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Transcriber's Office

Executive Board Committee
January 31, 2014

[LB975 LB989 LB1016]

The Executive Board of the Legislative Council met upon adjournment on Friday, January 31, 2014, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB975, LB989, and LB1016. Senators present: Bob Krist, Vice Chairperson; Greg Adams; Bill Avery; Kathy Campbell; Ernie Chambers; Mark Christensen; Russ Karpisek; Steve Lathrop; and Heath Mello. Senators absent: John Wightman, Chairperson.

SENATOR KRIST: Welcome to the Exec Board committee hearing. My name is Bob Krist. I represent District 10 in northwest Omaha. We're going to go around the room and introduce the senators who are here. Senator Avery, would you start our introductions off, please. Senator Avery, introduce yourself.

SENATOR AVERY: Oh. I'm Bill Avery from District 28 here in Lincoln.

SENATOR CHRISTENSEN: Mark Christensen, District 44, Imperial.

SENATOR LATHROP: Steve Lathrop, District 12 in Douglas County.

SENATOR KARPISEK: Russ Karpisek, District 32 from Wilber.

NATALIE SCHUNK: Natalie Schunk, committee clerk.

JANICE SATRA: Janice Satra, committee counsel.

SENATOR ADAMS: Greg Adams, District 24.

SENATOR CAMPBELL: Kathy Campbell, District 25.

SENATOR KRIST: And Scott is our page today. If you need anything, get his attention and he can help you out. Turn off your cell phones or silence them, please. The order of testimony is as it was introduced or proposed on the list outside the door. Testifiers must fill out their sign-in sheet and then hand it to the committee page when you come up to speak. And please spell your name for the record. That's so the transcribers can put two and two together. Written materials may be distributed to the committee as the exhibits only while testimony is being offered. Hand any exhibits again to the page and he will take care of it. If you have any testimony but you do not have the 13 copies, we can help you out and we can do that for you. And if you do not wish to testify but you'd like to have your position known and part of the record, you can sign on the form found at the testifier's table by the testifier's sign-in sheet. Okay. We've introduced ourselves. Let's start with the first one on the agenda. Senator Murante, you are up.

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SENATOR MURANTE: Thank you, Senator Krist. Members of the Executive Board, my name is John Murante, M-u-r-a-n-t-e. I represent Legislative District 49, Gretna, Chalco, and northwest Sarpy County. I'm here today to introduce LB975. LB975 deals with when appointees to the Nebraska Legislature and to the Nebraska Board of Regents have to run for election midway through the initial senator or regent's term. One thing I want to make clear before we start is this is not the Tony Fulton bill. This is not the bill that deals with Senator Fulton's situation. That's a different bill that will be heard later today actually in the Government Committee. This bill doesn't deal with Senator Fulton's situation at all. So the question on the table is when appointees to the Nebraska Legislature and to the Board of Regents when they have to run for an election midway through the term and at what point do they just get to serve the remainder of the term without having to seek election? And the current standard in statute is 60 days before a general election. I think it's important to know that that is a standard that is extremely unusual in statute. The overwhelming majority of elected offices in the election act permit the appointee to just serve the remainder of the term without ever having to seek reelection. The Legislature and the Board of Regents is an exception to that rule. And I think it's also important to point out that the language as it currently exists, and I'm keeping it the same in the bill, is when the vacancy occurs, not when the appointment is made. So currently the standard is if the vacancy occurs 60 days before a general election, that does not necessarily mean the appointment has happened 60 days before a general election. So the standard and the complicated process that we have right now is that really once we start the month of September we say if an appointment is made or if a vacancy exists that the appointee can serve the remainder of the term without having to seek an election. So starting really in September is the standard. So if a state senator or a regent is appointed in August, they have to run that November to keep the term. Obviously, that is well past the primary; and the only way to get on the ballot is through the by petition process and that deadline is 35 days before the general election you have to get your signatures submitted if you want to appear on the ballot. So you have a very narrow window that we have created in statute. And Senator Pederson is here who will discuss his challenges dealing with that very scenario. That is a complicating process and it brings up another question which is: When during the course of this process would someone have to run in a primary election? I've spoken with the Secretary of State's Office and that standard isn't clear. There's nothing written anywhere in statute. So clearly they would say if the appointment happened in the third week of February where you're past the incumbent's filing deadline they would not require that election to be on the primary ballot because there are incumbents in the district that wouldn't have the opportunity to file. But the statute is not clear as to what is any sort of reasonable date to conduct a primary election occurs. So is it the 14th? Is it the 13th? There isn't any guidance in statute. It's a completely subjective standard. And the Secretary of State can say, well, we've given the incumbents enough time or they haven't, but it's up to him and there's no...it's very unique in the election act that that sort of discretion is given to the Secretary of State. So I have chosen to move that date back to February 1 in this bill, and the reason for that is simple. It takes away any sort of

