do not wish to testify but would like to record your presence at the hearing, please fill out the gold sheet on the table near the entrance. I'll also let Senator Fredrickson introduce himself.

**FREDRICKSON:** Good afternoon. I'm Senator John Fredrickson. I represent District 20, which is in central-west Omaha.

**GEIST:** I will also note the Legislature's policy that all letters for the record must be received by noon-- received by the committee by noon the day before the committee hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you have any handouts that you please bring ten copies

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and give them to the pages as you approach. If you need additional copies, the pages will be able to provide them for you. Understand that senators may come and go during our hearings. This is common and required, as they may be presenting bills in other committees. For today, the testimony for each bill will begin with the introducer's opening statement. After the opening statement, we will hear from any supporters of the bill then those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will be given the opportunity then to make closing statements if they wish to do so. We ask when you begin your testimony by giving us your first and last name and also to spell them for the record. We will be using a five-minute light system today. When you begin your testimony, the light on the table will turn green. The yellow light is your one-minute warning and when the red light comes on we ask that you wrap up your final thoughts. I would like to remind everyone, including senators, to please turn off or silence your cell phones. And with that, we will begin the appointment today with Bret Blackman for NITC. Good afternoon.

**BRET BLACKMAN:** Good afternoon. Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Bret Blackman and I have the honor of serving as the vice president for information technology and CIO for the University Nebraska System, a role I've been in since 2019. I want to thank Governor Pillen for his nomination of me to the Nebraska Information Technology Commission. I began my career in IT at the University of Nebraska System in 1999 as a technology coordinator for the University of Nebraska at Omaha, my alma mater. In my role as the university system vice president for IT and CIO, I lead a university-wide team of more than 300 employees at our four University of Nebraska campuses and the University Nebraska Office of the President. As a member of President Ted Carter's executive cabinet, I work closely with campus chancellors, system vice presidents, chief academic business and legal officers on strategic information technology initiatives to serve our entire university community. I also represent the University of Nebraska nationally on the Big Ten Academic Alliance CIO Leadership Team. In my previous role as associate vice president for information technology, I led the reorganization of IT at the-- IT divisions at the University of Nebraska at Kearney, University of Nebraska-Lincoln, University of Nebraska at Omaha, and office of the president locations to better serve the IT needs of the University of Nebraska, achieve technology staffing scale and reduce operational cost. This effort initially saved \$6 million and resulted in a unified one IT organization. This innovative organizational approach continues to

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support and realize millions of dollars of savings to the university by leveraging scale, maximizing technology and efficiencies across all University of Nebraska locations. Over the past several years, I've been a member of the Nebraska Information Technology Commission tech panel and education council and believe in the important role technology plays in supporting the state government work. Additionally, in collaboration with the State Nebraska Office of the CIO, our universe-- our University of Nebraska System team support Network Nebraska, providing a leading national model of reliable and cost-effective Internet access for our state's K-12 partners throughout the entire state. As technology transforms the world we live in, it is important through the work at NITC that we continue to provide strategic direction and accountability on technology investments for the state of Nebraska. I'm honored to have this opportunity to serve the state of Nebraska in support of the NITC mission, to make the state of Nebraska's information technology infrastructure more accessible and responsive to the needs of the citizens, regardless of location, while making investments in government, education, healthcare, and services more efficient and cost effective. Thank you again for the opportunity to be with you today and I'd be happy to answer any questions you may have.

**GEIST:** Thank you for your introduction. Would you mind spelling your name for the record, please?

**BRET BLACKMAN:** Bret, B-r-e-t, Blackman, B-l-a-c-k-m-a-n.

**GEIST:** Perfect. Thank you. Are there any questions from the committee? Yes, Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you, Mr. Blackman, for appearing today. I am not at all familiar what Nebraska Information Technology Commission is. Could you give me a little background?

**BRET BLACKMAN:** Sure. So we have the opportunity with other members of the committee to make sure that we appropriate and invest and provide expectations or accountability to the governing bodies of the state to make sure that IT investments are done wisely across the state in a strategic way and a most efficient way across the state of Nebraska.

**BRANDT:** So, for example, if you took, like, different agencies, Department of Ag, HHS, NDOT, you, you coordinate these systems to make sure they're, they're all compatible? I mean, is that what your function is?

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**BRET BLACKMAN:** That is correct. Working with the Office of the CIO, Mr. Toner's office as well, yes.

**BRANDT:** All right. Thank you.

**BRET BLACKMAN:** You bet.

**GEIST:** Are there any other questions? I don't see any. Thank you for your introduction. It's nice to have you.

**BRET BLACKMAN:** Thank you.

**GEIST:** Are there any who wish to testify in support of this nomination? Are there any who wish to testify in opposition to this nomination? Any in the neutral capacity? I do not see any. That will close the hearing for the appointment of Mr. Blackman for the NITC. And while we go to the next bill, I will have the senators who have just entered to introduce themselves, starting on my right.

**DeBOER:** Senator DeBoer, District 10 in northwest Omaha.

**M. CAVANAUGH:** Senator Machaela Cavanaugh, District 6, west-central Omaha.

**GEIST:** Thank you. And we will continue with the hearing of LB4-- LB645. Welcome.

**McDONNELL:** Thank you, Chairperson Geist, members of the committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. I'm here to introduce LB645, which seeks to address the fair allocation of highway revenue and equitably allocation of associated projects for Nebraska's taxpayers. LB645 would update the priority system for the Nebraska Department of Transportation, NDOT, to follow an order to use available revenue, resources, and personnel in an efficient manner. Given our population, economic activity, and increasing congestion, it is essential that our state has a designated, designated plan for the most effective use of the available resources. As part of this plan, NDOT would be required to focus resources on increasing the capacity of city, village, county, collectors and arterials that service our offset traffic on state highways, which will help alleviate congestion from Nebraska's major highways. This should lead to improved safety for drivers on the entire highway system. Furthermore, NDOT would prioritize projects based on the following factors: (1) safety of the traveling public; capacity deficiencies based on the current and projected traffic; the current and projected future economic impact of the project as

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determined by the volume of the local average daily traffic; and the value of goods transported and the surface conditions of the existing roads. This is a change from prioritizing the current highway system as the primary priority in the law. Also, LB645 requires NDOT to take into account the highway revenue raised in each district-- district specific-- specified by Section 39-1102. It requires that no less than 90 percent of the revenue raised by each district be allocated to projects within that district. This will ensure that the tax dollars are put into use in the locality in which it was generated. This is an important consideration for taxpayers. In 2023, for example, the Second District, which includes the counties of Dodge, Washington, Douglas, Sarpy, and half of Cass accounted for 43 percent of Nebraska's population, yet only a little over 9 percent of the funding, ranking dead last among the eight districts. The 1st District, which includes the counties of Butler, Seward, Saline, Jefferson, Saunders, Lancaster, Gage, Otoe, Johnson, Nemaha, Pawnee, Richardson, and the other half of the Cass accounted for 24 percent of Nebraska's population and are second to the last based on population. Of the eight total districts, the two districts that represent 67 percent of the state's population rank seventh and eighth in allocating funding. Nebraska is expected to receive approximately \$2.2 billion over five years in federal funding for highways and bridges under the bipartisan infrastructure law. This funding has the ability to have great benefits to-- for Nebraskans, but only if it is allocated in a fair and equitable manner. In conclusion, I urge you to support LB645, which seeks a prioritize-- prioritizing highway spending in an efficient manner and ensures a fair allocation of revenue for Nebraska taxpayers. I think we should approach this as I think most of us do as senators, that when we're looking at legislation, we don't know which legislative districts we're going to be representing. Of course, we all know where we've come from and our own backyard. But what's the possibility if God opened up the sky and shook us up and said tomorrow you're going to be representing LD 47? You're no longer representing LD 5. And look at it, what is a fair way to approach this? And, right now, if you look at the fairness of it with where we are with District 2 with having 43 percent of the population only receiving 9 percent of the, the dollars and ranking last of eight of eight, I don't think that is fair. But at the same time, we have to make sure that we're treating all 49 legislative districts as if they are ours and we're representing them. And how do we do that going forward making a fair, a fair allocation? Here to answer any of your questions and I'll be here to close.

**GEIST:** Great. Yes, Senator Moser.

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**MOSER:** I would like to see your calculations where you're talking the percentage of population versus the funding. Because I was looking through the handout that I got from the Department of Roads on the Build Nebraska Act and I added up what Douglas, Sarpy, and counties and cities around the Omaha area plus Lancaster and they got \$5 million of the \$15 million. So they're getting over, you know, 33 percent of that. So I, I'm wondering if you have more data, if you can provide that to us so we can look at it.

**McDONNELL:** Yes.

**MOSER:** OK. Thank you.

**GEIST:** Yes, Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist, Thank you, Senator McDonnell, for bringing, bringing this. What does it cost to pave one mile of road, about?

**McDONNELL:** I, I'll have to get that number for you.

**BRANDT:** Let's just say \$1 million.

**McDONNELL:** Let's say \$1 million.

**BRANDT:** Do you think it's the same cost in Jefferson County as it is in Douglas County?

**McDONNELL:** I would leave that up to the, the people that are going to testify behind me to--

**BRANDT:** Well,--

**McDONNELL:** --answer that question, but--

**BRANDT:** --I would probably assume that it is.

**McDONNELL:** I would-- yes.

**BRANDT:** So, I mean, this is an issue that should be based on road miles, not necessarily population. We may not have the same kind of traffic that the urban areas have, but we definitely have a lot of heavy traffic out there. I mean, it's, it's-- the economy of the state of Nebraska is agriculture and agriculture is very heavy and it uses a lot of roads in this state. When I look--

**McDONNELL:** I think we'd all agree that--

**BRANDT:** OK.

**McDONNELL:** --first and foremost would be safety--

**BRANDT:** OK.

**McDONNELL:** --for all the roads and then the economic impact, of course, of that, that road.

**BRANDT:** OK. So looking at, at two of the proposed formula changes, currently rural population in the county accounts for 20 percent and they want to drop that down to 10 percent. And number four, total motor vehicle registrations in the rural area of the county other than apportioned vehicles was 20 percent and they want to drop that down to 10 percent. Just those two changes will move most of that money back to the urban areas out of the rural areas and we're already having a heck of a time keeping our roads in shape.

**McDONNELL:** Do you have the numbers of how much you were actually contributing based on the taxes?

**BRANDT:** I do not.

**McDONNELL:** OK. I will--

**BRANDT:** I do not have-- and hopefully somebody will give us that handout.

**McDONNELL:** I'll try to get that for you.

**BRANDT:** So, yes, you talk about fair and equitable. I like the formula as it is now. I think it's very fair and equitable because it's based on, on miles and, and where those miles are located in the state of Nebraska, so. But, obviously, I represent a rural district and if-- when we shake this up and I end up in your district, maybe my attitude would change.

**McDONNELL:** That's what, that's what-- that's how I think we should look at it, Senator. Thank you.

**GEIST:** Any other questions? I don't see any. Are you planning to stick around to close?

**McDONNELL:** Yes. I'll be here.

**GEIST:** OK. Thank you.

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**McDONNELL:** Yep.

**GEIST:** Are there any proponents for LB645? Proponents? Good afternoon.

**CHRIS HAWKINS:** Good afternoon, Chairwoman Geist, members of the Transportation Committee. My name is Chris Hawkins, C-h-r-i-s H-a-w-k-i-n-s. I'm the president and CEO of Hawkins Construction Company in Omaha. I'll start first by noting that I'm testifying largely as a business owner and leader in Omaha and not necessarily representative of the entire heavy highway construction industry in Nebraska. Most Nebraskans and certainly most senators recognize the critical need of maintaining our, our road system and our expressway system, as I think is further evidenced by the bills to be heard later targeting specific projects. There is a reason senators feel the need to introduce bills specific to individual projects that otherwise are not getting programmed. And that reason is largely a result of NDOT's statutory mandate for prioritization of projects and types of projects as it is today. Unfortunately, the effect of this also is grossly inequitable to projects that are most in need based on traffic volumes, economic opportunity and population, as Senator McDonnell pointed out, and the, the numbers are accurate. Douglas and Sarpy County account for 40 percent of the population of the state and yet only 10 percent of our road funding program. And as you pointed out, Senator, that's a result of lane miles. So the question is, is that fair and equitable and is that the right thing to do? But, again, most of the, the condition is the natural consequence of prioritizing asset preservation above all other factors, which is what the Legislature dictated in 2010. That was a change made in 2010. LB645 rightly resets priorities for a more balanced program. LB645 also expands the list of roads eligible for state funding, which would allow more targeted improvements where they are most needed. I should also note that from a Hawkins Construction perspective, how the state spends money is really kind of irrelevant. We build all types of work, preservation or capital improvement, regardless of what it is in the plethora of the program. My testimony and my position today really does not have anything to do with our bottom line as a company. But because of what we do, we have a unique perspective into the program and we do see really deserving and important capital projects not built as a result of the way we currently program and, and prioritize projects. The simple truth, at the end of day, is that we can't build every road project that senators in every district care about because we don't fund our roads enough. If we did, we would have a much more significant gas tax and vehicle sales tax collection. So we have to prioritize. Something has to give. For the better part of 13 years now, capital improvement has given in way of asset preservation. I



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would encourage you to rebalance those priorities. I planned on three minutes, but because it's five, I would like to just add a couple other notes. Senator Moser, you pointed out that the BNA spend approximately a third of that money in District 2. But remember, BNA is funded through sales tax. What LB645 is about is the primary program, which is funded almost entirely through vehicle sales taxes and gas taxes or road user fees. The Omaha area, if you run the math, accounts for about 35 percent of our sales tax collection in the state. So it actually-- BNA was equitable but not grossly skewed towards District 2 in that regard. And I think that would conclude my primary points. I'm happy to take any questions.

**GEIST:** Yes, Senator Fredrickson.

**FREDRICKSON:** Thank you, Chair Geist, and thank you, Mr. Hawkins, for being here to testify. It's always good to have a District 20 resident in, in the building. So you mentioned asset sort of preservation in your testimony and I'm kind of curious, can you elaborate a little bit more on that and how LB645 is-- would be in the best interest of the state in that regard?

**CHRIS HAWKINS:** Sure. Yeah and I should point out, obviously, there's nothing wrong with the idea of putting a heavy emphasis on asset preservation. We need to maintain what we've built. That would be very unconservative and would be poor practice not to do that. As it is today-- and, and this was presented to the committee both in the annual NDOT report and the needs study-- 90 percent of our spend is preservation. Preservation can be a fairly broad category and I suspect there might be an NDOT testifier who can help elaborate a bit more, but that can include anything from overlaying asphalt, overlaying roads that just are not very smooth, poor driving condition, to deficient bridges. And there, we have a federal obligation to, to maintain those bridges, but it is not new capacity. New capacity is its own category. So if we, if we feel that we have freight on the road all throughout our state that is not intended to, that is a, that's a capacity issue.

**FREDRICKSON:** Sure.

**CHRIS HAWKINS:** Safety is its own category as well. But it-- really the point here is preservation, by occupying that much of the program, prevents the ability to--

**FREDRICKSON:** To expand.

**CHRIS HAWKINS:** Yeah. Can I add one-- I just-- I forgot--

**GEIST:** Sure.

**CHRIS HAWKINS:** --one thing I want to note by the way. This is in no way, from my testimony or this bill's approach, a criticism of NDOT or really anybody. I think NDOT, given their statutory mandate, does a wonderful job programming. This is from my view an ability to, to let NDOT pay a little more attention to the capacity needs that we have, which are largely in urban areas too if that answers your question.

**GEIST:** Senator Moser, you have a question?

**MOSER:** So when you're talking about population versus the amount of money spent in the more populated counties, what time period are you talking there, one year, two years?

**CHRIS HAWKINS:** Generally, NDOT puts out a capital-- or a transportation improvement plan over the course of five years so that's a five-year spend.

**MOSER:** So in five years, you got 9 percent of the--

**CHRIS HAWKINS:** Per year.

**MOSER:** I'm sorry?

**CHRIS HAWKINS:** Nine percent per year of the total program spend. And that number has been consistent for the better part of a decade.

**MOSER:** Yeah, I, I would want to look at that and see that it's-- when I drive through Omaha and I get up on that elevated Dodge Street, I can't believe that that's 9 percent.

**CHRIS HAWKINS:** Well--

**MOSER:** That's--

**CHRIS HAWKINS:** --Dodge Street was built in 2004. We built it, I know. That's-- that was 18 years ago, 19 years ago now that that job started.

**MOSER:** The numbers you're quoting, did you generate those?

**CHRIS HAWKINS:** No, those are-- yes, but those are numbers pulled directly from DOT's transportation books. So those are, those are published data.

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**MOSER:** Sorry about that. Thank you.

**CHRIS HAWKINS:** Yep.

**GEIST:** Any other questions? Yes, Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you, Mr. Hawkins, for appearing today. You said there's things not getting built.

**CHRIS HAWKINS:** Um-hum.

**BRANDT:** What is not getting built?

**CHRIS HAWKINS:** Well, if I want to-- if we want to look at District 2, for example, it-- one, I'd say it's wonderful that Lincoln has a South Beltway. We built it. I was very happy that we were able to do that. Omaha does not have a beltway nor a beltway that's even discussed or planned. Arguably, one is absolutely necessary. Sarpy County has already done some corridor protection for Platteview Road, which would connect I-80 West all the way to Highway 29 ultimately because Iowa paid for a bridge-- or a large part of a bridge over the Missouri River. That's a project that's necessary. I-80 through Omaha is the most heavily traveled corridor in this state. Nearly 170,000 vehicles a day pass from the river to the 680 interchange. Currently, that stretch of roadway has potholes on it on the interstate. We don't have-- we haven't really touched it other than some Band-Aid lane additions. And I would contrast what we've done there to what the Iowa Department of Transportation did. Iowa spent \$1.5 billion to separate freeway and local traffic on their I-80 and they've greatly increased traffic flow, greatly reduced accidents. And we could spend a billion and a half in Council Bluffs and zero dollars in Omaha. That is a fairly shocking result, I think, 680 still is also highly congested.

**BRANDT:** Going back to what Senator Moser was talking about, so 9 percent, is it 9 percent of the total districts is-- so how many districts are there?

**CHRIS HAWKINS:** Eight.

**BRANDT:** OK and then how many lane miles are in each district approximately?

**CHRIS HAWKINS:** Yeah. I couldn't tell you the exact figure. Where you're going, I, I could presume-- and you'd be right to note that District 2 has the second least, I think, lane miles and so on a

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purely lane mile basis, true. The-- that's partly why the spend was part of this.

**BRANDT:** I mean a lot of the construction in Omaha would be handled by the city or the county or, or other entities outside of the state. Would that be true?

**CHRIS HAWKINS:** Yeah, sure. The majority of roadways would be local, but how do we fund those if the majority of our funding--

**BRANDT:** And that, that brings me up to my last question. So-- and you probably build in a lot of states, but in Nebraska, the gas tax pays for, for this. Would you be in favor of increasing the gas tax?

**CHRIS HAWKINS:** That's an easy yes, absolutely.

**BRANDT:** OK.

**CHRIS HAWKINS:** Gas tax is a road user fee. People pay it if we're going to drive on our roads. It is the most direct and logical way to get all our projects--

**BRANDT:** So then how do we handle electric vehicles?

**CHRIS HAWKINS:** There's another bill pending-- I'm glad you asked-- that, ultimately, we need to start charging a more reasonable fee for electric vehicle registration. Because vehicle registrations are another critical part of our road funding obviously. Yeah.

