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Rough Draft

Appropriations Committee
January 27, 2010

[AGENCY 12]

SENATOR HEIDEMANN: Is there anyone else wishing to testify on Agency 17? Seeing none, we will close the public hearing on Agency 17 and open up the public hearing on Agency 12. It is my understanding that the State Treasurer will not be down. Is that correct? (Exhibit 2) And so he will not be testifying, so at this time, if there's anybody else wishing to testify on Agency 12, you have an opportunity. [AGENCY 12]

JACK CHELOHA: (Exhibit 3) Good afternoon, Senator Heidemann and members of the Appropriations Committee. for the record, my name is Jack Cheloha, last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha. I'm testifying today on the State Treasurer's budget because state aid to municipalities flows through the State Treasurer's Office and this would be about my only opportunity to speak so I wanted to do so. The letter being handed out is from our mayor, Jim Suttle. The letter, if you will, thanks this committee for their support on state aid to municipalities. I personally would like to thank Appropriations for continuing that program within our state's budget. You probably heard over and over again the reason why that was put in place. It goes back quite a ways, to the sixties or seventies, when the constitution was changed and we did away with a number of personal property taxes. Local governments would have lost money and so the state came up with a program to help local governments offset that loss of revenue through state aid. Unfortunately, as times would get tough, state aid to municipalities has dropped. I just wanted to maybe offer the committee a little snapshot of what's going on in Omaha. Roughly, our general fund budget is about \$300 million, give or take. When we add in debt service, it gets up into the \$500 million range. Last year and for a number of years now our primary source of revenue is sales tax, and sales tax has been very flat in the state, if not declining. I think our letter alludes to the fact that maybe only three out of a number of years have we actually seen an increase, and so we've really had to do more with less. In fact, last summer we had a number of early closings of municipal pools and libraries and things along those lines. In the past decade, we've reduced our civilian work force, you know,

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almost up to 15 percent. Last summer, through our budget for 2010, we had to raise property taxes in Omaha. And so much like the state, as you're having your economic hiccup, the biggest municipality, we're facing it too. So I just wanted to kind of let you know a snapshot of where we are. In Omaha things have not quite turned around to the positive yet. We're still struggling. We're hopeful that things will get better soon. But I just wanted to remind the committee that we appreciate your help on state aid to municipalities. So I'll try and answer any questions. [AGENCY 12]

SENATOR HEIDEMANN: What's the levy? What's your general fund levy? I know you have a debt service also but... [AGENCY 12]

JACK CHELOHA: Right. Our general fund levy, I should have had that, Senator, to give you exact numbers, but it's somewhere in the mid to upper 20 cents, so I'll say it's like 20-28 cents or so. Our total levy then, what you add in debt service, is right around 45 to 46 cents, but I'll get you those exact numbers. [AGENCY 12]

SENATOR HEIDEMANN: Okay. A lot of it goes to debt service then, more than I would imagine then. [AGENCY 12]

JACK CHELOHA: Right. There is a lot for debt service. The general fund levy, as I stated, is in the 20-cent category somewhere and I'll get you that exact number. [AGENCY 12]

SENATOR HEIDEMANN: All right. Senator Wightman. Thank you, Senator Wightman. [AGENCY 12]

SENATOR WIGHTMAN: The Chair stole my question. [AGENCY 12]

JACK CHELOHA: Oh shoot. Okay. [AGENCY 12]

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SENATOR HEIDEMANN: Senator Mello. [AGENCY 12]

SENATOR MELLO: Thank you, Mr. Chairman, and thank you, Mr. Cheloha, for appearing in front of the committee today. In regards to state aid to cities or municipalities, this I think falls along the lines of this question which is, with the passage of the American Recovery and Reinvestment Act, has the...on behalf of the city of Omaha, at least sharing your opinions, has the state been cooperative in regards to finding ways that we can apply for funding together as a state and as the state's largest city or as well as making sure that the city of Omaha has appropriate changes and appropriate mechanisms in place to apply for stimulus money that's coming through the state government? [AGENCY 12]

JACK CHELOHA: Thank you for that question, Senator. I appreciate that. You know, I think with any type of new program, there's always a learning curve, if you will. And so with that, everyone that deals with the federal stimulus money is learning. We haven't, you know, necessarily had this program. We've had community development block grant programs before and other type of programs, and so there's a learning curve. I think we need to do a better job, if you will, both on the state end but also the city's end to be reminding the state that we have interests, we have a large population base, you know, we'd like to participate in these programs and as greatly as we can. And so I think there's room for improvement. [AGENCY 12]

SENATOR MELLO: Is it possible you could provide the committee any competitive grants and/or any applications that the city of Omaha has applied for in regards to federal stimulus money, whether or not it was done in conjunction with the state of Nebraska, or if you applied for funding to the state, was denied? I think that would share...that information would be very helpful I think to members of this committee as we continue to look over...provide oversight over stimulus money. Because representing part of the city of Omaha, I've had numerous constituents bring this issue to light that one way or another they are not seeing the effects of the stimulus money reaching the

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local level and not impacting the city of Omaha the way they'd like to see it. And I want to make sure that if there's a holdup at the state level that we can help the city of Omaha in a better way. [AGENCY 12]

JACK CHELOHA: Absolutely. I'll be able to go back to staff in Omaha and ask them to compile that and we'll get it to you. [AGENCY 12]

SENATOR MELLO: Okay. Thank you. [AGENCY 12]

SENATOR HEIDEMANN: Any other questions? Seeing none, thanks, Jack. [AGENCY 12]

JACK CHELOHA: Great. Thank you. [AGENCY 12]

SENATOR HEIDEMANN: Is anyone else wishing to testify on Agency 12, the State Treasurer? Seeing none, we will close up the public hearing on Agency 12 and open up the public hearing on Agency 15, the Board of Pardons and Parole. [AGENCY 12]