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discretion and makes the process pretty clear. If the vacancy occurs on or before February 1, there will be an election conducted with every other legislative election with all the same standards and all the same deadlines. That election would be conducted in the exact same way as every other election and we won't be shortening the process at all. So it's a simple process. It's something that we can all wrap our minds around because we all had to go through it at one point before. But it doesn't abridge the process. And I think it, as difficult as it would be for a newly appointed state senator to get up and running and collect 2,000 signatures or whatever it would take to get on the ballot in a given district and conduct an entire general election campaign in 60 days it would be almost impossible for someone who wants to challenge that appointed state senator to get on the ballot and to conduct a serious campaign or for the Board of Regents for that matter, in that amount of time. So I think this is a simpler process. It's a clearer process. It's a process that makes the election of appointees the exact same as anybody else. I'd encourage you to support this legislation, and I'd be happy to answer any questions that you have. [LB975]

SENATOR KRIST: Any questions for Senator Murante? Seeing none, thank you. Are you going to close? [LB975]

SENATOR MURANTE: If there are any questions, I'll stick around. [LB975]

SENATOR KRIST: Okay. Thank you. First proponent. First proponent. Welcome, Senator. [LB975]

DON PEDERSON: Thank you. Senator Krist and members of the Executive Board, my privilege to be with you today. It seems like it's been a long time since I've appeared with you. My name is Don Pederson, P-e-d-e-r-s-o-n, and I live at 4501 Dryden Place in Lincoln, Nebraska. I really admire Senator Murante's inventiveness. I asked him, Did somebody ask you to bring this bill? And he says, no, I was just looking at the election laws and this just didn't make any sense at all to me. So very seldom do any of us read laws just to see if they make sense because we'd be overwhelmed (laugh). Anyway, his bill is just a repeat of the scenario that I went through to become a member of this Legislature. And I wrote him and thanked him for bringing the bill and detailed what had happened in my situation. And he asked if I would come and share that with you. My predecessor, David Bernard-Stevens, served for many years in the Legislature. But it was July or August of 1996 in the middle of his four-year term that he resigned. Well, I was at that time practicing law as I had for the previous 40-plus years in North Platte; and several people had encouraged me to run. So I applied to Governor Nelson and he vetted me and then on September 4, 1996, I was appointed as the senator representing the 42nd District. Then shortly thereafter, I don't remember, a week or two, I suddenly had an opponent. And I had been leisurely having petitions circulated to be put on the ballot. And incidentally, my wife at that time said, this sounds kind of dumb. I mean, you were just appointed and now you're trying to be elected for the same position. And I

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said, yeah, you're right. It's what the statute says, though, so it's up to you to determine whether that statute should be maintained in that fashion. But the point that I had happened to come from a very evangelical church, and they were really...it was one of those family value things. And this person had been a member of the board of the group that was trying to contest the fact that there is a conjunctive use of water in Nebraska. He maintained and continued to maintain that they have no connection with each other, the ground and surface water. So that was his experience in sealed and perhaps that's the reason they were in. I don't know. But in any event, in this particular church, which was very, very active and it's a large church in North Platte, handed out a petition to virtually all the members of their congregation and they were directed, not asked, they were directed to return those filled out by the next week. So here I am dangling this little petition of mine around trying to get people to sign it, which it wasn't a problem, it was just time consuming. And I had, I don't know, maybe 100 people circulating petitions otherwise for what turned out to be my opponent. And honestly, I never did find out what family values were, but that was the issue that was involved. And I think you've all heard that, that issue. Perhaps you have the same problem understanding exactly what that was. But it was some friends of mine were approached to sign the petition and said, well, we know Senator Pederson. I know, but we have a real Christian that's running for this office. And they said, well, we know Senator Pederson. We know he's a Christian. And they said, but he's not our Christian. I mean this is the scenario that was going on. And so it's a little hard to discuss that issue. Anyway, so here we are, September 4 I'm sworn in here in Lincoln. In November, I can't remember the exact date, probably 4th, somewhere around there, I was to stand for general election. And it made a very narrow timespan to try to get your points across and so forth. And I'd already, as I said, been vetted for the issue. So it seems to me that what Senator Murante is proposing is a very reasonable solution to a problem that I don't really think should exist. I don't think we should add these narrow time limits in this particular phase. And I think it would make our situation much more workable to have extended as senator has just told you. It's important to have the process not be overwhelmingly difficult. And in my case, it was very difficult. So I have no interest in that now except I think this is a real good way to clear up a matter that may affect your colleagues in the future. So with that, if you have any questions, I'd be glad to try and answer. [LB975]