**BRANDT:** Thank you.

**CHRIS HAWKINS:** You also-- I should point out to you it is more expensive to build in urban areas than rural areas. So to that previous question to Senator McDonnell, it's just the nature of dealing with traffic.

**BRANDT:** Sure.

**GEIST:** Any other questions from the committee? I don't see any, but we appreciate the South Beltway, by the way. Thank you very much.

**CHRIS HAWKINS:** Thank you.

**GEIST:** Any other proponents? Good afternoon.

**AUSTIN ROWSER:** Good afternoon, Chairwoman Geist, members of the committee. My name is Austin Rowser, A-u-s-t-i-n R-o-w-s-e-r. I'm the

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assistant public works director and city engineer and also city street superintendent for the city of Omaha and I would like to just express my support for this bill. Omaha faces a number of challenges, as do all communities in Nebraska, with conditions of our transportation system. We've taken a lot of steps locally in recent years to try and get ahead of the problem of, of failing infrastructure. We have a street preservation bond that passed in 2020 and we also have a transportation bond issue that funds the majority of our capital projects. We're still falling behind. Despite the amount of money that we've been able to generate locally, we still need support. We need critical help from the state of Nebraska. And one of the-- one of the issues that we face currently is with resurfacing money on state highways within city limits. We currently receive from NDOT-- NDOT allocates about \$700,000 a year for resurfacing projects within the city. That number is very, very short to handle the system. Our estimates are that resurfacing on a 12-year basis, which is a pretty long scale for resurfacing on, on city streets and highways, we would need to have about \$2 million annually that would need to come within city limits of Omaha just to resurface on a 12-year cycle, state highways within our city limits. So we are, we are falling behind. One recent example is U.S. Highway 275, which is L Street in Omaha. We received our \$700,000 allocation in 2022, which we're very grateful for and thank you very much, but we were only able to get a stretch from 96th Street to about 67th Street in the eastbound lanes only. So we have significantly deteriorated asphalt as well in the westbound lanes of that stretch and also east of that section as well. So that's just one example of a number of, of different state highways in our city. We've also just recently received a portion of Highway 85 that was relinquished from the state. So that's, that's coming off of the state system and onto the city system that Omaha has to take care of. So we have a number of issues like this. Those are just a few examples. We do have-- we have 5,000 lane miles. I believe, Senator, to your earlier question, the state has 10,000 total by statute lane miles. So the city of Omaha has happened over lane miles that the entire state of Nebraska has in the state highway system. So we just appreciate your consideration of this bill. I appreciate your time and I'd be happy to answer any questions you may have for me.

**GEIST:** Before I move to the other senators, I, I just wonder if you would clarify, you said what you needed annually for resurfacing, was it \$2 million or \$2 billion?

**AUSTIN ROWSER:** \$2 million.

**GEIST:** B? With a "B?"

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**AUSTIN ROWSER:** With an, with an "M."

**GEIST:** With an "M." OK.

**AUSTIN ROWSER:** Sorry.

**GEIST:** Thank you.

**AUSTIN ROWSER:** And that's just for resurfacing.

**GEIST:** OK. Yeah. I, I just wasn't sure if I understood you correctly and I didn't so thank you. Yes, Senator Moser.

**MOSER:** So the revenue that you get for roads, does it all come through the Department of Roads?

**AUSTIN ROWSER:** The entire revenue that we spent on our entire capital program?

**MOSER:** Yeah--

**AUSTIN ROWSER:** No.

**MOSER:** --and do you get money from the federal government directly?

**AUSTIN ROWSER:** We get, we get some that-- it comes through a program. It's, it's, it's managed by the state of Nebraska. It filters through NDOT before it comes--

**MOSER:** Like that transportation enhancement--

**AUSTIN ROWSER:** Correct. Correct.

**MOSER:** --those plans and stuff?

**AUSTIN ROWSER:** And, and we have a couple of recent projects, 120th Street and 168th Street that, that came through those programs.

**MOSER:** So this 9 percent funding does not include that federal money or it does include that federal money?

**AUSTIN ROWSER:** That, that I don't know.

**MOSER:** OK. Well, thank you.

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**AUSTIN ROWSER:** Any other questions? I don't see any. Thank you for your testimony. Any other proponents? Are there any opponents for LB645? Good afternoon.

**GREG WOLFORD:** Good afternoon. Chairwoman Geist and members of the Transportation and Telecommunications Committee, my name is Greg Wolford, G-r-e-g W-o-l-f-o-r-d, and I serve on the Nebraska State Highway Commission representing District 7, which is in southwest Nebraska. I am here today to testify in opposition to LB645, which I believe would have negative effects for the state of Nebraska as well as for my district. This bill fails to look at Nebraska's highways as a transportation system and instead vows to parochial interests that will put urban citizens against rural citizens. I have spoken with several other highway commissioners who are also opposed to this bill. I have three primary concerns about the effects LB645 would have throughout the state. First, I am concerned about the changes to the funding formula for the counties throughout the state, which, if this bill passes, would be done in a way that disadvantages the majority of Nebraska counties, especially rural counties, which have fewer people and more agricultural production. Second, I'm concerned about how the method of allocation of funds to districts would change with a new requirement that 90 percent of funds raised in a district be spent on projects in that same district. Again, this is looking at Nebraska's highways not as a transportation system that through its connectivity benefits all Nebraskans, but as a group of local roads that have no impact on their neighbors. It is my opinion today-- that today, Nebraska has better highways than any of our neighboring states. If this change is made, the majority of our 10,000 miles of highways will very quickly fall into disrepair. Finally, I am concerned with the change LB645 would make in priorities for Nebraska Department of Transportation highway projects as it pertains to asset preservation. While we believe safety of our highways is crucially important, under LB645, asset preservation criteria would be dropped to the least important factor for determining projects. This change would be devastating to our existing highway system, to the detriment of all Nebraskans. No sane person would put an addition on their house when the roof is falling apart. This same analogy, analogy applies to highways. It is absolutely critical that we maintain what we have. The Highway Commission previously fought to make this the most important criteria and we believe this bill "undos" that beneficial policy. I would be happy to answer any questions I can and I believe NDOT's Director Kramer will be able to answer further questions. Thank you for your time.

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**GEIST:** Thank you for your testimony. Are there any questions from the committee? I do not see any. Thank you. Any other opponents? Good afternoon.

**JULIE HARRIS:** Good afternoon. I'm Julie Harris, J-u-l-i-e H-a-r-r-i-s. I'm the executive director of Bike Walk Nebraska. Much of our work at Bike Walk Nebraska revolves around advocating for sound transportation policy and, unfortunately, what LB645 proposes does not fit that description. In some cases, directly contradicts the Nebraska Department of Transportation's brand-new long-range transportation plan. The page is handing out a few pages from that plan right now to you so you can have that at your fingertips. Fix what we have first has been the mantra at countless strategic planning events we have attended over the years at all levels of government. It was the main talking point for the city of Omaha's transportation bond issue in 2020 when the mayor outlined that Omaha is 50 years behind in road maintenance and rehabilitation. Underfunded for years at the current rate of funding, we cannot catch up. Like every other state in the country, Nebraska can barely afford to adequately maintain the system we have now. Based on years of that context, it was not surprising to us that NDOT's brand-new long-range transportation plan prioritized asset preservation. LB645 proposes asset proliferation. This bill basically inverts the entire process of prioritization. It removes the current language that states that the department shall consider the preservation of the existing state highway system asset as its primary priority. My mantra as an advocate for bicycle and pedestrians might seem like it's a little fluffy sometimes, but frankly, it's all about the process that we use to make policy. If we get the process right, we will end up with outcomes that benefit everyone. This bill does not pass this test. I would imagine that most Nebraskans would not be thrilled with the idea of ignoring the process and priorities outlined in this plan for which hundreds of hours of time were given and for which tens of thousands of taxpayer dollars were used to fund just two years ago. The bill's language prioritizes the value of stuff and the movement of cars over the well-being of, of Nebraskans. Most specifically, that means that it removes consideration of the well-being of small business owners who have stores along Highway 2 or Highway 30 that become local streets within towns and who want people to be able to see their storefronts and safely access their businesses. It removes consideration, for instance, of kids in Atkinson who want to cross East 5th Street, otherwise known as Highway 20, to get to the city pool, community center or the ball fields. It removes consideration for the kids in Fairbury who need to cross K Street, otherwise known as Highway 15, to get to Jefferson



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Intermediate School. I'll spare you the finer points of the concept of induced demand, but numerous studies show that increasing capacity of roadways, which is exactly what this bill calls for-- it doesn't talk about maintenance or resurfacing, it calls for increasing capacity; more lanes, more capacity. The increase in capacity ultimately fails to alleviate any congestion long term. Adding more lanes is not the answer. If any of you have been to Denver in your lifetime and been on I-25, you've likely been in gridlock. They have continued to add more and more and more lanes to I-25 and guess what? More people just come to drive on it and it creates the same gridlock over and over again. Please support the established priorities of the Nebraska Department of Transportation's long-range transportation plan and consider the long-term impacts of this bill and the ripple effects that it will have across numerous communities within our state before allowing it to progress. We do not necessarily have a stance on the, the financial part of this bill in terms of what money is coming in and where it goes. We have the fundamental problem that it prioritizes pavement over people and that it upsets the priorities that have long been established by NDOT.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? I don't see any.

**JULIE HARRIS:** Thank you.

**GEIST:** Thank you. Any other opponents? Good afternoon, Director.

**VICKI KRAMER:** Good afternoon, Senators. A lot of comments on my system today. Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. I am Vicki Kramer and I'm the Director in the Department of Transportation. That's V-i-c-k-i K-r-a-m-e-r and I'm here to testify in opposition to LB645. LB645 directly alters the objectives and priorities of the Nebraska Department of Transportation in numerous ways, ways in which the department believes will be detrimental to the state highway system. It's important to understand the transportation needs of the state are developed based on a system, creating and maintaining a system that supports all of Nebraska. This bill creates a new priority for NDOT to increase capacity on city, village, and county collectors and arterials that service or offset traffic on state highways. This is a dramatic change to NDOT procedure, as we have no existing jurisdictional responsibilities for such roadways. This would create hundreds of miles of extra needs for NDOT while no revenue source is identified. There would be a tremendous cost to NDOT to begin to work on roads not owned by the state, but rather by counties and cities.

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Depending on the vague-- or depending on the vague criteria in the bill of offsetting traffic, which may otherwise be on a state highway, NDOT has already identified \$14.5 billion of needs over the next 20 years. So to increase this workload could drastically slow project delivery, such as completion of the four-lane expressway system. In addition to changing the scope of the roads over which NDOT has jurisdiction, LB645 changes the way we prioritize our long-range system plan, which we present to the Legislature every year. In addition to the assets NDOT is already responsible for, we would also need to accommodate the needs specified by cities, villages, and counties of the state, greatly increasing the work required by the department. This bill current-- this bill ranks the following factors in order of importance: safety; capacity based on current and future traffic volumes; current and future economic impacts of a project; and finally, surface conditions of the road. Notably, the focus on asset preservation has shifted from first to last in terms of importance, although it's an indicator in the previous bullets I discussed. NDOT is concerned that this will lead to an uneven distribution of projects wherein roads with high capacity are prioritized for improvements while the system as a whole deteriorates. This concern is compounded by the next provisions of the bill, which state that 90 percent of highway revenue raised in each district shall be allocated to projects in that district, including city or county roads not currently on the system. This would be detrimental to the transportation system as a whole, shifting funding away from all but the most populous counties such as Lancaster and Douglas. According to our preliminary calculations, these counties would see a, a 61 and 43 percent increase in annual funding respectively. Unfortunately, this increase comes at the expense of Nebraska's less populated, more rural counties. This bill would also have a negative impact on state highways as a system, which would hurt the state's agricultural industry by creating a patchwork of unrepaired roads through the vast majority of the state. To that end, this bill specifically changes the factors which allocate state funds in each county by increasing the weight of the total population by 30 percent and decreasing the rate of the rural population in the county, increasing the total number of the total motor vehicle registrations, while decreasing the weight of rural registrations and removing the value of the farm products sold altogether. Thank you for your time. I'm free to open any-- or answer any questions you might have.

**GEIST:** Are there any questions? Yes, Senator DeBoer.

**DeBOER:** Thank you. Thank you, Director Kramer, for your testimony. Can you take me through just an overview of how you developed the

long-range system plan, who's involved, what you prioritize when you're figuring out how to do that? Who's all involved in making those decisions?

**VICKI KRAMER:** So there's, there's multiple different planning efforts that I think are important to this conversation. There's the 20-year long-range plan. There's the five-year plan that identifies capital improvement projects. And most specifically, probably relevant to this conversation, there's also the metro area travel improvement study, which looks specifically at the Omaha area. So we work on-- in conjunction with locals, in conjunction with stakeholders, our local district leadership to make sure that we fully understand what the needs of the 10,000 miles of highway we currently have are. We look at what are the needs for preservation? What are the needs for increased capacity? And then we craft a plan based on what our projected revenue is and we always identify what the needs are no matter the revenue. That's where you see that \$14.5 billion, right? And so as we work through it, that 20-year program starts to become in bite-size pieces so we can start to say, OK, what's the five-year plan look like, right? What's the one-year look like? So long term, we talk to everyone from by walk-- Bike Walk Nebraska to local contractors to understand capacity, to understand what the needs are to local communities when we do a 20-year. When we just published the last one, there was a stakeholder group that included everyone from the medical community to understand how rural transportation or needs for emergency personnel were meant to farm and agricultural.

**DeBOER:** So once you sort of gather all this information and you know what the needs are both of the surfaces that we already have in place and how many cars are on them or whatever. And we've developed kind of that whole understanding of what the need is and now it's time to take the pot of money that is too small to meet the need and to try and prioritize things. How do you all decide how to prioritize things? Yes, I know that statutorily we've got, you know, preserve the system. But then what comes after that? How, how do you decide between projects?

**VICKI KRAMER:** So typically it depends. It-- so we'll go through and so each district has their district allocation for asset preservation. So those district, those eight district engineers are in charge of making sure that their system is in a state of good repair, right? After that asset preservation piece, we get into CapEx and how we build the capacity of the program. Typically if you go back to how we did Build Nebraska Act, that was a-- we used public participation for that. So we looked at safety, we looked at economic and then we started to look

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at what projects we could start to program into that queue. So to answer your question, it's a, it's a bit of a formula based on cash flow of what we can afford based on when we see the need coming up, meaning if there is an existing project in that area-- so for the two-lane facility, what's the lifecycle of that two-lane facility making sure we get full ability to have that full lifecycle before we potentially add or we at least take that into consideration on a four-lane so that we fully use our resources.

**DeBOER:** So we're being efficient by using the--

**VICKI KRAMER:** Absolutely.

**DeBOER:** --two-lane before destroying the two-lane to make a four-- four-lane.

**VICKI KRAMER:** Absolutely.

**DeBOER:** OK, that's very helpful. There's a, a listing that you mentioned also in your, in your testimony about in this bill, they would like to go safety, capacity, economic impacts and then finally, surface conditions of the road. How much do surface conditions of the road affect safety?

**VICKI KRAMER:** Completely. I mean, it's the-- I wouldn't say it's the major factor, but it is a major factor. If you look at how a road drives, if it's going to be-- if you're going to be able to have a smooth ride based on what rate of speed you can be on it, obviously, as a road deteriorates, we're going to drop that speed limit to make sure that we maintain safe traveling speed. But if, if-- as it deteriorates, there's-- you don't have a safe road. You can't put heavy loads on. We'll have to go to making sure that we have a different way for our agricultural farm equipment to move. There is-- it's the number one-- one of the main concerns of it, right?

**DeBOER:** So wouldn't we end up kind of back where we are because wouldn't you have to prioritize upkeeping the system anyway in order to keep the safety by putting that first?

**VICKI KRAMER:** Yes.

**DeBOER:** OK. Thank you.

**GEIST:** Yes, Senator Moser.

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**MOSER:** Well, from the, the perspective of my district, we appreciate what the Department of Roads is working on to provide four-lane access to cities that are 10,000 population and more. And we've been waiting a long time. Started in 1988, supposed to be done in 2003. Right now, it's 2023. So it's 20 years. And I don't know what percentage is done now, about 75?

**VICKI KRAMER:** On the expressway system?

**MOSER:** Yeah, yeah. So we got 25 percent of it to do yet. And that section that I often harp on-- and I know it's kind of beyond your control now because it's under contract. But that section from Schuyler to Fremont, I get so many complaints from my citizens about that traffic on those roads. They were kind of laid out when people were driving Model A's and, you know, they've got tight radiuses and no shoulders and, and the railroad runs right next to it. And when they've got their headlights on so they don't hit something and you're coming this way, you can have people passing you on both sides. A car on this side and railroad engine over here and you're sitting there thinking-- you know, it's, it's a safety thing. And so I appreciate your willingness to try to work on getting the whole system done. And, yeah, hopefully we can continue to get that done. Thank you.

**GEIST:** Any other questions? I do, though. I, I will just add-- and maybe more of a comment, but I'd invite your response. It is interesting, though, to see the, the, the difference of, of the allocation amount. I mean, to Senator-- to Mr. Hawkins' point, I think that it is interesting to consider that a huge part of our system is on the east side of the state. And do you have a-- is there maybe an alternative way to look at how this allocation could be done that, that does give weight to where the heavy traffic is versus-- I, I understand you're looking at a system, but I think there is some-- something to be said that this is the place where most of the population travels, so.

**VICKI KRAMER:** So I would, I would ask-- looking at the bill and understanding the focus it puts on capacity building, I would look at-- and we can brief the committee on the metro area travel improvement study. And just looking at how the Nebraska Department of Transportation has worked with MAPA on what the improvements are needed for the Omaha system, understanding the current state highway and how we are going to work with the city of Omaha over the next 80 years to essentially modernize the system. I think that's more of where we need to go rather than looking at how we change the allocation of funding. There's going to be significant investments

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from the department as we work through MTIS over that next 80 years. You know, you have your first 20 years commitment, then you have the following 30 and then you have another piece of it. And so you're going to see upwards of \$1 billion when you just look at that first 50 years. So I'm happy to brief the committee on how we've looked at those needs and the process we've gone through.

**GEIST:** OK. Thank you. Any other questions? Thank you for your testimony. Are there any other opponents? Good afternoon.

**JEROME FAGERLAND:** Afternoon. My name is Jerome Fagerland, J-e-r-o-m-e F-a-g-e-r-l-a-n-d. I reside in Atkinson, Nebraska, and I have served on the Nebraska Department of Roads, Department of Transportation for 23 years. I'd like to go on record that I concur with what you had in testimony from Commissioner Walford earlier. I do want to zero in on my district, which is District 8, which runs from eastern Holt County to western Cherry County, and approximately 130 to 140 miles. It also averages about 90, 90 miles north and south. I have a unique district from the standpoint that the only rail service we have is-- goes about 18 miles into the eastern part of the county. We have in this district two of the five largest cow-calf producers in the nation. We also produce more than hundreds of millions of bushels of grain, corn, and soybeans. The only feasible way for us to move our products both in and our supplies out is by truck, heavy truck. The bill concerns me that it may have a, a issue with preserve-- preservations. Agriculture has grown to the standpoint that it requires large equipment, heavy trucks, which without it, roads are putting the transportation of goods at risk and lives at risk. So to change the, the formulas that we are using is, is, in my opinion, putting our rural residents at risk. I would also like to go on record saying that I have served on the commission for 23 years and it doesn't get any easier determining in what's right, equitable, and correct. And so the, the issue is-- I'm very aware of the growth in, in Omaha. I'm very aware of the growth in Lincoln and some other metropolitan areas. We need to take that into consideration down the road, but we can't let what we have to go to waste. So with that, I'd open it up to questions.

