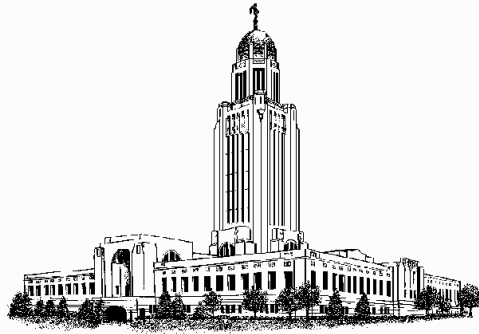


Nebraska State Legislature

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COMMITTEES

Vice Chairman - Building Maintenance
Appropriations

Roads – A Way Forward

- I. Ensure present Roads money is spent effectively and efficiently
 - A. Bulk purchasing policy and county participation
 - B. DOR itself
 1. There is an opportunity to provide psychological assurances on the part of the public, the industry, as well as the legislature
 2. State Auditor
 - a. Presently being conducted
 3. Performance Audit
 4. Private, independent study
 - a. Privatization of any responsibilities
 - b. Are private sector practices being fully exploited to our benefit?
 - c. Managerial audit
 - C. Completed, satisfactory findings will only provide assurance in order to confidently address revenue shortfalls
- II. We cannot depend on present structures to fund Roads in the future
 - A. Inflationary forces on the price of building Roads
 - B. Fuel consumption trending
 - C. Present burden is too heavy, and not mathematically sound for future policy
- III. New pot of money
 - A. That's why "I" above is important
 - B. New revenue sources
 1. Tax on ethanol
 - a. Utilized largely by people outside of Nebraska; reference OPEC nations, Wyoming
 - b. No guarantees on future performance of ethanol markets
 - c. Fledgling industry - in my opinion it's not wise to tinker with something with such great potential
 2. Toll roads
 - a. We can't toll I-80
 - b. We would need substantial tolls to meet our shortfalls
 3. Gas sales tax
 4. Bonding
 - a. Does make sense when comparing the cost of obtaining money to the cost of Roads inflation

- b. Nebraskans tend not to take on debt, other states have experienced long-term fiscal difficulties by pulling out the credit card
- 5. One-time expenditures from cash reserve fund
- 6. General funds
 - a. Present federal philosophy appropriates by the project
 - b. Concern of back-use into Roads trust fund when the economy turns down
 - c. Set up a multi-dimensional competition for priority within our Appropriations process

IV. What I will do

- A. Hot fuels - interim study
 - 1. Describe the physics to "hot fuel" phenomenon
 - 2. It is not easily discernable whether this, indeed, affects Nebraska
- B. Legislation to sell specialty plates to willing citizens, investigating public/private partnerships
 - 1. Question the use of front license plates in Nebraska with respect to other states
- C. Vehicle tax
 - 1. Last year, nearly \$170-million
 - 2. Present breakdown of allocation
 - 3. I have spoken with thousands of constituents as well as several public officials in varying capacities, and in my experience it is unanimously believed that the vehicle tax goes to pay for roads. This belief stands to reason, and the fact that it doesn't introduces some scandal into the minds of many citizens, perhaps even cynicism. Our policy ought to be understandable to the public. I hope to have a discussion why it is not. Again, first things, let us make sure we don't already have the proper tools before going out to invent more ("I" above). Of all the issues to consider, I believe this is the one most worthy of debate - for it already exists.