SENATOR KRIST: Thank you, Senator. Any questions? Thank you so much for coming. Nice to see you. [LB975]

DON PEDERSON: Okay. Thank you. Nice to see you all. [LB975]

SENATOR KRIST: Next proponent. Okay, seeing none, any opponents? Seeing none, any neutral testimony? Senator Murante, would you like to close? You waive closing. All right. Here we go. Senator Schumacher, you're up. That concludes the hearing on LB975. [LB975]

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SENATOR SCHUMACHER: Thank you, Senator Krist. I'm Paul Schumacher, S-c-h-u-m-a-c-h-e-r, representing District 22 in the Legislature. I'm here today to introduce LB989, which in substance kills a few digital trees and requires a series of reports to be submitted to the joint committee of the Appropriations and Revenue Committee, which already meets for purposes of examining a report from the Department of Revenue regarding tax expenditures--tax expenditures, of course, being those things that we give an exemption for something and how much that exemption costs us. In this particular bill, we address the exemptions for sales and use tax. And there is a whole list of them itemized in the statutes starting with subdivision (a) and then it goes all the way down through subdivision (l). The bill asks, first of all, breaks those subdivisions into about four equal groups so that over the course of four years the entire list of subdivisions and the entire list of exemptions are examined, about a quarter each year. And assuming somebody's on the Revenue Committee for at least four years during that cycle, they should at least get a flavor for each one. What it asks the Department of Revenue to do is go down into the weeds of each of those particular subdivisions and come up with an estimate and a report on how much they are costing us. Most of the exemptions from sales and use tax are things that at one point or another are very, very legitimate. They are things that, whether it's ag equipment repairs, whether it is car washes, we've got a whole list of those things. And at some point or another, somebody on the Revenue Committee and ultimately the Legislature has been convinced that those things should be exempted. Well, times change. The amount of money moving through an exemption changes and so this bill provides a mechanism for the Department of Revenue to make a report to the Revenue Committee, basically ultimately to the Revenue Committee, but to the joint meeting and tell us what exemptions we have for sales and use tax and how much they're costing us and bring them into the mind of particularly new senators who've maybe never been exposed to the cost of an exemption or the number of exemptions, what we're dealing with and trying hopefully to keep the sales tax and use tax exemptions modernized and up to modern practice, the current practice and the amount of cost on the mind of everyone involved in making decisions. So it requires basically four reports spread over four years continually cycling. And that's basically what it is. [LB989]

SENATOR KRIST: Any questions? Speaker. [LB989]

SENATOR ADAMS: I'm not sure that this is a question, Paul, but I'm going to pose it that way. In my years on Revenue Committee, one of my greatest frustrations was that the committee would hear 60, 65 bills and I'm going to speculate that about half, if not 75 percent, of them were asking for some kind of a sales tax exemption. And we would take those on one by one by one; and maybe it was just my mind and not the rest of the committee, but never having a firm rationale for why we were granting any of those exemptions. And I'm not sure that we ever took the time in committee because of all the bills that we had to deal with, ever took the time to say why do we have this particular or that particular sales tax exemption. Do you foresee this report helping to facilitate that

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conversation? [LB989]

SENATOR SCHUMACHER: I think it is an effort to facilitate it. Whether it accomplishes it or not, it's really, really hard to say because it's hard to classify and come up with a general rule for any exemption. And every one sounds really good when people are asking for it. And I will say I haven't been on the Revenue Committee as long as you were on the Revenue Committee, but I've yet to see anybody come before the Revenue Committee and say, would you please take our exemption away. And so they tend to kind of grow on themselves. But I think if you have continual exposure to them and continual knowledge of how much money might be involved, it may aid in formulating that policy. [LB989]

SENATOR ADAMS: So it doesn't necessarily facilitate a philosophic tax discussion about why you have exemptions, but at least as you were deciding how to vote you could look at the tally sheet and see what this is going to end up doing. [LB989]

SENATOR SCHUMACHER: And what it's like and what it's not like and what already has been done. And it's really hard. Everybody has got a good case for an exemption. [LB989]

SENATOR ADAMS: Right. Thank you. [LB989]