**GEIST:** Thank you for your testimony. Are there questions from the committee? I don't see any.

**JEROME FAGERLAND:** Thank you.

**GEIST:** Thank you very much. Any other opponents? Opponents? Is there anyone who wishes to testify in the neutral capacity? Senator McDonnell, you are welcome to close.

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**McDONNELL:** Thank you, Chairperson Geist. Following up with Senator Moser, he had a question about the monies, that does include federal. The details that we're going to get you based on some of the numbers we were using earlier. With the eight roads districts, if you look at-- and just to take a step back, Director Kramer met with me. I, I believe NDOT does a great job. So this isn't trying to criticize, this is trying to actually show how we can improve. And then there's got to be a fairness. And I think it always should be started off with, with the safety. So if, if there's a roads district X, whatever it might be, three, for example, and they have fallen behind in safety, then that's where we should, we should focus first so wherever that might be. But when you look at the idea of the two-- District 2 that roughly has 43 percent of the population receiving 9 percent of the funding and then you add District 1, which they're ranked seventh and eighth and that moves you up to 67 percent of the population. And they're the bottom seven and eight out of the funding, that, that just flies in the face of common sense to me. Not based on the idea of safety-- I always want to put that first-- but, actually, just with working backwards and looking at how our plan is, is, is working and going forward, how it's serving the, the citizens. So, again, every number we mentioned earlier, we will make sure we get you detailed information. And we're here again, as I mentioned in my opening, regardless of where-- county we're from or what legislative district, I want to be able to have a fair process to go back and say, hey, we always put safety first. But then we look at it this way and economic development, of course, is part of that and based on the population is also part of it.

**GEIST:** Thank you for your testimony. Yes, Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you, Senator McDonnell, for your close. What you say is true and I guess how I kind of see this driving into, let's say, Lincoln, the state has an obligation on that road to get me to Lincoln. But in these high population areas, Lincoln and Omaha can afford to buy all the artiller-- arterial roads that come off of the state highways. It's much different than when you go through these little villages and towns out in western Nebraska. You know, I have a lot of communities that still have gravel streets, no curb and gutter. I mean, it's, it's just a different scenario altogether. And I mean, it isn't apples to apples, but I mean, there are some structural differences here in that you have the resources to build whatever you want outside of the state and other parts of the state have no other resources. Would you agree with that?

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**McDONNELL:** And just for the record, LD 5 has gravel roads. LD 5 still has areas without sewer. So just to-- just for the record.

**BRANDT:** OK.

**McDONNELL:** My legislative district in south Omaha--

**BRANDT:** Sure.

**McDONNELL:** --still has gravel roads.

**BRANDT:** Yep.

**McDONNELL:** I'm sorry. Go ahead.

**BRANDT:** Nope, that's fine. But you would agree that there are more resources probably in those districts, urban districts, than, than what's available in some of these rural areas.

**McDONNELL:** Yes.

**BRANDT:** All right, thank you.

**GEIST:** Any other questions? I don't see any.

**McDONNELL:** Thank you.

**GEIST:** We did receive seven letters, none in support, seven in opposition, and none in neutral. I'm just reading it for the record. That will close the hearing on LB645. We will move forward to LB212. Good afternoon, Sue Ellen. You're becoming a regular in our community.

**SUE ELLEN STUTZMAN:** I know. I don't know how I feel about that.

**GEIST:** Go ahead.

**SUE ELLEN STUTZMAN:** Good afternoon, Chairwoman Geist, members of the Transportation and Telecommunications Committee. My name is Sue Ellen Stutzman, S-u-e E-l-l-e-n S-t-u-t-z-m-a-n. I am Senator Slama's administrative aide. I'm here today to introduce LB212. U.S. Highway 75 is the highway system that runs for 1,239 miles from Dallas, Texas, to Kittson County, Minnesota, ending just short of the Canadian-United States border. Within the state of Nebraska, it enters on Kansas state border, nine miles south of Dawson, traveling north across the extreme eastern portion of the state to the Nebraska-Iowa border in South Sioux City, crossing the Missouri River along a concurrency with interstate, I-29. Currently, Highway 75 is four lanes south of Omaha



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until it reaches the southern edge of Plattsmouth. From the southern edge of Plattsmouth through Nebraska City, Auburn and down to the Kansas border, Highway 75 is two lanes. LB212 seeks to expand the stretch-- that stretch of Highway 75 to four lanes. Highways play a vital role in our daily lives. The benefits they bring to our state, its residents cannot be overstated. This is incredibly important-- is an incredibly important issue that I have heard from many, many Nebraskans in this state, both in and out of District 1. LB212 is a critical investment in the safety, quality of life, and economic prosperity of our state. Dozens of Nebraskans have contacted our office with both personal stories of their own or grave concerns about this treacherous road. The increasing traffic volumes and changing nature of transportation have brought to light the safety concerns that have plagued this, this important roadway. U.S. 75 is currently a two-lane highway, which has become increasingly inadequate to handle the growing number of vehicles that travel on it. This has resulted in long, long travel times, congestion and increased risk of, risk of accidents. As we all know, accidents on our highway have devastating consequences, often leading to loss of life, severe injuries, and long-term disabilities. The expansion of U.S. 7-- U.S. Highway 75 to four lanes will go a long way in mitigating these risks and protecting the lives of people who rely on this highway every day. Highway 75 is an incredibly dangerous road. From 2016 to 2020, U.S. 75 from Plattsmouth to Nebraska City had ten fatalities, 114 injuries and 222 crashes. From 2016 to 2020, U.S. 75 from Nebraska City to the Kansas border, border had 12 fatalities, 144 injuries, 326 crashes. The safety of Nebraskans is an ever-- everlasting high priority of mine and those driving on Highway 75 should feel safe during their travels. Highways provide fast and efficient means of travel for residents and visitors alike, making it easier for people to access work, education, medical care, etcetera. This increased mobility not only benefits individuals, but also businesses and industries which rely on efficient movement of goods and services. Furthermore, expanding Highway 75 would also attract businesses and industries to our state, creating jobs, stimulating economic growth, improving flow of goods and services between communities and increasing access, access to businesses along the route. Construction and maintenance, maintenance of highways attract businesses to industries locate-- businesses, businesses and industries to locate in the state, creating jobs and stimulating economic growth. Highways also make it easier for businesses to transport goods, which increase their competitiveness in global market-- in the global marketplace. It would also make our state more attractive to tourists, which would bring additional revenue to the state. Additionally, LB212 increase-- includes the

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paving of all unpaved highways in the state. This measure would also bring numerous benefits. Paved roads are safer for drivers, providing a smooth and stable surface for vehicles. This would reduce the number of accidents and improve safety of our roads. Currently, there are only about 40 miles of unpaved state highways: 18.85 miles in Frontier County, 10.04 miles in Pawnee County, and 10.28 miles in Otoe County. The paving of these unpaved highways is long, long overdue. In closing, we can no longer stand idly by when our friends and family members or neighbors continue to be killed or severely injured on this stretch of highway or remaining unpaved state highways. Something has to be done. Improved safety, increased economic growth, and improved quality of life are just a few of the benefits of these projects-- that these projects would bring. I urge all members of this community to support LB12 [SIC--LB212] and work together to ensure its passage into law. Thank you.

**GEIST:** Thank you for your testimony.

**SUE ELLEN STUTZMAN:** And I will also waive closing.

**GEIST:** OK. Thank you. Are there any proponents of LB212? You may come forward. Good afternoon.

**JERROD BURKE:** Good afternoon. Good to be here. My name is Jerrod Burke, spelled J-e-r-r-o-d B-u-r-k-e. I'm from Curtis, Nebraska. Thank you for the opportunity to testify in support of LB212. I'm a farmer, small businessman and former educator and I'm testifying on behalf of myself. My main interest in this bill is the paving of all unpaved state highways in Nebraska, more specifically, the nearly 19 miles of unpaved surface of Highway 18, which runs through Frontier and Gosper County. I'm not as familiar with the rest of the highways this bill would improve, but if they're anything like Highway 18, I'm sure they're probably in dire need of improvement as well. Our family homesteaded the land we currently farm two miles off Highway 18. Our farm is-- now extends and runs adjacent to part of Highway 18. Our family has a long history in this area. I have no idea how many times we've been told this road to be paved dating back to the 1970s. It has never happened. It now seems the status quo is current policy. Highway 18 is the main artery that serves the needs of the area. An improved Highway 18 would serve as a much better connection to Highway 83 on the west, Highway 80-- and 283 on the east than what currently exists. It would also serve the residents of the eastern half of Frontier County with better access to the county seat of Stockville and residents of southern western Gosper County with better access to the county seat of Maywood. The initial benefit of this construction would

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likely-- this connection would likely-- regional traffic would pass through this area. This would serve the economic development for the area and could bring in new residents and increase the tax base for the area. I'm including a letter from a local school district that utilizes roughly ten miles of Highway 18 to transport students to and from school. A paved highway would increase safety and likely provide a better and safer route from many area school districts to travel for school-related activities. Without a doubt, the major need of Highway 18 is ag based. Equipment is much larger than the road is designed for. Grain, cattle, fertilizer trucks use the road extensively. Sprayers, tractors and other ag-related equipment are common, not to mention passenger vehicles as well. Traffic on this roadway, roadway is robust. A paved surface would improve for better safe passage of these vehicles while additional traffic is bound to [INAUDIBLE] on an improved surface. It's interesting listening to the testimony in the previous bill about, you know, the surface of the, of the roadway being important on this previous bill. You know, we're talking about a gravel highway here. You know, the gravel highway surface of Highway 18 is unpredictable at best. Just being gravel itself is a safety hazard. Anytime we have any sort of moisture, the road becomes very muddy and sloppy. When it snows, there are many areas that are impassable. Not something you would expect from a state highway. I brought some pictures that I've let you-- I've distributed with how the road looks during these constant freezing and thawing cycles we've had during this winter and that's not unusual. I could have taken those pictures multiple times during the course of the year. The need for fast and efficient emergency services in the area is impacted by the unreliable service of Highway 18. In its current condition, it really could be the difference between life and death. The surface is just not one hazard. As you can see from the pictures, there are many blind hilltops and cuts where visibility is very limited. Part of this within our area is in the soft shoulders and the road is very hazardous. Recently, Governor Pillen, in his testimony in support of LB706, as reported on KLKN's website, noted that the safety issues for existing travelers on Highway 18-- on arterial highways, I should say. He says it's a legitimate safety hazard when you consider truck traffic, farm vehicles, and other types of heavy equipment to traverse these roadways. Improvements are necessary to make sure they are safe for everyone. Nebraska Chamber President Bryan Slone also testified in support of LB706. He said our highways are often the lifeblood of our communities. We need quality roadways to ensure our goods are safely and efficiently transported from farm or manufacturer to market and that our kids and families can safely get to school and work. I cannot agree more with Governor Pillen and Mr. Slone. I would add one caveat,

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however. The roads they're talking about that need repair are currently paved two-lane highways. I don't argue the fact these roads could need improvement as well. However, LB12 [SIC--LB212] address roads that are not paved up to this point. These roads are up to the standards that the Governor and Mr. Slone are calling safety hazards. Nebraska Department of Roads has been equipped and trained to maintain hard surface roads. In these areas, these unpaved roads-- highways, it's necessary to maintain additional equipment and training operators to maintain the surface. Paving the remaining 44 miles of state highway would eliminate this need. I understand Nebraska is currently in a very positive place as far as revenue goes. I also understand there was very much interest in how the surplus is spent. It just seems improving these roads has a great deal of long-term benefits and the kind of investments that should be made. Some bridge and culvert work has already been done on Highway 18. This should help reduce the cost to at least this stretch of the roadway. An added benefit of LB212 is it would also fund infrastructure improvements in the eastern and in the western part of the state. It's time to finish paving the Nebraska highway system. It's gone on long enough. I want to thank Senator Slama for introducing this bill. Without it, I suspect it would not be overly well known that there are still 44 miles of unpaved highway in the state of Nebraska. I would encourage you vote LB212 out of committee and to the full floor of the Legislature. A priority designation by any senator or this committee would also be helpful. Thank you for your time of interest. I drove over three hours to be here today. If you have any questions, I'd be more than happy to answer them while I'm here, so thank you for your time.

**GEIST:** Did you drive over this road to get here today?

**JERROD BURKE:** I did.

**GEIST:** Well, we--

**JERROD BURKE:** It's a little better shape today than what the pictures show, but--

**GEIST:** --we appreciate your, your trip and you being here.

**JERROD BURKE:** Thank you. I'd be happy--

**GEIST:** Thank you. Are there any questions on the committee? Yes, Senator Brandt.

**BRANDT:** Yeah. Thank you, Chairwoman Geist. Thank you for coming here today. Yeah, it does seem a little unusual in this day and age that we

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still have rock or gravel roads that were designated highways. I remember growing up, we had a lot of these and, and it seemed like they eventually got paved or they turned them back to the county. Where does this road go? Does it go from Curtis north?

**JERROD BURKE:** It starts-- it originates in Curtis and goes south and east toward Stockville, which is the county seat. And that road is paved and then it's paved for another ten miles past Stockville and then the final 19 miles then to where it joins Highway 283 on the east is unpaved. And so that's, that's the part that is still vastly unimproved for the most part.

**BRANDT:** You're Frontier County, is that correct?

**JERROD BURKE:** Correct, Frontier and Gosper. Our farm is in Gosper County and Frontier County.

**BRANDT:** And this road goes between both those counties, Frontier and Gosper?

**JERROD BURKE:** Right, it goes right through the middle of them.

**BRANDT:** So I know in Jefferson County, our county has stepped up and we for years tried to turn roads over to the state and they wouldn't take them. And we finally just bonded a bunch of concrete that the county's paying for. Does Frontier have the ability to take a project like this on?

**JERROD BURKE:** You know, not being, not being on the board of commissioners, I wouldn't know that for sure. I can tell you that in 2005, the Department of Roads approached the counties about taking over the road-- and I know at that time, the counties were not interested in this because of the future cost. But it needs a lot of improvement just even to the point that the county would be considering it I would think. I mean, it'd be costly to maintain, I'm sure.

**BRANDT:** All right. Thank you. Thank you for driving in today.

**JERROD BURKE:** You bet. Thank you.

**GEIST:** Senator Moser.

**MOSER:** So did you come in on Highway 2?

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**JERROD BURKE:** Did I come in on Highway 2? No, I came in on Interstate 80 from the west through Lexington--

**MOSER:** Oh, you're way out--

**JERROD BURKE:** Yeah, I'm way out west in southwestern part of the state.

**MOSER:** OK. Well, knowing that Senator Slama was behind this, I was thinking it was in her district.

**JERROD BURKE:** Right.

**MOSER:** I was just--

**JERROD BURKE:** No, I actually just came across the bill, you know, by, by perusing through some of the bills. And I noticed that bill had been introduced and I thought, oh, pave the unpaved highways. Boy, we need that. So I have contacted Senator Slama's office, but by no way did she solicit-- I solicited her more than she solicited me, so.

**MOSER:** Yeah. Yeah. Thank you.

**GEIST:** Yes, Senator Brandt.

**BRANDT:** Yeah. Real quick, again. It almost seems like we have two different concepts in the bill; that we've got one to expand Highway 75 on the eastern edge of the state and then another portion of this to pave 39 miles of road for-- I think \$90 million is what was in the fiscal note. Would you be all right if those two were separated?

**JERROD BURKE:** No, I don't know. That would be up to what-- for you guys to decide, I guess, you know, and Senator Slama if she wanted, wanted them separated. I mean, I'm not very familiar with Highway 75 so I don't know what the needs are. So for me to speak against that at this point in time, I'm not sure is fair to the people that, that know more about it than I do, you know? So I would defer that to someone else with more knowledge of that roadway than myself.

**BRANDT:** All right. Thank you.

**JERROD BURKE:** Sorry I didn't answer your question very well, but that's all I know about it, so.

**GEIST:** Any other questions? I don't see any. Thank you for--

**JERROD BURKE:** OK.

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**GEIST:** --coming today.

**JERROD BURKE:** Thank you.

**GEIST:** We appreciate it. Any other proponents? Good afternoon.

**DOUG FRIEDLI:** Good afternoon and thank you, Chairwoman--

**GEIST:** You bet.

**DOUG FRIEDLI:** --Geist and members of the Transportation and Telecommunications Committee. My name is Doug Friedli, D-o-u-g F-r-i-e-d-l-i. I live in Nebraska City. I'm speaking in favor of LB212. I'm also representing the Nebraska City Area Economic Development Corporation who supports this bill, Nebraska City Tourism and Commerce and also the Nebraska Chamber of Commerce. My main concern is safety. I had a personal friend get killed on Highway 65 and hardly a month goes by that we don't hear of a fatal accident somewhere between Plattsmouth and the Kansas border. It's, it's tragic. We see lots of accidents, lots of crashes and wrecks on this two-lane road. The shoulders have not been maintained now in anticipation, I think, of a four-lane expansion, which has been promised since I lived in town for 30 years and still hasn't happened. It's a very dangerous road. The economic benefits are huge too. Good transportation has already been-- excuse me-- testified to and we have a lot of commerce in our area. We have two power plants along this corridor, NPPD and OPPD. They have lots of supplies that come in and out. We have a huge grain terminal in Nebraska City, both by rail, by highway and by barge. We have a lot of grain coming in and out of our community. We also have livestock and fertilizer, a huge fertilizer business by Heartland Co-op. We also have Cargill processed meats. They process their beef up in Schuyler and then those boxed beef come down to Nebraska City and it's processed there. All of that product is, is transported by trucks, by semi trucks. We're also the home of Honeywell gas meter. Seventy percent of the gas meters in the United States are made in Nebraska City. And, again, that product comes in and out of Nebraska City by truck. We have a number of industries in town. We have 2,462 workers that transport, commute into Nebraska City every day, 2,462 coming from as far as Lincoln and Omaha. We also have outbound commuters, people that live there and work in the metro area. That's another 4,798 people. Highway 75, when there's a flood on the Missouri River-- which, again, I've lived in Nebraska City for 30 years. I've seen three 500-year floods: in 1993, in, in 2011, which was bigger than the '93 flood, and then most recently, 2019, which was the biggest of all. When I-29 on the Iowa side gets closed because of

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flooding, which I've seen three times, that traffic comes over to Highway 75. And Highway 75 becomes Interstate 75, a two-lane road that truckers, vehicles trying to get, as was explained, down to Kansas City area or even all the way to Topeka and Texas. All of that traffic is on Highway 75, becomes extremely dangerous. Emergency vehicles, we have hospitals in Nebraska City, in Auburn and in Falls City, all located close to Highway 75. Again, those emergency personnel, the physicians commute from Omaha and Lincoln into our rural communities to the hospitals and clinics, all have to travel in addition to our, of course, our emergency personnel, the sheriff and police. Highway 75 is also a connector that connects Highway 2 to Highway 34, two U.S. highways, and it's a connector road. Lastly, that gravel road west of Nebraska City, one of those three unpaved roads, also very dangerous, as was just attested to. In addition then, there's a third unpaved highway in Pawnee County, which is-- both of those are in Senator Slama's district. So thank you for your consideration. It's long overdue. I hope we can get at least a part of it four-laned in the very near future to address the safety and commerce issues. Thank you.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? I don't see any. Thank you for being here today.

**DOUG FRIEDLI:** Thank you for your time.

**GEIST:** Any other proponents? Are there any opponents of LB212? Any opponents? Are there any who wish to testify in the neutral capacity? Seeing none, that will close the hearing on LB212 except that I do have four letters. Sorry, I did this again. I have five letters, actually: four in support, none in opposition, and one in the neutral. And with that, we'll move on to LB721. Senator Ballard, welcome to the committee.

**BALLARD:** Good afternoon, Chair Geist and members of the Transportation and Telecommunications Committee. My name is Senator Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d. I represent the 21st Legislative District in northwest Lincoln and northern Lancaster County. Today I'm introducing LB721, a bill that seeks to appropriate \$25 million to the Department of Transportation to begin planning for the East Beltway Project in Lancaster County. The Nebraska corridor protection statutes provide the responsible infrastructure planning. It allows for identification and protection of future transportation corridors prior to costly and conflicting development of land. For the traveling public, corridor protection provides the opportunity to have transportation alternatives delivered at more-- a more cost-effective manner. In September 2002, the environmental impact statement was



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approved by the Federal Highway Administration for the purpose of the South and East Beltway in accordance to the National Environmental Policy Act. In 2006, the corridor protection was put in place for the East Beltway. The East Beltway will constitute the east leg of the freeway system around Lincoln that is made up of Interstate 80 to the north, the Homestead Expressway or Highway 77 to the west and the South Beltway to the south. The East Beltway is an important, important part of Lincoln's future transportation network. It provides benefits to the environment, property, business owners, and the traveling public. The plan also takes into consideration the protection of environmentally sensitive areas. Residents and business owners can make informed decisions about their property and plan for the future infrastructure that will meet their needs. The plan to develop the beltway has already been approved according to the federal and state regulations. We just need to appropriate the funds to carry out this construction. I hope you look favorably upon LB721 and view it as a necessary step forward to meeting Lincoln and Lancaster County's and state of Nebraska's infrastructure needs. The benefits of the East Beltway project will be elaborated upon in testimony behind me, but I will answer any questions that you might have.

**GEIST:** Great. Are there any questions? Yes, Senator DeBoer.

**DeBOER:** Thank you, Senator Geist. Senator Ballard, how do we avoid the problem or the special legislation problem with the constitutionality with this?

**BALLARD:** I appreciate that. It's something we're working on. There is case law that the legal counsel-- I've been working with legal counsel of this committee to, to work through that problem.

**DeBOER:** OK. Any--

**BALLARD:** Any further? No, I don't have any further at this time, but I-- there has been legislation in the past that, that addresses this issue and I'll get those specifics for you.

**DeBOER:** But, I mean, sort of the-- OK, maybe we can get around the, the letter of the law. But the spirit of the law was we don't want to just have, like, great senators who are able to pass things well, come in and therefore they get their area, you know, sort of developed and money goes to their area and not to other areas. I think that was the spirit behind that-- so is that something that you're--

**BALLARD:** Something I'm cognizant of? Yes.

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**DeBOER:** OK. All right.

**BALLARD:** Thank you.

**GEIST:** Any other questions from the committee? I don't see any. Do you plan to stay around for closing?

**BALLARD:** I will be here, yes. Yes.

**GEIST:** OK. Thank you. Any proponents to LB721? Good afternoon, Commissioner.

**CHRISTA YOAKUM:** Good afternoon to you as well. Good afternoon, Senator Geist and members of the Transportation and Telecommunications Committee. My name is Christa Yoakum, C-h-r-i-s-t-a Y-o-a-k-u-m, and I'm appearing before the committee in my capacity as the chair of the Lancaster County Board of Commissioners. And I'm here to testify on behalf of the Lancaster County Board in support of LB27-- LB721. Constituents, commuters who drive all the way across town on local streets, businesses whose commerce and employees slog through local traffic all want to hear the East Beltway is coming, virtually every meeting we attend. I've heard the community's persistent enthusiasm for the East Beltway and I'm here today because the time has finally arrived. This project is not limited to a local impact. Effective transportation infrastructure is vital to keeping Nebraska economically competitive and physical transportation infrastructure is an integral part of the supply chain that supports our local-- our continued local, region, and statewide growth within the wider global economy. Now that the South Beltway is substantially complete in record time due to the state of Nebraska leadership combined with significant local support, we already see new residential and commercial development being planned and the unlocking of new economic opportunities. The East Beltway remains the final uncompleted portion of the expressway system around the city of Lincoln and the last piece of the puzzle to fully realizing the benefits of easy regional interconnectivity around and throughout the capital city and Lancaster County. In support of this project, Lancaster County and the city of Lincoln have invested millions of dollars in securing the East Beltway Corridor for future development. In 2006, the state of Nebraska, Lancaster County and the city of Lincoln partnered to invest in preliminary design of the East Beltway Corridor with the county and the city equally contributing the local match. Following the design, the county and the city have cooperated since 2008 to strategically protect the East Beltway Corridor by purchasing parcels of real estate within the corridor when they come up for sale. Thanks to these local

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efforts, the East Beltway is a mature project that is ready for the final planning stages. Like the South Beltway, the East Beltway requires state of Nebraska leadership and an infusion of federal, state, and local funding. The current momentum behind the infrastructure development at the federal level represents the most favorable oppor-- favorable opportunity to complete this project that most of us will see in our lifetimes. LB721's smart investment in preparing environmental studies, in the designing of the roadway and structures for the beltway and in estimating the costs and schedule for the completion of the beltway will place this project in an advantageous position to secure some competitive federal funding for the state of Nebraska. Simply put, LB721 will push the East Beltway to the forefront of federal funding discussions, and this is an opportunity that cannot be missed. On behalf of the county board and the citizens of Lancaster County, I'm proud to appear before you with other local, regional and state leaders from, from the public and private sectors to ask this committee to support LB721, which will in effect-- will affect a generational change in the way we live and work in the state of Nebraska. Thank you for the opportunity to testify and I would be happy to answer any questions.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Yes, Senator Fredrickson.

**FREDRICKSON:** Thank you, Chair Geist, and thank you, Commissioner Yoakum for, for being here and testifying. I think, I think it's a really compelling argument to set aside or appropriate, rather, the funding for, for that beltway. I'm curious if you had any thoughts on Senator DeBoer's question about just the constitutionality of the [INAUDIBLE]?

**CHRISTA YOAKUM:** That part I don't know about. I'm sorry. I don't have any insight into that.

**FREDRICKSON:** Sure. All right, thank you.

**GEIST:** Any other questions? Yes, Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist, Thank you. Commissioner Yoakum. How much of the ground do you have purchased for this project?

**CHRISTA YOAKUM:** I don't know the amount. It was possible that Engineer Dingman, county-- Lancaster County Engineer Dingman following me might know, but if not, we'll get, we'll get that information for you.

**BRANDT:** All right, thank you.

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**CHRISTA YOAKUM:** Yeah.

**GEIST:** Thank you. Any other questions? I do not see any. Thank you--

**CHRISTA YOAKUM:** Thank you.

**GEIST:** --for your testimony. Any other proponents? Good afternoon.

**ABBEY PASCOE:** Good afternoon, Chairperson Geist and senators. My name is Abbey Pascoe. I am the Waverly City Council president.

**GEIST:** Could you spell your name, please?

**ABBEY PASCOE:** Oh, yes. I'm so sorry.

**GEIST:** That's all right.

**ABBEY PASCOE:** Abbey, A-b-b-e-y P-a-s-c-o-e. So I'm the Waverly City Council president and the lead for economic development for the city of Waverly. I want to make a statement today in support of Senator Ballard's LB721 and the allocation of money to begin the necessary studies and purchases for the East Beltway. This beltway project is important to Waverly for numerous reasons. First and foremost, safety. 148th Street and 112th Street currently serve as the de facto East Beltway for south Lincoln residents to get to Omaha and west Omaha residents to get to south Lincoln. School District 145 that has schools in Eagle and Waverly encompasses 268 square miles of land in four different counties. 148th Street is how many of our young, inexperienced driving students get to school in Waverly. It is also how our busses bus our students and how the many parents who travel to activities travel with their families. Many farmers around Waverly are trying to find a safe route to drive their equipment and move their ag products to market. With the increasing amount of traffic on this stretch of shoulderless county road, it is an important safety issue for people in and around our community. This issue will only continue to get more significant as traffic counts climb on 148th Street. This beltway is also vital for economic development in and around Waverly. The city of Waverly is growing at a rate of around 3 percent annually. We are actively working on developing along our Highway 6 corridor to I-80. By allocating the funds to this project, the city of Waverly and the owners of this available land will be able to further market these parcels for growth. The businesses we are currently marketing to will add great value to our citizens, travelers of I-80, as well as visitors to the Lancaster Event Center. Thank you for your time and your public service.

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**GEIST:** Thank you for your testimony. Are there any questions? Yes, Senator DeBoer.

**DeBOER:** I just-- I think I maybe just didn't hear you. Thank you.

**ABBEY PASCOE:** Yeah.

**DeBOER:** And thank you for being here. Did you say you're growing by 3 percent?

**ABBEY PASCOE:** Yes.

**DeBOER:** OK.

**GEIST:** It's a great place. Any other questions? Thank you for your testimony.

**ABBEY PASCOE:** Thank you.

**GEIST:** Appreciate you being here. Any other proponents? Good afternoon.

**ELIZABETH ELLIOTT:** Good afternoon and thank you all for being-- allowing me to be here today, Chairwoman Geist and members of the Transportation and Telecommunications Committee. I'm Elizabeth Elliott, E-l-i-z-a-b-e-t-h E-l-l-i-o-t-t. I'm the director of Lincoln Transportation and Utilities and I'm here to testify in support of LB721. Lincoln Transportation and Utilities' mission is to build and maintain a road network that offers safe and convenient transportation and a high quality of life for our community members. LB721 advances this mission. The East Beltway Corridor and project are identified in both our 2050 long-range transportation plan and our comprehensive plan. And as Senator Ballard mentioned, along with other growth projects, the East Beltway will be an important part of Lincoln's long-range growth plans and transportation network. Our current efforts in partnership with the state of Nebraska and the Lancaster County Engineer's Office are focused on the East Beltway Corridor preservation. Further analysis and funding studies are needed to determine the costs, benefits, impact, and timeline of this project. A project as large and complex as the East Beltway will take a partnership of federal, state, and local officials to make it happen. The state of Nebraska, Lancaster County, and the city of Lincoln have a long-standing tradition of working together to deliver critical infrastructure that serves all Nebraskans. This \$25 million investment will allow us to continue our tradition of collaboration and partnership to bring safe, reliable infrastructure that will, that

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will be a benefit to our entire state. Therefore, we ask your support of LB721 and thank you again for the opportunity to provide testimony. I'd be happy to answer any questions you may have.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? I do have one. Do you know how much of the land has been purchased along the, the corridor for the East Beltway?

**ELIZABETH ELLIOTT:** I would have to double-check. And I believe County Engineer Pam Dingman--

**GEIST:** OK.

**ELIZABETH ELLIOTT:** --can give you the exact numbers so--

**GEIST:** OK. We'll wait for her.

**ELIZABETH ELLIOTT:** --I would defer to her expertise on that one.

**GEIST:** OK. All right. Thank you.

**ELIZABETH ELLIOTT:** Thank you.

**GEIST:** Any other-- oh, Senator DeKay. Sorry about that.

**DeKAY:** Not a problem. Thank you, Senator Geist. How many miles is the East Beltway project going to be?

**ELIZABETH ELLIOTT:** It-- right now, the layout, it's 13 miles long. So if you think of the South Beltway, that's about eight miles. We're looking at about five miles longer than the South Beltway.

**DeKAY:** And so are you-- have you-- you're still in the very early planning stages of it. Have you started working on getting easements and stuff like that?

**ELIZABETH ELLIOTT:** We have. We have probably a majority, but again, I would re-- I would defer that to Pam Dingman on this. But we have a significant portion of that reserved and preserved for this effort.

**DeKAY:** All right. Thank you.

**GEIST:** Any other questions? I do not see any. Thank you for your testimony.

**ELIZABETH ELLIOTT:** Thank you.

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**GEIST:** Any other proponents? Proponents? Good afternoon.

**PAM DINGMAN:** Good afternoon. Good afternoon, Senator Geist and members of the Transportation and Telecommunications Committee. My name is Pam Dingman, spelled P-a-m D-i-n-g-m-a-n. I am the Lancaster County Engineer. Today, there are three bills before you that reference major highway projects: Highway 75, the East Beltway, and Highway 81. All three of these projects are worthy of our time and treasure. In the past, we may have competed with each other for what project had the biggest impact or was the best or the most needed. Currently, times are different. With the passing of the bipartisan infrastructure law, there is a once-in-a-lifetime opportunity to complete many needed projects. We have the opportunity to apply for grants that could help us get this project across the finish line. These grants require a fair amount of work-- not a surprise-- being completed prior to submitting them. However, in the case of the East Beltway, there is a fair amount of work that's already been done. As much as I would like to call the East Beltway my dream, it really is the dream of the previous generation of engineers. The first agreement to define the corridor of the South and the East Beltway was signed by NDOT, Lancaster County and the city of Lincoln on April 12, 1995. That was before I even had an engineering license. Over the next several years, this partnership spent approximately \$1.2 million to complete the corridor study and the environmental study. The final study was approved and I actually have it with me-- engineers get paid by the weight of the study, by the way-- everyone knows that-- was approved by the Federal Highway Administration in 2002. This study actually identifies that in 1996, the payoff period for the South and the East Beltway was just 13 years in 1996. In 2006, the corridor protection for the approved alignment was put in place. In 2007, the city of Lincoln and Lancaster County signed an interlocal agreement to purchase land as needed for the beltway. Several tracts of land have been purchased on the north end of the East Beltway, a piece south of Tractor Supply, south of Smart Chicken, south of Lincoln Auto Auction and south of Watts Electric, as well as a piece in the, in the Pioneer corridor. In 2018, my department conducted a traffic study on 148th Street, located east of the East Beltway, from Highway 2 to Amberly Road in Waverly. That study indicates that, that without the East Beltway, 148th Street will need to be upgraded to four lanes with intersection improvements by 2040. As Waverly just testified, they are a growing community and that corridor is unfortunately growing with them. In 2018, the cost for this corridor was \$40 million. In addition, the study identified 50 crashes from 2013 to 2018. Regionally, many cities the size of Lincoln have beltways: Topeka,

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Kansas; Sioux Falls, South Dakota; Springfield, Missouri; Davenport, Iowa, to name a few. Building the East Beltway will pull traffic from Lancaster County's and the city of Lincoln's congested corridors and provide more efficient routes. The East Beltway is a dream of mine. Along with my peers at the city of Lincoln, we're dedicated to seeing this project to fruition. Please make the East Beltway a reality for the next generation.

**GEIST:** Thank you for your testimony and you answered some of our questions in that. So are there any other questions from the committee? Yes, Senator Brandt.

**BRANDT:** Thank you. Chairwoman Geist. Thank you, Engineer Dingman. So where is the north interchange going to be located at? Is that going to be at Smart Chicken and Tractor Supply? Is that approximately--

**PAM DINGMAN:** Senator Brandt, it is just south of that and so-- is where the interchange would connect. So just south of I-80, kind of behind, yeah, Smart Chicken, Tractor Supply and Watts Electric.

**BRANDT:** So they would still keep the existing interchange open going into Waverly then?

**PAM DINGMAN:** That is correct.

**BRANDT:** The beltway itself is actually a half a mile west of 148th. Would that be correct? Maybe?

**PAM DINGMAN:** It's about, like, 120th, if that makes sense to you.

**BRANDT:** Yes.

**PAM DINGMAN:** So, yeah.

**BRANDT:** So will--

**PAM DINGMAN:** It's a little more than a half-mile.

**BRANDT:** Is there going to be an interchange on the south intersection? Are you going to use the existing 120th?

**PAM DINGMAN:** So as the corridor would come down, there would actually, as, as currently laid out in the study, there would be an interchange every two miles all the way until it reached the connection of Highway 2 and the new South Beltway.

**BRANDT:** All right, thank you.



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**PAM DINGMAN:** Hopefully that answers your question.

**GEIST:** Senator Moser.

**MOSER:** So would the East Beltway be a quicker way to get to Nebraska City than taking the South Beltway if you're coming from the west?

**PAM DINGMAN:** It would be if you're coming from the west.

**MOSER:** Well, like if you're on the interstate and you get-- now you get off on 77, you go down to the South Beltway and you buzz around and you get on Highway 2, go to Nebraska City, so.

**PAM DINGMAN:** So if you were coming from Waverly, maybe from the co-op with the farm-to-market route, then the East Beltway would be a simpler way for you to get to Nebraska City with your goods.

**MOSER:** It's going to connect to the interstate on the north end.

**PAM DINGMAN:** On the north end, it connects to I-80 and on the south end, it connects to Highway 2.

**MOSER:** Yeah, yeah. OK. Thank you. If it gets me faster through there, then I'm for it.

**PAM DINGMAN:** We hope that you drive safely, Senator.

**GEIST:** Any other questions from the committee? Thank you for your testimony. Additional proponents? Good afternoon.

**KATIE BOHLMeyer:** Good afternoon, Chairwoman Geist and the members of the Transportation Committee. For the record, my name is Katie Bohlmeyer, K-a-t-i-e B-o-h-l-m-e-y-e-r, and I am the policy research coordinator at Lincoln Independent Business Association. LIBA represents over 1,000 businesses primarily located in Lincoln and Lancaster County. And a significant part of our mission is to communicate the concerns of the business community to elected and appointed officials at all levels of government. Our organization was founded to give small businesses a voice with local government, a mission which we will serve today. Thank you for the opportunity to be here to speak and with our-- for our members in the small business community. With the completion of the South Beltway looming, it's the perfect time to start planning the development for an East Beltway. We believe the importance of this project creates more reliability and efficiency, serving as a catalyst for jobs, growth, tourism, and economic prosperity for the city of Lincoln, Lancaster County, and the

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state of Nebraska. Not only will this bring the city and county to a level all other cities of this size are at with the complete beltway, but it also brings a level of safety for all Nebraskans. The South Beltway was the state's largest transportation project. With the conversation starting in the '60s, it took almost 60 years to get off the ground. LIBA was a proud voice of support for the South Beltway and we will continue to do so for the East Beltway. This is our opportunity to continue a mindset of growth and begin the efforts to create a more viable and successful state. This is only the first step to a long process, but the most important step in terms of gaining traction to a much-needed development to our state's transportation needs. Thank you and I will answer any questions you may have.

**GEIST:** Thank you. Are there any questions from the test-- from the committee? I don't see any. Thank you for your testimony.

**KATIE BOHLMAYER:** Thank you.

**GEIST:** Any other proponents? Good afternoon.

**BRUCE BOHRER:** Good afternoon, Madam Chair, Senator Geist, and members of the Transportation and Telecommunications Committee. I'm Bruce Bohrer with the Lincoln Chamber of Commerce. For the record, my name is spelled B-r-u-c-e B-o-h-r-e-r. It's my pleasure to be here this afternoon to support Senator Ballard's LB729 [SIC--LB721], as you know, appropriating \$21 million-- or excuse me, \$25 million in General Fund dollars to begin planning for the East Beltway, the final segment that will complete the transportation loop for our capital city and region. Infrastructure, especially transportation infrastructure for our rapidly growing capital city, is of utmost importance for our continued growth, which is why the chamber has been so heavily involved in state policy related to transportation infrastructure. We have prioritized efforts on transportation infrastructure because it's so essential for growing a community. I love Katie from LIBA's comment about a mindset of growth. Our current 2023 policy-- state policy agenda has a plank on it for road infrastructure that states that we will prioritize efforts to protect the Build Nebraska Act and safeguard the security of the Highway Trust Fund. The chamber will continue advocacy and coalition building to secure state funds related to Lincoln's South and East Beltway projects. We believe there is significant funding gap for road infrastructure needs across the state, which has been discussed here earlier, and that's at least partially funded under the federal Infrastructure Investment and Jobs Act. The Lincoln South Beltway, which was funded under the Build Nebraska Act and included over \$70 million in direct and local funding

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to match that effort, will have an enormous public safety, road system efficiency, and economic growth benefits. The chamber will work cooperatively with coalitions to protect against any legislative efforts to undermine the Build Nebraska Act and will support innovative legislative proposals aimed at accelerating road system improvements. We've seen that recently. Thank you, Madam Chair, for prioritizing effort on that a few years ago, which was something that helped really accelerate the South Beltway project. Also, the Lincoln Chamber led a six-month process for developing a new strategic plan for growth-- regional growth. We branded this the Vitality Lincoln Plan that was rolled out at our annual meeting last Thursday. It also includes transportation as a hot topic. Additionally, we organized a city-- with the city, a series of what we call collaboration roundtables with local leaders and state senators from the region, including several on the panel here today. And these discussions also identified the East Beltway as one of our key community consensus issues. So I really appreciate having nearly all our full delegation signed on to this proposal. Finally, because of my long history of dealing with major regional transportation projects, I just have to make a comment about a gentleman that used to serve on the Highway Commission was very influential in getting the South Beltway designated and was a pro, the late, great Duane Acklie. And I know I leave out a lot of people when I start saying who was involved, but that was the gentleman when I first started with the chamber over 20 years ago. Kind of took me under his wing and, and really talked to me about the importance-- and we've heard it today. It's not just in Lincoln, it's all across this state-- the importance of transportation infrastructure. We appreciate Senator Ballard and the host of cosponsors for being future-forward thinkers and putting LB721 in front of the committee. With that, I will conclude my remarks and be happy to answer any questions you might have.

**GEIST:** Thank you for your testimony and Mr. Acklie is missed.

**BRUCE BOHRER:** Yeah.

**GEIST:** Are there any questions on the committee? I do not see any. Thank you.

**BRUCE BOHRER:** All right, thank you all.

**GEIST:** Any additional proponents? Good afternoon.

**ALEX STEPHENS:** Good afternoon. For the record, my name is Alex Stephens, A-l-e-x S-t-e-p-h-e-n-s, and I am a citizen here of

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Lancaster County. I have-- want to first apologize to you. My printer doesn't do larger things than 8.5 by 11, so if you can't see it, I am really sorry. And for whatever reason, I decided to be purple today and blue. In any case, when-- while the current idea for the eastern bypass was really set out in the 1990s, there were original designs for the existence of a [INAUDIBLE] road system in Lincoln going all the way back to the 1960s. This ring road would have included a freeway that would have been between where 70th street and 84th streets are now. This plan was eventually shoveled during a time period in which Lincoln's municipal government was less growth friendly than it is now in the name of the burgeoning environmental movement of the 1970s. The result of this desire for environmental sustainability, however, is that if you look on the map I have given you, the eastern roads of Lincoln are actually significantly more congested than you would otherwise suspect-- expect, given the nature of the city, as downtown as on the western end. The reason why is because there are ways to bypass many of the roads on the west side then on the east, which results in traffic levels that are actually higher on portions of 70th and 84th streets than ever existed on-- or that existed on almost all portions of Nebraska Parkway, what is-- what was once called Highway 2. It should be mentioned that both of these roads have numerous elementary and middle schools in which there's more than 30,000 cars going across them per day, a danger that should be rectified-- can be rectified with the eastern bypass. The-- there are also advantages beyond traffic and congestion limitations by creating ring roads. There are substantial industrial resources that have already been built up in south Lincoln as a result of the old Highway 2 and along Highway 77. These set industrial resources provide a huge boon to the Lincoln economy, but their benefits to the-- Nebraska as a whole is largely dependent upon the logistical resources to provide for these industrial regions with any other, including those in Omaha. Easier access to-- between these industrial regions enables them to be competitive against larger cities that are larger than both Lincoln and Omaha combined. But having easier access between the two enables them to act newly as one industrial region. Build up of an eastern bypass would also provide the demand necessary for development eventually in Lincoln of growth eastward. Currently, the Lincoln Municipal Water System is gravity fed and that does mean, however-- mean that we have to grow only uphill so that east-- to the east of the city is the Stevens Creek water district, an area that can't be easily developed on simply because we have no access to putting a sewer treatment plant there. And in order to put a sewer treatment plant there, we need to say that there's going to be a demand necessary for that. By enabling or by putting the eastern

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bypass in, you give the demand for commercial and industrial projects that create the demand for a full sewer system on the eastern side of Lancaster County that would actually decrease sprawl in the long run. Because right now sprawl has to go only uphill, which primarily means going further south and further south and further away from downtown, which is why Lincoln is kind of lopsided in terms of its growth pattern south and primarily south. When highway funds change from the legislative appropriations scheme to one built out of demand, Highway 2, which was at the time the most dangerous highway in Nebraska, finally got two lanes on both sides going both ways. I ask this committee to look beyond the current demand for projects and look to future growth of the state. Almost all future growth, population or otherwise, of the state will occur along I-80, more than I think about 85 percent last I checked. And sometimes municipalities unfortunately got politicians who thought too small. Fortunately, though, you've seen that this appropriation has both bipartisan support, business support and has-- is a good investment opportunity for the entire state of Nebraska. Thank you.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? I do not see any. Thank you. Any other proponents? Are there any opponents to LB721? Are there any who wish to testify in the neutral capacity? I do not see any. Senator Ballard, you are welcome to close. And when you're coming, I will read that we have two letters, one in opposition and one in neutral.

**BALLARD:** Thank you, Chair Geist--

**GEIST:** Thank you.

**BALLARD:** --and members of the committee. Just-- I want to be brief. I'm willing to work with the committee on the, the concerns that Senator DeBoer and Senator Fredrickson brought up and also willing to work on the dollar amount. If the committee or department has any, any heartburn over the dollar amount, I'm willing to work on that. But this is kind of the, the, the ask that the county and the city of Lincoln came up with that would get the most benefit out of the appropriation. So I'm willing to answer any questions and look forward to the advancement of LB721.

**GEIST:** Are there any questions from the committee? I do not see any. Thank you--

**BALLARD:** Thank you, Chair.

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**GEIST:** --for your testimony. And this will close LB721 and we will move forward with LB453, Senator DeKay.

**MOSER:** Greetings, Senator DeKay. You've got the floor.

**DeKAY:** Thank you, Vice Chairman Moser and members of the Transportation and Telecommunications Committee. I am Senator Barry DeKay, spelled B-a-r-r-y D-e-K-a-y, representing District 40 in northeast Nebraska and here today to introduce LB453. LB453 is an omnibus technical cleanup bill brought to me by the Department of Transportation, which seeks to make several changes to modernize state law. NDOT believes these changes will lead to greater efficiency internally and in project delivery with locals and contractors. These are not new laws, but rather updates to existing laws. Section 1 of the bill would allow for the NDOT to pay for the division of aeronautics' administrative and salary costs out of the same source as the rest of the department, the Highway Cash Fund. Currently, NDOT employees on the road side of NDOT are paid out of the Highway Cash Fund, but the aeronautics division employees are paid out of the Aeronautics Cash Fund. When the Legislature approved the merger of the Department of Roads and the Department of Aeronautics to create the Department of Transportation with LB339 in 2017, funding was kept separate between the two. The concern at the time was that road money would be used for aviation projects and vice versa. This provision is still maintained in LB453, as it prohibits Highway Cash Fund money from being used for direct constant--construction costs like airport repairs, operations, and maintenance. By paying for aeronautics salaries and benefits from the Highway Cash Fund, it would simplify NDOT accounting and budgeting procedures, creating savings by allowing certain administrative functions from the road side to be used throughout the entire department and further free up money within the division of aeronautics' smaller budget. Approximately \$2 million would be available in the Aeronautics Cash Fund after this, which for aviation projects, as it would no longer be needed for administrative costs. This money would then be repurposed in the form of grants to Nebraska's local airports, which may not be able to accept federal funding because they are unable to, to provide the required matching funds. Section 2 of the bill would lower the threshold for what counties must contribute to be eligible for state matching funds from the State Aid Bridge Fund from 50 percent to up to 20 percent. The State Aid Bridge Fund was created in 1973 and allows NDOT to contribute state funds to the completion of county bridges that counties may otherwise be unable to afford. Currently, the statutory requirement is that the county pays 50 percent of the cost, which has limited the useability of this fund. Revising the percentage counties

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are required to provide from 50 percent to up to 20 percent would allow more counties to make use of state and federal dollars to repair their deficient bridges. Due to inflation, bridge repair and replacement costs have increased and so too have the required matching amounts. Yet counties often don't have that much money available, leading to fewer applications to State Aid Bridge Fund. By lowering the percentage to up to 20 percent, NDOT can use discretion to lower the required match so projects can be completed. This change would especially be helpful for smaller rural counties, as more of them would be able to make use of these funds, helping to address the state's many deficient county bridges. Section 3 of the bill would increase the threshold at which contractors have to bid through the NDOT's sealed bidding process from \$100,000 to \$250,000. This threshold was set into statute by LB312 in 2015. NDOT has seen a decrease in the number of bids on small contracts for projects other than highway construction, namely for small repair and maintenance tasks such as guardrail replacement, fence repair, and mowing the highway right-of-way. Due to inflation, these projects may now exceed the \$100,000 threshold. Small contractors are often not able to justify the extra time and cost to pre-qualifying and submitting sealed bids. Due to inflation, the old threshold is outdated and NDOT believes the new limit will bring more competitive bids. I do want to let the committee know that the NDOT worked on this amendment, AM333, which simply harmonizes the change from \$100,000 to \$250,000 in the neighboring statute. It was NDOT's intention to raise this threshold in the list of exemptions for when contractors are required to pre-qualify, which is found in Section 2 of the statute 39-1351 and is also currently \$100,000. This was erroneously omitted from the bill, but would be fixed with this proposed amendment. Section 4 of the bill would simply complete the authorization for the payment of the division of aeronautics administration salary and benefit costs from the Highway Cash Fund. An additional revision made by the Bill Drafters would remove an obsolete provision from the 2017 that directed the State Treasurer to transfer \$15 million out of the Roads Operations Cash Fund over the course of two years. This provision was added when Nebraska was facing a budget deficit. If there are any questions, I would be happy to try to answer them. Otherwise, Director Kramer, who isn't here but one of her representatives is, will be testifying after me and can expand on what I discussed with you today, she will be able to answer any technical questions you may have. Thank you.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? I do not see any.

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**DeKAY:** Thank you.

**GEIST:** Thank you very much.

**DeKAY:** And I probably plan on staying.

**GEIST:** OK. I thought maybe you would. You have the next bill, so. Good afternoon.

**MOE JAMSHIDI:** Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Moe Jamshidi, M-o-e J-a-m-s-h-i-d-i. I'm deputy director for operations at the Nebraska Department of Transportation. I'm here in support of LB453. You will probably hear a lot of the same things Senator DeKay just said in a slightly different accent. So there'll be a lot of repeating there. LB5-- LB453 will update and modernize several sections of the law that will ultimately improve Nebraska's NDOT's support of Nebraskans. These include: First, updating the State Aid Bridge Fund statute by reducing the matched percentage a county must provide to be considered for this fund; two, helping to better integrate the Division of Aeronautics into the Department of Transportation. And the third one is authorizing an increase in the dollar threshold before which NDOT must seek prequalification and sealed bids. The State Aid Bridge was created back in 1973 as part of the Nebraska statute 39-847. The existing statute requirement that a county must pay 50 percent of the cost for a bridge project has limited the use of this fund. Many counties cannot afford 50 percent match. In the federal program, they are used to paying 20 percent of the match. So NDOT believes the State Aid Bridge Fund will be more practical if we reduce the 50 to as much as 20 percent. NDOT is proposing to, to revise the percentage counties are required from 50 to up to 20 percent. The up to gives the county and the state additional flexibility to program projects with more reasonable match. And also this language allows consideration of multi-- multiple funding sources, including federal funds. The Aeronautics Administration Costs: In 2017, the Legislature approved LB339, the merger of the Department of Roads and the Department of Aeronautics to create the Nebraska Department of Transportation. However, to provide clear delineation of revenues, some firewalls were put in place to ensure revenues deposited in the Aeronautics Cash Fund was used for aviation-related purposes and the revenue generated by the automotive gas taxes are used on the highway infrastructure. Although some efficiencies have been identified and implemented, there is more that we can do. LB453 addresses one of these issues by authorizing that all Department of Transportation administration-- administrative expenses



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be covered from a single fund. After the passage of the merger bill, employees on the road side of the department continue to be paid with their salaries and benefits from the Highway Cash Fund, while the Aeronautics Division administration expenses, employee salaries, and benefits continue to be paid out of the Aeronautics Cash Fund. As you can imagine, this has made accounting, budgeting a major challenge and has stunted some of the anticipated efficiencies and savings of merging the departments. NDOT proposes to pay all the NDOT employees' administrative expenses out of the Highway Cash Fund, thereby eliminating this awkward arrangement and further unifying the two departments. If this were to be passed, about \$2 million in the Aeronautics Cash Fund would be freed up and could be redirected in the form of grants and other impactful value-added programs to provide additional assistance to the Department of Aeronautics. Currently, the Aeronautics Division predicts that the 20-year needs for the aviation system to be about a half a billion dollars. While this change by itself will not do all of that, it will help begin addressing some of the numerous projects that are not complete such as runways and taxiway improvements in Blair and Chadron or a new terminal in North Platte. These funds could be used to provide required state match for federal funds allowing us to complete more projects. The last piece of this legislation is Sealed Bidding Threshold: Section 3 of the LB453 revises the threshold at, at which NDOT must require contractors to go through its comprehensive sealed bidding process from \$100,000 to \$250,000. LB312 back in 2015, the Legislature gave NDOT authority to enter into the construction contracts for projects estimated to be under \$100,000.

**GEIST:** Excuse me, your red light's on.

**MOE JAMSHIDI:** I know. I will not repeat this, but the inflation has really eaten into that \$100,000 and we're not able to find any contractors interested on our small projects and we think the \$250,000 is more appropriate.

**GEIST:** Great.

**MOE JAMSHIDI:** I will stop there. Thank you.

**GEIST:** Thank you. And we appreciate having your written testimony, too, so we can refer to that.

**MOE JAMSHIDI:** By the way, you've got Vicki Kramer's name on there, so she had to go catch a flight, so I have to do a last-minute change.

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**GEIST:** Well, we appreciate your testimony. Thank you.

**MOE JAMSHIDI:** You bet. Thank you.

**GEIST:** Are there any questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you, Chairman Geist. I have a few questions. The first question, I remember when we merged, I believe, Department of Roads into Department of Transportation and Aeronautics when there, there was robust discussion to keep those funds separate and now you're talking-- now you want to use highway funds to rebuild runways, to rebuild hangars, to rebuild administrative buildings and all this, is that right?

**MOE JAMSHIDI:** Yes, there, there-- well, let me answer by, by caveat one thing, though. We consider by including Aeronautics into Department of Roads and making it Department of Transportation, we're all about transportation and all modes of the transportation. So if-- this bill does two things, one is really allows us to be more efficient by our own administration things. Let me give you an example. If we are hiring somebody for the Department of Aeronautics right now, we have to charge them the time that it takes for our personnel people, for example, to be working on their recruitment and everything else because the funds are separate. There's a lot of inefficiencies in that that we feel that if we build-- we're still-- our funds are separate. We're not going to go directly build runways and they're going to not build with their funds any highways, but this \$2 million--

**BOSTELMAN:** The bill allows you to do that.

**MOE JAMSHIDI:** --can we leveraged to, to use more federal funds to do some of these airports that they can't even match their federal funds.

**BOSTELMAN:** Yeah, again, there was robust discussion at the time--

**MOE JAMSHIDI:** Sure.

**BOSTELMAN:** --to make sure we kept those separate, I guess, is-- we'll hear the other testimony maybe coming. A little troublesome when we're hearing the lack of highway funds to build highways from previous bills coming in. You're not building those. You're not paving those. But now we're going to take more funds out of the highway depart-- highway funds and we're going to build runways or maintenance

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facilities or other types of things, hangers and-- when we don't have enough money already in the highway fund.

**MOE JAMSHIDI:** Just limited to the \$2 million, Senator.

**BOSTELMAN:** My next, my next question comes of interest to me since you have eliminated the county bridge match program, now you want to increase the amount in the, is it the SAB, into the State Aid Bridge Fund which means there will-- for the counties that's a good deal. But for the state, that means there's going to be less bridges done because now the little bit of money that we do get in State Aid Bridge Fund, there is going to be-- it's going to cost the state more, DOT more, counties less, so we're going to be able to-- we're only going to-- we're going only be able to repair or replace fewer number of bridges because of that.

**MOE JAMSHIDI:** Let me answer that question. First of all, the, the fund itself, it's about-- it's not that much. It's about \$64,000 a month that goes into that fund from the Highway Trust Fund and that amount at a three-quarter million dollars a year is set. You can't increase that. The use of it is being helped by this bill because, right now, if a, if a county wants to replace a \$100,000, \$200,000 bridge, they have to come up with 50 percent of that fund. But if they were going to use their federal funds for those, we would be now able to use 20 percent of it out of this small cash fund making them eligible to use the federal funds. So it, it really isn't that is costing the state any more money, it's the same amount of money being utilized by the counties in a more efficient way.

**BOSTELMAN:** I don't, I don't disagree with you, it's the same amount of money. The thing is, is now you're going to take-- if you had, you had \$100 to spend on bridges and now I've got a need to fix 15 bridges, that \$100 isn't going to fix-- now since you-- that \$100 was at a 50/50 match, now since you're an 80/20 match, that \$100 isn't going to go very far. You're only going to do one bridge instead of three bridges. The amount that you're going to have to be able to support counties, again, since you eliminated the county bridge match program, the amount of money that's out there now to help our counties from the state is a larger, larger number you can do per bridge, but it's going to-- affect is going to be as there will be less bridges we're going to be able to work on because of your increase in funding.

**MOE JAMSHIDI:** We, we have been told by the counties who are looking at this that this is-- they, they favor this because now they can actually afford it to, to, to use it. You're right, if you're only

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matching-- if you're requiring 50 and if there's a lot of counties coming in wanting to put up the other 50, you can impact more bridges. You're absolutely right. But in this one, when you go down to 20 percent, you will make it more possible for them to take advantage of the program. But at the end of the day, it, it's, it's not as many bridges as before but we're being told it's, it's really not practical for them to come up with 50 percent of the total.

**BOSTELMAN:** I appreciate that. And I don't disagree with you.

**MOE JAMSHIDI:** OK.

**BOSTELMAN:** What's-- the end result of what-- what's happened with our, with our county bridges is, is, unfortunately, we're going to have less bridges to repair or replace because the position that DOT has taken.

**MOE JAMSHIDI:** Potentially, it could be. But again, we're not coming here doing something that the counties haven't told us it, it's a good thing for them.

**BOSTELMAN:** Thank you.

**GEIST:** Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you-- OK-- Mr. Jamshidi--

**MOE JAMSHIDI:** Jamshidi.

**BRANDT:** --I knew that-- for testifying today. I echo what Senator Bostelman said. First of all, it looks like we're taking \$2 million out of the highway money to finance the administration of the Aeronautics, which I'm sure would leave \$2 million in Aeronautics for them to do something with. Am I saying that correctly?

**MOE JAMSHIDI:** Absolutely.

**BRANDT:** So why don't we just keep the system we've got now, use their own money to pay for their own administration and keep that \$2 million, you know, where we can use it for roads and bridges and highways and then they can use their money for airport maintenance.

**MOE JAMSHIDI:** Very good question. So we've been asked to take a look at airports around the state as just like we look at all of our other assets. A lot of these airports have available to them, especially through IIJA, the new federal bill, federal funding available to do

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some really good in some of these rural, smaller airports that the only stumbling block is they don't have enough state cash, the 10 percent required, to pay it. There used to be a time where state paid 5 percent of that 10 percent, but the Aeronautics budget doesn't support that anymore. So we felt by, by freeing up this \$2 million, you can leverage a lot of federal funds to allow grants for a lot of these, these small airports that they need it and also make it easier for us to do business by, by, by combining the two. We thought about it long and hard, which way is the best way to go. And I understand all of the points you're making, we're trying to get more money for highways, but we felt in balance the needs of the airports are just as important as the needs of the highways.

**BRANDT:** And I, I don't disagree with that. I've got three or four small airports in my district, but it looks like we're robbing Peter to pay Paul. I mean, the-- have they researched every revenue stream available to them to raise the monies they need for their matches? I mean, if, if they're coming up short on the match, that's on that city, that county, that airport to come up with that. Which leads me into the bridge program, moving to the SAB because I am bringing a bill to try and put \$8 million a year into that, that match program. I was unaware we have \$750,000. In, in the, in the other bill that I'm bringing, it's a 50 percent match. If you have this 20 percent match, you're going to build one bridge, maybe two. I mean, the counties won't be able to get there fast enough. I don't know why you wouldn't leave this at 50 percent and do what Senator Bostelman said. If we could build two or three box culverts or bridges as opposed to, to one-- unless the state's going to put several millions of dollars in this fund, I, I would see no reason to change that.

**MOE JAMSHIDI:** And, and we felt the same way at first. But when the money is sitting there and we're being told that the counties are not interested in coming up with 50 percent, they can't afford it, so you, you either, you either change the way we do it or find a way. They, they just-- most of the people we talk to, they say this is not practical. Again, I'm talking-- we're talking about only 65-- \$64,000 a month. We wanted to get the pool where people can use it. So I'm, I'm, I'm, I'm totally agreeing with you and I appreciate the question.

**BRANDT:** So on the upside, I think the prequalification on the sealed bids, I can live with that part of the bill.

**MOE JAMSHIDI:** Well, hey, I'll take, I'll take one out of three.

**BRANDT:** We've got some common ground here.

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**MOE JAMSHIDI:** I get one out of three.

**GEIST:** Any other questions from the committee? I do not see any. Thank you for your testimony.

**MOE JAMSHIDI:** Thank you.

**GEIST:** Proponents? Supporters of LB453? Good afternoon.

**JON LARGE:** Chairman Geist, Senators, my name is Jon Large, J-o-n L-a-r-g-e. I'm the past president of the Nebraska Association of Airport Officials. When the Nebraska Department of Aeronautics, now a division of the Department of Transportation, was created in 1945, taxes on aviation fuel were also created to support the department. Historically, after the administrative expenses of the department and our division were satisfied, excess funds have been offered to airports across the state in the form of capital improvement grants. Unfortunately, with administrative costs increasing at a steady rate over the years and fuel tax revenues being relatively static, funds available for capital improvement grants have steadily increased. Per a 2019 Aeronautics report, funds available for grants have been reduced from a high of approximately \$1.6 million in 1997 to a low of zero in 2010, and have slowly rebounded to an average of about \$600,000 over the last five years. This \$600,000 compares to five-year averages from surrounding states of almost \$4.7 million in Kansas and Missouri and over \$7 million in Iowa and Wyoming. This proposal to pay for administrative costs of the division from the Highway Cash Fund would relieve the need to support the division on fuel tax revenues and could make nearly all of those revenues averaging over one and a half million dollars a year available for use for capital improvement projects. The importance of this is that while federal funds are available for 90 percent of eligible project costs, those funds require a 10 percent local share. This can create a significant burden on airports, many times requiring them to take on long-term debt or to delay projects or in some cases return funds to the federal government for a lack of the local match. The ability to use fuel tax revenues to match federal grants with a 5 percent state grant, as an example, would reduce the burden on airports and help ensure that projects to support our airport infrastructure move forward in a timely manner. As an example of how this change could help, the Beatrice Municipal Airport is planning a \$6 million project in the next 12 to 18 months. This will require a local share of \$600,000. If a 5 percent state grant could be offered to assist with that local match, the burden on the city of Beatrice is reduced dramatically. And this is just one example. Across the state, over \$21 million in federal entitlements

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were available for 2022. In addition, high priority projects can be awarded discretionary grants and, of course, BIL funds are now available. In each and every case, a local match of 10 percent will be required. If the state can use fuel tax revenue funds to assist those local airports, the cumulative local match for all airports can be cut in half. Clearly, this proposal to pay for costs associated with the administration of the division making aviation fuel tax funds available to support airports can have a significant impact on the state's airport infrastructure. As a final point, we would request some consideration of a language change to the, to the amendment-- in the amendment to Section 3-107. In paragraph (2) of that Section, we would suggest that the first sentence be revised to read: The Department of Transportation shall budget for and pay for any costs related to the administration of the division. This would seem to provide more definitive direction to the amendment and reduce the potential for questions on legislative intent in the future. In summary, with a small change to the language, the Nebraska Association of Airport Officials offers their support for LB453. If you have any questions, I'll do my best to answer them.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. My concern is-- with this is it opens the door pretty widely to use Highway Cash Funds in a number of airport projects. Would you agree?

**JON LARGE:** Your, your anticipation, sir, would be a little bit different than mine. My take on the bill is a bit different. I'm reading from, from paragraph (2) of 3-107 and it says: The Department of Transportation may budget for and pay for any costs related to the administration of the division, including, but not limited to, employee salaries and benefits, out of the Highway Cash Fund. Then on line 13, it says-- it defines the costs, "Such costs do not include costs related to the construction, reconstruction, repair, operation, or maintenance of airport infrastructure."

**BOSTELMAN:** And then you ask-- then they're asking for funds to match on projects. So in, in the testimony it says, I believe it says, you need to match-- you need funds to match because you don't have 10 percent match.

**JON LARGE:** We would, we would use the, we would use the aviation fuel tax revenues to match local projects, not Highway Cash Funds.

**BOSTELMAN:** OK.

**JON LARGE:** Highway Cash Funds would pay for the administrative costs of the, of the division, which are currently supported by aviation fuel taxes. If the Highway Cash Fund can take over those salaries, the administrative costs of the division, that frees up a little over a million and a half a year in aviation fuel taxes that can now be solely supporting--

**BOSTELMAN:** So--

**JON LARGE:** --construction projects.

**BOSTELMAN:** Understand. And you're correct. The question I have then is when Department of Roads became Department of Transportation, Department of Transportation then took in Aeronautics, was there not a robust discussion at that point in time of making sure, one, airports are taken care of but also keeping things separate?

**JON LARGE:** My recollection is that, yes, there was. And I think the Aeronautics folks were, were very, very concerned that very limited Aeronautics funds would be used for, for highway projects.

**BOSTELMAN:** Correct. I would agree. OK. Thank you.

**GEIST:** Thank you. Any-- yes, Senator Brandt.

**BRANDT:** Thank you, Chairman Geist. Thank you, Mr. Large, for your testimony. In your testimony, you outlined the taxes paid \$1.6 million in 1997, zero in 2010.

**JON LARGE:** Yes. Um-hum.

**BRANDT:** And these are add fuel taxes, right, aviation fuel?

**JON LARGE:** No, those numbers are state grant allocations from those particular years.

**BRANDT:** So that was just money from the General Fund that the state--

**JON LARGE:** No, there's no money from the General Fund.

**BRANDT:** OK.

**JON LARGE:** These were, these were aviation fuel tax dollars that were not, not required for the administration of the DOT. And so since they were left over, if you will, they could be, be used for state grants.



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**BRANDT:** So it was excess after you paid--

**JON LARGE:** Yes,--

**BRANDT:** --for the overhead.

**JON LARGE:** --that's correct.

**BRANDT:** OK. I'm, I'm following this. So now you compare us against \$4.7 million in Kansas and Missouri, \$7 million and Iowa and Wyoming. Do they sell that much more aviation fuel that they have higher, higher numbers there? Where's their revenue stream come from?

**JON LARGE:** Some of, some of the other states do have a bit higher fuel taxes than we. We are at 5 cents per gallon on regular 100 low-lead aviation fuel and we're at 3 cents a gallon on jet fuel. Other states are at 6 cents and 4 cents. I believe that one state is a 5 cent and an 8 cent on jet fuel. I wish I could tell you exactly which, but other states have other programs that help to support aviation. In Kansas, they have a special program. The nickname for it is the IKE program, and that covers all transportation infrastructure in the state and that helps to support that \$4.7 million in Kansas. In Iowa, they have what they call a vertical infrastructure program. That is for hangars and terminal buildings, those supporting structures that you need at an airport. And that is, that is a special fund that Iowa has created to help support Iowa's airports.

**BRANDT:** So if we were to raise our aviation fuel 1 cent to 6 cents and 4 cents, what does that do for the state? Is that significant or not?

**JON LARGE:** Oh, let's see. In-- right now, we are-- we're selling it-- in 2021, in 2021 and 2022, we, we sold about 54 million gallons of aviation fuel. One cent on 54 million gallons is \$540,000.

**BRANDT:** Is that significant?

**JON LARGE:** It would be today when we're-- when our, our average for the last five years was only \$600,000. A penny would almost double the, the funds available.

**BRANDT:** Would you be opposed to an amendment to the bill that did that?

**JON LARGE:** I wouldn't.

**BRANDT:** All right. Thank you.

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**GEIST:** Any other questions from the committee? Thank you for your testimony.

**JON LARGE:** Thank you, ma'am.

**GEIST:** Are there any other proponents? Good afternoon.

**TOM TRUMBLE:** Good afternoon, Chairperson Geist, Senator DeKay, and committee members. I'm Tom Trumble, T-o-m T-r-u-m-b-l-e. I am a member of the Nebraska Department of Transportation Aeronautics Commission. I am testifying today as an individual. I am speaking in support of LB453. I did submit an electronic comment to the bill earlier supporting the bill and suggesting a slight wording change similar to what Mr. Large mentioned. Upon further research, I now support the bill as it is published. LB453 addresses several topics relating to the Nebraska Department of Transportation. I am addressing the items in the bill that pertain to the NDOT Division of Aeronautics. The Division of Aeronautics has reduced and/or eliminated services and state grants to airports to manage their budget. I offer this very brief description of my understanding of the current funding mechanism for the Aeronautics Division of NDOT. Aviation fuel tax and outside services provided by the division are the major funding sources. A caveat to that, there is no money comes from the General Fund. So those are basically it. To my knowledge, this funding mechanism has not changed since 1985, at which time the fuel tax on aviation jet fuel was reduced from 5 cents per gallon to 3 cents per gallon. By comparison, the Nebraska automotive gasoline fuel tax for the Department of Roads is 28 cents per gallon. This funding system did not change when the Nebraska Department of Aeronautics became the Division of the Department of Transportation in 2017. Nebraska has a robust network of quality airports due to the diligent work of the Department of Aeronautics, now NDOT Division of Aeronautics. One of the functions of the Division of Aeronautics is to provide guidance and assistance to airports by administering the Federal Aviation Administration airport improvement grant funds for Nebraska and assisting airports with managing these AIP grants. The FAA grants require a 10 percent local match. In the past, the Aeronautics Commission has awarded grants to individual airports to fund up to one-half of their local FAA AIP grant match and to fund maintenance and capital improvement projects. Due to increases in expenses over the years and the fixed fuel tax income, the division's state airport grant funding is now very minimal or nonexistent. Nebraska stands to lose millions of dollars in federal funds from the inability to fund the federal AIP grant matches. By comparison, our surrounding states-- or excuse me, by comparison, our surrounding states provide state

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grants to airports in the amounts of \$2-\$5 million annually. Kansas recently announced \$11 million of Kansas state grants to airports. At the last Division of Aeronautics Commission meeting held in Hastings on February 10, 2023, approximately \$52 million of planned federal grant requests were approved by the Aeronautics Commission. LB453 allows the NDOT director the ability to fund the administrative expenses of the Division of Aeronautics. This would make the Division of Aeronautics truly a part of the Department of Transportation. Approximately \$2 million of the Division of Aeronautics budget may then become available for maintenance work and grants to state airports. In closing, please support the passage of LB453. And with that, would you like to ask questions?

**GEIST:** Thank you. Thank you for your testimony. I have a quick question. How competitive is that fuel tax compared to other states?

**TOM TRUMBLE:** We're on the low end. And quite truthfully, I, I want to correct Jon just a little bit. I believe I'm correct on this. Our fuel tax revenue has been basically flat for maybe 15 years. The usage of aviation fuel in the state really hasn't changed that much, 2020 was an exception. It went completely to pot and the administrative services or expenses of the division are dependent upon that. And that really puts a bind on it because we don't have a stable revenue source.

**GEIST:** So to the-- my colleague's question about raising that 1 cent, your thoughts about that.

**TOM TRUMBLE:** I believe it would be roughly a 20 percent increase over what we've been getting in, \$1.4 million is maybe an average number of the total fuel tax collected on aviation fuel. So 20 percent would be roughly \$280,000 and it varies from year to year, it's not a stable source.

**GEIST:** Thank you. Yes, Senator Moser.

**MOSER:** There-- is there a federal aviation gas tax?

**TOM TRUMBLE:** Yes.

**MOSER:** Do you know how much it is?

**TOM TRUMBLE:** To my knowledge, it's around 23 cents.

**MOSER:** Twenty-three cents a gallon?

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**TOM TRUMBLE:** Correct.

**MOSER:** And then in some cases, the local city or the airport charges a flow fee.

**TOM TRUMBLE:** That is correct.

**MOSER:** For gas, too, and that's?

**TOM TRUMBLE:** Those numbers are generally from a, a penny to a, a nickel a gallon.

**MOSER:** To help the cities pay for their gases?

**TOM TRUMBLE:** In most cases, that flowage fee is about what it takes to provide the fuel system to maintain it.

**MOSER:** Yeah. When I was with the city of Columbus, we always struggled with our airport and we didn't get enough use out of it. We spent a lot of money and, and they wanted to build hangars, and even at 90 percent it was hard to charge enough rent to pay the loans off on the hangars.

**TOM TRUMBLE:** Yes.

**MOSER:** Thank you.

**GEIST:** Any other questions from the committee? Seeing none, thank you for your testimony. Appreciate it.

**TOM TRUMBLE:** Thank you for your time. Appreciate it. Thank you.

**GEIST:** Any other proponents? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Geist, members of the Transportation and Telecommunications Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials, also known as NACO, here to testify today in support of LB453. First, thank you to Senator DeKay for bringing this bill. We certainly appreciate his attention to an issue that impacts counties a great deal as I'll go into in just a little bit. And we also want to thank Department of Transportation for their strong partnership throughout the years. They've always been great to work with and, and we certainly want to help supplement them and have them supplement us where we can. As, as you probably heard me testify many times before, the primary responsibilities for county government

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come down to roads, bridges, law enforcement, courts, jails, and elections. And there's no accident that I have bridges listed number two in that list. When you look at the expenditures that counties make, particularly in your smaller, more rural counties, roads and bridges are going to be one of the-- number one cost items. And as most of you all know, we pay for these things through the property tax primarily. And if I were to ask for a show of hands as to what you've heard people talk about when you've gone campaigning and knocking door to door, my suspicion is that it's probably going to be property tax just about as much as anything else. So enough said about that. I'll leave that there. One of the reasons that we like something like this is that the state has more diverse funding options, you know, certainly through a sales tax or through an income tax, you're able to pick up more people that are, that are not residents here. And so generally, you're not devolving into the local political subdivisions, taxpayer. One thing I'd like to mention is that in Nebraska, there are 15,336 bridges. Of those bridges, 11,059 are on the county system. And of those, about 1,760 or just about 16 percent of our bridges are considered structurally deficient. And in fact, 216 are currently closed. And so anything that we can do in order to encourage replacement in the, in the construction and the maintenance of bridges, we're certainly going to be in favor of it every single time. And so we like the bridge match program bills that Senator Moser and Senator Brandt have introduced. This is one more arrow in the quiver, and we certainly urge your adoption of, of this bill and forwarding it onto the floor for General debate. And I'd be happy to take any questions you might have.

**GEIST:** Thank you for your testimony. Any questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you. And I understand and I appreciate the reduction to 20 percent. But in the end, that's going to be less bridges are going to get replaced, just get repaired or replaced because they've only got so much money and if they increase, and the state then increases the amount that they put in there then you're going to, you're going to have-- it's going to have a less impact on counties because they're going to be able to do less.

**JON CANNON:** Yeah, that-- I mean, that's, that's a good point and it's a point well taken, Senator. I guess the way that I would look at it, it will-- this will allow more counties to be able to apply. And, and, and, and, frankly, all 93 counties are part of my portfolio. I love them all equally from Douglas all the way down to McPherson if you're looking in terms of population. But what I would suggest that is

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through the-- through inflation and through the increasing costs of replacing bridges, more and more of that 50 percent match plus the threshold at which we're operating, you're really looking at the largest counties that are able to participate in this program. This opens it up to more rural counties and so I'm certainly going to be in favor of that.

**BOSTELMAN:** I appreciate that and, and I appreciate your comment and, and where your, where your position is. It's just sad that we're going to see less bridges potentially than more counties can participate per se, but less and especially since they eliminated the county bridge match program.

**JON CANNON:** My, my next stop, sir, is--

**BOSTELMAN:** That's the sad part, we're doing less when the need is significant, so.

**JON CANNON:** Yes, sir. My, my next stop, sir, will be Appropriations Committee to make sure that they've got-- that Transportation has what they need.

**BOSTELMAN:** Well, I've had discussions with the director and I don't think she's very supportive of the county bridge match program. Thank you.

**JON CANNON:** Yes, sir. Thank you.

**GEIST:** Any other questions from the committee? I don't see any. Thank you for your testimony.

**JON CANNON:** Thank you all very much.

**GEIST:** Any other proponents? Good afternoon.

**JAY FERRIS:** Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Jay Ferris. That is J-a-y F-e-r-r-i-s. I'm the director of political engagement and state policy for Nebraska Farm Bureau. Today, I'm here testifying in support of LB453 on behalf of the Nebraska Cattlemen, Nebraska Farm Bureau Federation, Nebraska Pork Producers Association, Nebraska Soybean Association, Nebraska State Dairy Association, and Renewable Fuels Nebraska. We would like to thank Senator DeKay for bringing this legislation forward and primarily want to talk about the State Aid Bridge Fund, which has been a successful program the counties have used to maintain infrastructure of the bridges that

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farmers and ranchers rely upon for both access to their places of business and transport their products to market. LB540-- or LB453 will modernize the program by reducing the county's match from 50 to up to 20 percent of the cost of the project. Lowering local match will help counties make their dollars do more. The organizations that I'm representing today have policies that supports efforts to maintain valuable infrastructure in our roads and bridges, and we believe LB453 will help accomplish this goal. Therefore, we ask the committee to advance before LB453 to General File. I appreciate your consideration and would-- I would be happy to answer any questions.

**GEIST:** Thank you for your testimony. Are there any questions? I do not see any.

**JAY FERRIS:** OK. Thank you.

**GEIST:** Thank you very much. Any other proponents? Good afternoon.

**JOHN HANSEN:** Madam Chairwoman, members of the community, good afternoon. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union. Thank you for the opportunity to appear before you today. As we looked at this, we thought that at the end of the day, by the time you looked at all of the different things that got done, that it was a good faith effort. Not that we agreed with everything enthusiastically, but overall it was a sort of a, a making things more efficient within the department and trying to get more bang for the buck. And as always, we could use some additional dollars for, for both our, our small airports especially who struggle and also our counties who struggle to come up with the, with the cost share money. And so the match money is a, is a hustle. So it's we looked at that and, and thought, to Senator Bostelman's point, that, that if we could get more applications and have more folks apply and not have enough money, we would have a good case to make to come back and ask for more money. So that's how we, that's how we leaned in that direction. And so I think about everything else has been said that needs to be said. And, you know, when, when we're in doubt, as we are sometimes especially looking at the counties and the challenges that they face, we do look to our partners at NACO to see how their folks look at it and how they think about it. And so that did influence us and that we thought at the end of the day, if they thought that this was an improvement, that we would trust their judgment. So with that, I'll be glad to answer any questions if you have any.

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**GEIST:** Thank you. Any questions from the committee? I don't see any. Thank you.

**JOHN HANSEN:** And thank you and thank Senator DeKay for bringing the bill.

**GEIST:** Any other proponents? Good afternoon.

**NATHAN MASTEN:** Chairperson Geist, Senators, apologize for my voice. I'm going to do my best here and maybe diverge a little bit from my statement, but I want to clear a few things up. My name is Nathan Masten, N-a-t-h-a-n M-a-s-t-e-n. I manage the airport in Lexington, Nebraska, and I'm the current president of the Nebraska Association of Airport Officials. We're here to testify in support of LB453. Obviously, we've discussed the administrative costs of the division and how that's coming out of the, the DOT cash fund. A few things we want to clarify is that money does not go to any, any construction. It, it won't build any runways. That money that we're talking about is currently that aviation fuel sales tax that we do charge as a state, and that's what currently funds the Division of Aeronautics. To go back to that sales tax that you're referring to, we did have legislation that was proposed a couple of years to increase those sales taxes and that was turned away adamantly, they didn't want any-- they didn't want to talk about it because obviously new taxes are an increase to taxes. So to, to say we would be opposed, that no, we wouldn't be opposed to any increase in that sales tax. My concern is that a penny on those sales taxes really does not bring us anywhere close to what it's going to take to support this system. On the back, lists the, the-- what some of the states around us are supporting their aviation system and that comes out of their general fund. You know, that's not, not necessarily just fuels sales taxes charged within those states. That's, that's what they're taking to support their airports. In addition, NAAO did approach the Governor and the Appropriations a couple of years ago to try and get money from the General Fund to help with the airports. And once again, we were, we were turned away. So what we're after is not necessarily a situation where we're trying to take money away from anything, we're just trying to use the money we're already generating to actually support the airports. And we feel that this, this bill goes a long ways to actually integrating the Aeronautics Division into the DOT and allows the DOT to actually become a DOT, because currently we have a DOT, but essentially we're a letterhead only. We're not actually supporting the department or Division of Aeronautics at all within-- from the state side. That's most of my comments and I can help with any, any more questions that that may have raised.



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**GEIST:** Thank you for your testimony. Are there any questions? Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you, Mr. Masten, for driving all the way from Lexington today. Lexington is pretty typical of most of our rural Nebraska airports, wouldn't you say?

**NATHAN MASTEN:** You're correct. Yep.

**BRANDT:** So when you get this grant money, what do you and Lexington use it for? Typically, where is this going?

**NATHAN MASTEN:** So my, my last project that we did in Lexington we finished up last summer and it was solely a maintenance project. All we did was go out and actually repair our runway. That project was just over \$1 million, \$1.1 million, and we did not replace the runway. All we did was replace the, the tar and the cracks and cracked panels, panels that were no longer structurally sound. So \$1.1 million just to make sure my runway continues to be usable for the next 10 to 15 years.

**BRANDT:** But that money didn't all come from this fund did it?

**NATHAN MASTEN:** That-- none of, none of that money came from that fund because, like I said, the state has not supported that match fund at all. So that money is 90/10 money. So 90 percent of it comes from the FAA, 10 percent comes from local. In actuality, that, that last project we did was during COVID and so the FAA actually funded that project to 100 percent. That's very unique. That's never happened before, to my knowledge. But typically that project would have been funded 90/10, that 10 percent being from local, which in, in my case would have been over \$100,000 that I would have had to come up with to, to support that \$1 million from the FAA.

**BRANDT:** So let me get this straight, this-- if, if we were to do this and, and use \$2 million of Highway Funds to pay for the admin on the Aeronautics, that would free up \$2 million to be used to help with the 10 percent match. Is that correct?

**NATHAN MASTEN:** So that's correct. So that would free up approximately \$1.5 to \$2 million in the, in the Aeronautics Division's budget, which is currently generated by those aviation fuel sales taxes. That, that 10 percent money currently comes from, from the local match. The division has stated-- unofficially, the Aeronautics Division has stated that they would use that excess money to help local governments, counties and/or cities depending on who owns, owns the

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airport with their 10 percent, meaning instead of me waiting potentially six or seven years to do a, a maintenance project, which is what all my projects have been over the last 15 years, instead of me waiting, waiting six or seven years to actually generate enough funds to do that, that, that time would be cut in half because the state would provide half of it.

**BRANDT:** All right. Thank you.

**NATHAN MASTEN:** No problem.

**GEIST:** Yes, Senator Moser.

**MOSER:** So at your airport, is there much commercial activity?

**NATHAN MASTEN:** So to define commercial-- in, in my industry, commercial means scheduled air service. And so there is no scheduled air service.

**MOSER:** Yeah, I was--

**NATHAN MASTEN:** So as far as commercial activity, which I'm assuming you're-- what we refer to as business traffic, of course, Lexington is, is-- has a Tyson beef packing plant. So there's several companies, including Tyson's themselves that fly in and out of my airport. In addition to that, obviously, we support the, the local ag economy with spraying operations that leave and, and, and load out of Lexington. In addition to that, Lexington is very well situated centrally. And so we see a lot of traffic, just people stopping to buy fuel, which obviously we're doing our part to generate as much that fuel sales tax as we can. So as far as commercial traffic, we, we are seeing-- business is always, always a driver for us. Recently, Orthman Manufacturing, a local homegrown business in, in Nebraska, was bought out by Unverferth, Unverferth Manufacturing out of Ohio so currently those, those folks are flying in daily and/or weekly, obviously, to make that transition in that, that, that, that purchase in that merge of their businesses. But that's, that's the type of traffic we see all the time in Lexington is correct.

**MOSER:** So-- and how big of a city is Lexington?

**NATHAN MASTEN:** Approximately 10,000.

**MOSER:** 10,000. Do, do you have a fixed-base operator or does the city manage it?

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**NATHAN MASTEN:** You're looking at him, you're looking at him. I'm the, the only guy that works full time at the airport.

**MOSER:** You pump gas?

**NATHAN MASTEN:** If, if that's what's required. We, we have a self-serve system, meaning it's a credit card system like, like you use on your car. But there are instances where, where folks either are uneducated and unable to do it, or, you know, we, we, we will help in any way we can because obviously it's, it's revenue in, in, in Lexington. So if that's what it takes to, to pump a couple hundred dollars of gas in your airplane, by God I'll be there to help you out.

**MOSER:** Well, that's a good attitude to have. Thank you.

**GEIST:** It is good attitude. Any other questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** I thought after we merged the two, DOR, Department of Roads, Department of--

**NATHAN MASTEN:** Yep.

**BOSTELMAN:** --Transportation, I thought-- and it's not-- I thought we gave additional funds after that, didn't we? I thought there was some funding--

**NATHAN MASTEN:** The only funds that were, to my knowledge, that were realized from that merger was approximately \$120,000 in, I believe, some sort of legal fees. Like, that's the only, only, only revenue that I--

**BOSTELMAN:** I was-- yeah, I was thinking there was something with some funding. Maybe it matched in with some other funds or something.

**NATHAN MASTEN:** Yeah, I, I think initially in the studies they thought there would be. But post merger, to my knowledge, was only about \$120,000.

**BOSTELMAN:** So do you-- yeah, thanks. So why hasn't DOT been more force-- right-- or forthwith with funding to help do your--

**NATHAN MASTEN:** Well, it comes back to what you, you've mentioned is, is there was a lot of very strong language that those monies shouldn't cross any paths which while their intentions were good initially, we found that at least-- and once again this is, this is our opinion,

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once that merger happened, essentially all we did was change the, the letterhead. We're now a DOT. But none of those management processes have crossed at all because of the way the original law was written, so.

**BOSTELMAN:** Yeah, no, I appreciate it. Sorry.

**NATHAN MASTEN:** Yeah. So what, what we're, what we're looking at here is obviously a way for Department of Transportation to fund both divisions more wholly and, and be able to make them [INAUDIBLE].

**BOSTELMAN:** Yeah, I guess-- and, and they can comment later or counsel can comment on this maybe. But it seems to me that maybe they just haven't asked for the funds outside of the Highway Funds, but ask for funds to actually meet your needs.

**NATHAN MASTEN:** To, to, to say as, as far as the Department of Transportation, I, I can't say that they've asked for funds. Like I said from Nebraska Association of Airport Officials [INAUDIBLE], we have asked for funds to help go to fund that division. And like I said, we've been turned away every time we've asked for it.

**BOSTELMAN:** OK. Thank you.

**NATHAN MASTEN:** No problem.

**GEIST:** Any other questions from the committee? I don't see any. Thank you for driving all this way.

**NATHAN MASTEN:** No problem.

**GEIST:** Appreciate your testimony.

**NATHAN MASTEN:** Thanks.

**MOSER:** Maybe he flew in.

**GEIST:** Oh,--

**NATHAN MASTEN:** What's that?

**GEIST:** --I assume that--

**NATHAN MASTEN:** I did not attend. The weather's not trustworthy at this time of year, so.

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**GEIST:** Any other proponents? Are there any opponents? Are there any who wish to speak in the neutral capacity? Senator De-- oh, oh, OK, just making sure. I didn't want to bring you up too quickly. While Senator DeKay is coming, we do have two letters in support, one in opposition, none in neutral.

**DeKAY:** Thank you, Chairperson Geist. I appreciate the discussion we had. There was a lot of great questions. There's a lot of things that can be taken away from this hearing this afternoon that we can, I think, go forward with and work on. I just want to reiterate that LB453 is a technical cleanup bill brought to me by the Department of Transportation to help modernize the statutes and bring greater efficiencies and internally-- and in the project delivery with the locals and the contractors. If the members of the committee and those testifying have any additional thoughts on how to improve the bill, I would be happy to work with them going forward. I think there's some things discussed today that will be very productive going forward. If there are any final questions, I'd be happy to try to answer them, making sure they don't leave the room first. With that, thank you for your time and I encourage you to-- the committee to advance LB753 [SIC--LB453] to General File.

**GEIST:** Thank you. Are there any questions? I do not see any. Thank you for--

**DeKAY:** Thank you.

**GEIST:** --your close and we will close the hearing on LB453 and move forward to the final bill, which is yours as well, Senator DeKay, and I will have Senator Moser take over from here.

**MOSER:** Thank you. Greetings. Welcome to your committee.

**DeKAY:** Thank you, Senator Moser and to the Transportation and Telecommunications Committee. I am Senator Barry DeKay, spelled B-a-r-r-y D-e-K-a-y, representing District 40 in northeast Nebraska and here today to introduce LB454. LB454 would require the Department of Transportation to plan, design, and purchase rights-of-way to begin the process, process of expanding U.S. Highway 81 to a four-lane, divided highway in the entire state. Right now, the segments between the Kansas state line and York and between Columbus and Norfolk currently exist as a four-lane, divided highway. My bill would push for the completion of the segment between York and Columbus and begin the process of starting the segment between Norfolk and Yankton, South Dakota. I do have handouts for the committee that you will read over

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and review. The project proposed in LB454 has been contemplated for quite some time. In 1912, citizens in Kansas and Nebraska got together to talk about creating a north/south corridor that would later become Highway 81. Highway 81 is a transcontinental roadway, also known as the Pan-American Highway, and it extends from the Gulf of Mexico up into Canada. It started out as a two-lane highway. Today, you can, you can travel on four lanes from York, Nebraska, south through Kansas and Oklahoma on the way to Dallas. Highway 81 is a major thoroughfare, particularly for truck traffic. It is a critical corridor and one that we want to see completed. When the Legislature proposed the Expressway System in 1988, they included the corridor between York and-- to Columbus. What I am here today to advocate for is completed the York to Columbus segment, thereby finishing that portion of the 1988 Expressway and adding Norfolk to Yankton, which was not originally included. If you look at the long-term plans for the Department of Transportation, they have suggested that a super two would work between Norfolk and Yankton. This is a conversation I and several others had with Director Kramer as well. However, given the excessive amount of recreational vehicles and traffic that make their way to the Lewis and Clark Lake, and on top of that, the investments that Nebraska has been making with the STAR WARS program, I would suspect that the proposal for a super two would need to be elevated if what I have seen and heard regarding the increased projection in tourism and visitation were to take place in northeast Nebraska. I also want to emphasize that the purpose of the Expressway System is to, number one, connect urban centers with a population of 15,000 inhabitants or more to the national system of interstate and defense highways; number two, add those routes which have an average daily traffic of 500 or more heavy commercial vehicles; and number three, add additional segments to provide four-lane continuity. Right now, Norfolk has 25,000 residents, while Yankton has reached more than 15,000 residents, with the figure growing to 20,000 when including, including the Lewis and Clark Lake area. Based on the latest available NDOT figures, Highway 81 also meets the criteria for traffic. For example, the average annual daily traffic counts are among the highest between Discovery Bridge at Yankton and State Highway 121, located just south of the bridge and leading to-- toward Gavins Point Dam and other sites. The count here is 7,310 vehicles, with 700 of them being trucks. Directly south of the intersection where Highway 81 converges to a two lane, the counts are 5,580 vehicles, with 620 of them being trucks. Just south of the junction with state Highway 84, it drops off to 2,480 vehicles with 655 of them being trucks as reported in 2020. Traffic counts are among the highest in, in proximity of the six-mile stretch between Norfolk and the intersection with state Highway 13 to the

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north. That section of highway trending around 8,500 vehicles daily through much of 2022, the stretch averaged about 8,200 vehicles for the entire year. I believe Highway 81 meets the criteria set out by the Legislature for the Expressway System. Ironically enough, I was here last year to testify on Senator-- now Congressman Flood's proposal from last year, LB1274. I will re-- I will recap what I told this committee in 2022. There are three reasons that I feel this legislation is important: agriculture, safety, and economic development. Agriculture is the state's number one industry. I feel that this would enhance the growth of agriculture from the grain trade to the cow-calf operations to the feedlots in northeast Nebraska by allowing them to have better access to markets up north and South Dakota or I-80 to the south to states like Kansas, Oklahoma, and Texas. On safety, I provided handouts that break down the numbers further between 2013 and 2020, the last year NDOT has publicly-- had publicly available data. I will say that the number of fatal crashes between York and Columbus is six, while the number between Norfolk and Yankton is at 13 during this period. At least from my anecdotal experience traveling the state, I can say that northeast Nebraska's portion is by far the most leaders of the two segments. We have a large number of trucks, ag equipment, campers, boats, and cars traveling on Highway 81 at this point. Especially during the peak recreation season in the late spring and summer, increasing this to a four lane would help alleviate the congestion and make this a safer highway for commuters and visitors in northeast Nebraska. There are a lot of hills and when you get congestion you get people who get frustrated and try to pass several cars going uphill. From an economic development standpoint, STAR WARS has the potential to be game changing in Knox County. It's home to the state's second largest reservoir, Lewis and Clark Lake, and one of the most beautiful state parks in the country. Yet few even know that it exists. We have an incredible opportunity to capture the two million visitors who travel through Yankton, South Dakota, and show them what northeast Nebraska has to offer. It would help enhance economic development by developing jobs and more income coming in through tourism. If we want the investments of STAR WARS to be successful, we need people to be able to get there. It will also help from a convenient standpoint as I know many people who commute to Norfolk or Yankton for work or business. There is also the York and Columbus segment to consider. I recall Nucor and the Norfolk and Columbus Chambers were down here last year and they would all appreciate a safer roadway with connectability-- connectivity to Highway 80. If I was going to prioritize one of these, safety would be my priority because of the number of accidents. I mentioned this last year, but it has stuck with me. Four or five years

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ago, there was a school bus/semi accident on Highway 81. It was very lucky nobody got hurt at it because the back of the school bus was full of band instruments rather than children. I also had a couple of conversations with my predecessor, Senator Gragert, who dealt with trying to improve safety at a couple of spots like Highway 81 and state Highway 12 after we had some really bad fatal crashes in the area, including a couple semi versus car collisions last year. I would like to conclude by saying I have a sincere appreciation for Governor Pillen's choice of leadership for the Nebraska Department of Transportation, Vicki Kramer. We have had some good discussions on several items, including Highway 81, and I would especially like to thank her for her time and consideration on this matter. I would note that this bill has the support of all the senators along the corridor. We have had an opportunity to get a start on a project like Senator Flood mentioned last year. This is an unusual step if we have to amend the language to avoid any concerns regarding special legislation or other concerns, we'd be willing to do that. If there are any questions, I'd be happy to try to answer them for you.

**MOSER:** Questions from the Committee? Senator DeBoer.

**DeBOER:** Thank you, Senator Moser. So we could amend the language somehow maybe. I don't know how we could do it, but let's say we could to get rid of the problem of special legislation in terms of what's written in the constitution. Maybe we can get it by the lawyers. But how am I as a policymaker supposed to decide between the bill that Senator Slama brought today, the bill in Lincoln, and your bill? And if I'm thinking about, there's a limited amount of money, maybe I like you a little bit better than the other two so maybe I vote for your bill. You're a likable guy maybe everybody votes for your bill because they like you.

**DeKAY:** That's a start.

**DeBOER:** OK. So, so my question is, as policymakers, we probably don't have all of the information that the NDOT does. When Director Kramer was talking about things, she has access to information about the state of the roads upkeep. She has information to, you know, these safety pieces and, and lots of other pieces of information that maybe we don't have. Maybe we could get them all, but then we would have to-- do you think that there is a problem with the NDOT's ranking mechanism? Do you think that there's a-- I mean, Senator McDonnell does, he thinks we should get more in Omaha and Lincoln, but do you think that there's a problem with the, the overarching states of the method for ranking when projects get addressed?



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**DeKAY:** The difference between, the difference between the three road systems that we're talking about today, number one, 81 would be the only north/south corridor in the state of Nebraska that's either four lane or inter-- that would be interstate if it was, it was a four lane. Highway 2 that goes down toward Nebraska City is four lane. So there's a little bit of redundancy between that and Highway 75 there. And Highway 75 also crosses over into Iowa once it gets up to Sioux City. The Beltway, that's a-- that's an ask for a design on roads going forward, that's not an ask to build a road at this time but this, this gives the central part of the state and the northeast-- north to south corridor, it opens up that Expressway System to bring people up through the state and more traffic coming that way for tourism and for economic development and for our agricultural sector.

**DeBOER:** Do you think that the NDOT failed to consider those factors when ranking the order in which projects should be addressed?

**DeKAY:** You would have to visit with them about that. I don't know how they rank, and I'm just trying to put the--

**DeBOER:** Do you see what I'm asking, though, Senator DeKay? I'm asking like, how do we figure out as policymakers how to balance these because I'd build them all. This is kind of like the license plates. When they asked for the, the-- Brandt asked for the Czech license plate, I'm, like, I don't have anything against the Czech license plate, but if I keep saying let's do all the license plates, we're going to have 9 million license plates. I wonder if there's some logic that would apply here as well. It's not that I have any-- I think this is great. I also think that the earlier one like Senator Slama's, like they all seem like things that we ought to build. The, the Beltway seems like something we ought to build. We ought to build more than that. There's-- we could have a whole litany of people come in and talk about that. So how do we decide amongst them? Do you have an idea-- and maybe you don't because I put you on the spot and I'm sorry about that.

**DeKAY:** No, no, that's OK. I'm, you know, I'm, I'm passionate about this area. I'm passionate about what I think it could do to northeast Nebraska, especially with the STAR WARS. We're going to be investing a lot of money into the STAR WARS project on the Nebraska side to try to gain tourism from South Dakota to come to the Nebraska side rather than from Nebraska going over across the dam to South Dakota and spending nights and money and stuff there. The STAR WARS project has it, there's a lot of other economic development portions of it dealing with the STAR WARS project, with the Niobrara State Park and an

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opportunity to have a convention center built there through some-- the STAR WARS project and other entities to bring some conferences and stuff up into that area with some lodging available, smaller than what the Lied Lodge would be at Nebraska City. But there's an opportunity to do some things in northeast Nebraska that haven't ever been opened up to-- that part of the state has been opened up. And I think this gives that, that part of the state the chance to see-- for people to see what there really is to offer in northeast Nebraska.

**DeBOER:** So maybe-- have you talked to the, the new director about all of those pieces? Maybe that moves it ahead, maybe that figures it it.

**DeKAY:** We've, we've, we've--

**DeBOER:** Have you had the chance to talk to her?

**DeKAY:** We've talked, we've talked on several occasions about everything. And like we-- and I know the process. I know it takes time. And I'm not, I'm not here to pressure the DOT to say, hey, let's get this on the calendar. I'm just, I'm just wanting this to be-- I don't want them to forget about northeast Nebraska. I want, I want to be part of the process that opens up northeast Nebraska going forward into the hundreds of, you know, square miles that people can see that they don't see driving I-80 across the southern part of the state and stuff. It, it does open up and people that do see it don't know it exists. And then there in wonderment how natural it is up there. And quite frankly, it's during this time, not the last couple of years with the drought, but during this time it's, in my opinion and I'm biased, probably one of the most beautiful parts of the state.

**DeBOER:** I absolutely agree. It's a gorgeous area of the state and you are an excellent representative for them so thank you for coming.

**DeKAY:** Thank you. Appreciate it.

**MOSER:** Oh, how sweet. You are a nice guy. I'll give you that. So we've had discussions with the Department of Transportation about--

**DeKAY:** Yeah.

**MOSER:** --81, and not just in your area, but through Columbus and other areas. And I think it's encouraging that they're wanting to work with us to try to accelerate the construction of some of these highways. Some it takes ten years sometimes to get from zero to done, and then it's got to be your turn to start now to get it done in ten years. And so, you know, it's kind of one of those things you can't get there

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from here. You know, it's, it's discouraging sometimes. But I-- you know, when you asked me about this, I said what's the bill? And you said, oh, it's all about Highway 81. I said I'm in. Then what-- and then I asked you what does it do?

**DeKAY:** Yeah.

**MOSER:** Yeah. So I appreciate you bringing it and-- we have other questions? Senator Brandt.

**BRANDT:** Thank you, Vice Chair Moser. Thank you, Senator DeKay, for bringing this. You've lived up there your whole life, right?

**DeKAY:** Yes.

**BRANDT:** How long have we been talking about four laning 81?

**DeKAY:** Probably the better part of, I'm going to say, since, since I turned 16, which is a little over two years ago. No. [LAUGHTER] About 50-- 45 to 50 years ago, we've been talking about four lane on Highway 81 and, and 81 is actually about 45 miles to the east of where I live so it's not in my backyard.

**BRANDT:** Yeah. And so you're the northernmost senator in the body, I'm the southernmost senator in the body, I can tell you 81 goes from the Kansas border all the way to York. And then Senator Moser's, we go from south of Columbus up to Norfolk. To me, this isn't a new project. It's just finishing what we started 50 years ago, you know, just putting those last two segments in there. Do you agree with that?

**DeKAY:** Absolutely. And it's, it's been frustrating over the years when we see the Expressway System and I, and I will elaborate just a little bit on 275 from Norfolk to Fremont and Columbus to Fremont. I, I feel those projects need to be for safety for the same reasons that we're here today talking, a lot of it's for safety. There's a lot of accidents that take place and with those projects nearing completion and the bottlenecking that goes on, which happens all the time on 81 because it's so hilly and, and large and you can't see around trucks, you can't see around campers, you can't see around combines. So there's a lot of bottlenecking and a lot of hills and with the speed limit at 65 there's still a lot of people that want to drive 55 and there's people behind them that want to drive 70 and that causes a lot of accidents. So there's, there's, there's been a need for, for a safety aspect for a lot of years on all of these projects. But from where I've seen, I've seen so many accidents that could have, should have been avoided just because of blind intersections popping up over

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the hills. You have maybe 250, 300 yards before you're on a stop sign that people are pulling across the highway and that's right east of Crofton, so.

**BRANDT:** All right. Thank you.

**MOSER:** Other questions?

**DeKAY:** I would say what you commented on, you know, it's a ten-year cycle or better we can't get here from there but in my, in my position I feel we need to start trying to take those steps forward to get to there, so.

**MOSER:** Yeah, I-- yeah, we're trying to push the process a little bit.

**DeKAY:** But--

**MOSER:** Thank you. OK. Thank you, Senator.

**DeKAY:** I appreciate it. Thank you.

**MOSER:** Yep. Anybody here to speak in support? We have 12 letters of support, one letter of opposition, and one letter in the neutral. OK.

**JOHN HANSEN:** Mr. Vice Chairman, members of the committee, for the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm the president of Nebraska Farmers Union and my farm is only 23 miles from Highway 81. I've done a lot of business up and down Highway 81. I've delivered bulls and cattle. I've also went and bought cattle clear up into Canada, clear down to the Mexican border. Part of, you know, all of these bills that ask for additional money, it's hard to sit in your seat and not be supportive of them because they all have a compelling need. What, what I look at and my organization looks at relative to this particular bill is that, for Pete's sake, Nebraska is the, you know, contrary to what Kansas says, we're in the middle of the country. We're just a little further north than Kansas is who says they're in the middle of the country. But we are north to south, east to west, we are in the middle of the country and we have an awful lot of economic development and an awful lot of agriculture, an awful lot of reasons for us to take that seriously, look at that and, and say, you know, when you, when you go from four lane to two lane and then you go back to four lane every time we know that that creates, that creates a, a change in traffic patterns in every time we do that and that's what the data says when you look at the, at the number of fatalities between Norfolk and Yankton and I've looked at those it's 13 and Senator DeKay mentioned that. But our state needs to finish

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what it starts. We have a bad habit. And so you look at recreation projects, you look at a whole bunch of things, we start them, we don't finish them. For Pete's sake, we, we have been saying that we're going to finish 81 north to south. You know, we keep saying it, we keep saying it. We just don't do it. And so to me, it moves up the priority because of the economic development potential, but also the safety. There's no question about that. The data supports that. And now we have a, a Governor who's willing to step up and do bonding, which we have supported for a very long time because the, the roads and the, and the construction that you don't do today is just going to cost you more when you get around to it. It always goes up. It never goes down. And so to me, as you look at the north/south corridors in our state, there is a real logic to finishing the Pan-American Highway known as Highway 81. And so you look at the amount of traffic, you know, as I drive around the state of Nebraska and I do, I do road inspections in the spring and the fall, they're called Farmers Union district meetings. So you drive all over the state and, you know, as you drive around the state, some of the things that you remember are those, those areas where you have stopped and rendered aid in accidents, areas where you've had to make really quick decisions about whether you're going to continue to own your, your lane or whether you're going to go off in the shoulder and let the guy who's trying to pass the truck have your lane for a while. And so I've had three or four really close calls on the road between Yankton and Norfolk, frankly. And Senator DeKay summed it up nicely, you've got a real mix of different kinds of folks on that road. And the hills are steep, people slow way down, trucks slow down, the campers slow down, and then, you know, you pass on the downhill and people take chances. And it is, in my opinion, a, a, a very dangerous highway that I travel that I'm familiar with. And the, the only, the only road that I can think of in the state of Nebraska where I've had more near-death experiences as a driver is Highway 75 south of Nebraska City, quite frankly, and especially during the 2019 period that was pitiful. So we have a lot of needs, but I think that finishing what we start ought to be a priority for our state and anything we can do to move the process along to encourage that to happen I think is a good thing. So with that I end my, my obviously biased comments from Madison County and be glad to answer any questions.

**MOSER:** Questions for Mr. Hansen?

**JOHN HANSEN:** Thank you very much.

**MOSER:** Thank you. Anybody else to speak in support? Welcome to the Transportation Committee.

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**LISA HURLEY:** Thank you, Senator. Good afternoon. My name is Lisa Hurley, L-i-s-a H-u-r-l-e-y. I'm the executive director with York County Development Corporation, who I'm here representing today. Senator Moser knows this, I tend to go off topic, or not topic, but off of my script a little bit. Highway 81, the Pan-American Expressway System, was actually a federally designated system to be made for Nebraska. Nebraska is the only state that has not completed our four-lane system that, that I'm aware of. South Dakota did take from Yankton over to I-29 when they figured out we weren't going to complete it. That was what I, what I was told on that. But we are the-- we were kind of the stock gig when in logistics is one of the top considerations for a business location and expansions whether you're a large corporation or a small company. Alike, they are considering their ability to get their inputs and their outputs into their business and out to their customers. At a minimum, this takes a modern and efficient service transportation system. I have been in York County for ten years. Prior to that, I was up in Norfolk for eight years working for a regional economic development district. I have been around the Highway 81 corridor for 18 years, so I, I have logistics, maps that show where, where your county is in relation to the state, in relation to the nation, our traffic today, our airports, our four lanes, all of that. I have been asked by both site selectors looking at companies or locations in the Midwest and by businesses why Highway 81 is not complete in Nebraska. For ten years now, I have not been able to answer that question other than the funding hasn't been there. We're working on it. We will continue to advocate if you select our area. I-- I'm not willing as an economic developer who represents York County, but ultimately when I'm out selling York County, I'm also selling Nebraska. I'm not willing to say it's not a priority. I'm just personally not willing to do that. So I just say we continue to work towards completing what need-- what, what has not been done. York County, Platte County, and Polk County partnered in 2016 with 4 Lanes 4 Nebraska to complete an economic impact study on the Highway 81 Expressway System being complete. I do have the full study if you want it. Dawson also has it, I believe. Senator Moser had it when he was with the city. I don't know if you still have it. Senator Hughes has it. But I can email it to any of you. It's out of date, but back in 2016, impact shown was the completion would add \$3.4 billion to Nebraska's GDP. It would annually support an additional 1,858 new jobs and it would add 4,221 to the state population. As an economic developer, those stats are very exciting to me. I believe an additional \$3.4 billion to Nebraska's GDP speaks to anyone that wants to see a broader tax base. I believe in order to really truly solve our property tax issue, we have to broaden our tax base. And to be

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honest, I'm going to admit York County, we're lucky compared to the communities to the north. My businesses are on the interstate. If I have a business that's shipping to Canada or up into the Dakotas, up into the [INAUDIBLE], they're taking I-80 to I-29. That puts me in a unique, unique advantage. However, I have farmers that are not going to ADM in Columbus because they don't want-- the, the safety factor is a, a problem. I have company-- metal fabricators in York County that are bringing down steel and metal iron from Norfolk. So that's adding to the traffic load. It's-- at a personal level, I will say it impacts tourism. We-- I'm out of time. So thank you. Do you have any questions?

**MOSER:** Questions? We agree with you. I agree with you. I can't speak for everybody.

**LISA HURLEY:** We've talked about this for 18 years now.

**MOSER:** She, she worked for a Norfolk housing developer that contracted with Columbus and that's how I knew her. And then your sister worked for--

**LISA HURLEY:** My-- I have a sister up in Columbus. Yeah.

**MOSER:** Yeah, oh, maybe I just met her.

**LISA HURLEY:** Yeah,--

**MOSER:** OK.

**LISA HURLEY:** --yeah, you met her when she was with the business and [INAUDIBLE].

**MOSER:** OK. Thank you so much.

**LISA HURLEY:** Thank you.

**MOSER:** Yep. Anybody else in support?

**DAWSON BRUNSWICK:** Good afternoon, Vice Chair Moser and--

**MOSER:** Greetings.

**DAWSON BRUNSWICK:** --members of the Transportation and Telecommunications Committee. My name is Dawson Brunswick, D-a-w-s-o-n B-r-u-n-s-w-i-c-k. I'm the president of the Columbus Area Chamber of Commerce. I'm also here today representing our 770-plus members, as well as the Nebraska Chamber of Commerce and Industry. And as Senator

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DeKay mentioned, I was here last year and supported the bill last year from Senator Flood and happy to be back today. You know, Lisa mentioned a lot of great things and really this is about connecting northeast Nebraska, finishing the four lanes for 81; 81 south from Columbus to York was part of the original Expressway System back in 1988. I'm not going to tell you where I was at in 1988 because then I make everybody feel old and I feel bad about that. But really want to focus today on not only the fact that 80-- Highway 81 was promised as part of that 1988 Expressway System, but of all the, the growth and all of the recruitment that the chamber is involved with. In the last census, Columbus grew 8.7 percent, Norfolk grew 3.1 percent. So for our peer communities, Columbus grew three times larger than Norfolk and almost four times larger than Fremont, and that's without a complete Highway 81. You know, our friends down in York, they grew 3.8 percent. So all along this corridor, we're seeing major growth for Nebraska. Major growth for Nebraska is taking place outside of Lincoln and Omaha that keeps-- even though I grew up in McCook, a town of 7,000 and moved to Columbus of 24,000, I still consider Columbus rural Nebraska because it's not in the Lincoln and Omaha metro. And really the growth that we're seeing in Columbus is due to manufacturing and transportation. You know, we do \$4 billion a year in manufacturing. It's third of the state's manufacturing in Columbus and Columbus has 24,000 people. You know, Senator Moser, you know that and it's just phenomenal. And the reason I share that is we have more engineering per-- more manufacturing per capita than anywhere in our federal reserve district. And we have more engineers than anywhere in our entire federal reserve district. And where that is important for us is we are heavily involved in workforce development and improvement efforts. So we are going-- you know, today I was in Lincoln for the UNL career fair and I was able to sneak over here for this. Tomorrow we'll be back recruiting engineers to Columbus. And the reason I share that is we do a lot of recruitment in South Dakota. You know, we focus hard on keeping our, our Nebraska-born grads here in Nebraska. But we know, you know, Columbus of 24,000 people, we're 2,600 people short of jobs. Schuyler, I know we recruit for Cargill and [INAUDIBLE] and they're begging for people. You know, Senator Brandt, I'm sure there's employers in your district that, you know, workforce is our number one issue. You know, Senator Fredrickson, I'm sure it's the same with you. It's where do I find people? You know, when you talk to individuals and, and businesses, it's property taxes. But when you talk about businesses, it's also employees, workforce, how we're making things happen. And we do a lot of recruitment in South Dakota, USD, SDSU, we drive out to Rapid City for those up to School of Mines to get the best talent we can for our employers and that drive north out of



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Norfolk, because from Norfolk to Yankton was never part of the Expressway System. It didn't connect communities to the interstate. I mean, and I'm not going to try and say that that was ever promised. But that piece and we are seeing a lot of traction, especially with SDSU and Brookings, you know, that's a peer community for Columbus and we see a lot of students that go there that find a home in Columbus. Last year, we had students that from School of Mines in Rapid City. We have a number of them that have already moved back to Columbus after their internship in full-time jobs. So I really see this as recruitment for the state, for recruitment for our greater Columbus region, and I believe that Highway 81 north out of Norfolk, especially. As I said, 81 south out of York that's-- I know it's on the books. I know DOT's there. I think 2034 is the estimated completion time, but, you know, truly looking at what we can do to benefit 81 north out of Norfolk. I'm not going to touch on the tourism aspect. I'm not involved in that space as much, but I take Senator DeKay's word that it is gorgeous up there. But with that, I appreciate your guys' time. I appreciate everything that you guys do for the state and just ask that you continue to look out for those growing spots in the state and how they can-- how you guys can assist us in our growth because, you know, what would four lanes for 81 have done to Columbus' 8.7 growth in the last census? Could it have been 10? Who knows? Be happy to answer any questions.

**MOSER:** OK. Any questions for Mr. Brunswick? Thank you very much for coming to testify.

**DAWSON BRUNSWICK:** Have a good rest of your day, all.

**MOSER:** Did you, did you show up for my LB706?

**DAWSON BRUNSWICK:** You had Governor Pillen there for that one. You, you didn't need me. You had him. I'll talk to you afterwards about that.

**MOSER:** You should have put in that plug while you were here.

**DAWSON BRUNSWICK:** Get it on public record.

**MOSER:** OK. Any other questions? All right. Anybody else in support? Anybody in opposition for LB454? Anybody in the neutral on LB454? Anybody to close on LB454?

**DeKAY:** One.

**MOSER:** One. OK. Make it short.

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**DeKAY:** Thank you, Vice Chairman Moser. I appreciate the discussion we had today. I just want to reiterate that LB454 would give Nebraska its first true north/south meridian highway and complete our state's portion of the Pan-American Highway. And from the discussions we've had today, I know there will be more discussion going forward. Ultimately, I just want to have some of the assurances that something is being worked on concerning Highway 81, and that it is on the department's radar and scheduling calendar. Even if the actual work happens after I leave the Unicameral, ultimately I feel that finishing the expansion of Highway 81 from Yankton to York with the understanding that Columbus to Norfolk segment is already done is in the best interest of the state. If there are any further questions, I'd be happy to try to answer them. With that, I thank you all for your time. Thank you.

**MOSE:** Questions for Senator DeKay? Seeing none, thank you. With that, that will close our hearing on LB454.