SENATOR KRIST: Any other questions? Thank you, Senator Schumacher. [LB989]

SENATOR SCHUMACHER: Thank you. [LB989]

SENATOR KRIST: First proponent. Welcome. [LB989]

RENEE FRY: (Exhibit 1) Thank you. Good afternoon, Senator Krist and members of the Executive Board. My name is Renee Fry. I'm the executive director of OpenSky Policy Institute, a nonpartisan organization focused on budget and tax policy in Nebraska. I'm here to testify in support of LB989, which would improve transparency and better inform policy in regards to state tax expenditures. I'm going to skip. I had a little explanation in here of the tax expenditure that Senator Schumacher covered, but I do want to take a minute to just talk about how the rules for tax expenditures and regular spending are very different. For regular spending, the Legislature must appropriate funds for each program every biennium, as you know, which means a spending can only continue after it's been reviewed at least every two years by the agency in charge, the legislative committees that oversee it, the full Legislature, and the Governor. A tax expenditure, however, generally only goes through that process once and then it is permanently written into the tax code with no requirement that it be reviewed by the Legislature again. For this reason, tax expenditures can outlive their usefulness or outgrow their expected cost, turning into significant but unnoticed drains on the state budget. As a

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result, while appropriations are under regular review, tax expenditures are essentially on autopilot once enacted. As someone who spends a lot of time reviewing the state tax expenditure report, I can attest that they are confusing and the numbers often change significantly from year to year without explanation. In particular, we found some significant changes between the 2010 tax expenditure report and the 2012 report. LB989 would allow for a public forum by which these reports can be better explained, including why changes may be made from year to year, which will undoubtedly lead to a more informed policy discussion. Over the last year or so, the Pew Center on the States and the Institute on Taxation and Economic Policy have each issued reports spelling out best practices for states to improve the tax expenditure debate. One such recommendation is that states hold public hearings following the release of tax expenditure evaluations such as was implemented last year in LB612 and expanded today in LB989. LB989 also helps fulfill recommendations regarding regular evaluation of tax expenditures. I will note that one area not currently covered in the tax expenditure report and not contemplated by LB989 are exempt services. While goods are subject to the tax code unless exempted, services are exempt unless explicitly added to the tax code by statute. That leaves us with a tax code that taxes a night at the movies but not a day at the spa. Whether an oversight or because services are inherently exempt, they are not covered in the tax expenditure report. Since broadening of the sales tax base to include more services has been a subject of much discussion and the Tax Modernization Committee recommended further review and analysis to determine the appropriate consumer services to be added to the sales tax base, we would recommend amending LB989 to require the tax expenditure report to evaluate lost revenue from exempt services and to be added to the LB989 requirements as well. Thank you for your time, and I'd be happy to answer any questions. [LB989]

SENATOR KRIST: Any questions? Senator Avery. [LB989]

SENATOR AVERY: Thank you, Mr. Chair. Are you aware that sugar-sweetened beverages are taxed in vending machines and convenience stores but not in the grocery stores? [LB989]

RENEE FRY: Yes. [LB989]

SENATOR AVERY: Make sense to you? [LB989]

RENEE FRY: No. [LB989]

SENATOR AVERY: Thank you. [LB989]

SENATOR CHRISTENSEN: That was a loaded question. [LB989]

SENATOR KRIST: Another paid political announcement. Just kidding. Anything else?

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Any other questions? [LB989]

SENATOR LATHROP: I don't have a question but just to compliment you and your organization. I've watched what you've done over the last couple of years as we've been focused on the Tax Modernization Committee, the work of the Revenue Committee, and the information that you've brought. I just want to compliment you and your organization on the information you bring before this body. [LB989]

RENEE FRY: Thank you very much. I appreciate that. [LB989]

SENATOR KRIST: Any other questions or comments? Thank you, Renee. Thanks for coming. [LB989]

RENEE FRY: Thank you. [LB989]

SENATOR KRIST: Next proponent. Seeing none, any opponents? Seeing none, any neutral testimony? Senator Schumacher is waiving. That concludes our hearing on LB989. And, Senator Lathrop, if you'll pick up the Chair responsibility, please. [LB989]

SENATOR LATHROP: Senator Krist to open on LB1016. [LB989]

SENATOR KRIST: (Exhibits 2, 3, 4) Thank you, Senator. My name is Bob Krist, B-o-b K-r-i-s-t. I represent District 10, northwest Omaha, incorporated parts of Douglas County, and the city of Bennington. I'm here today to introduce a bill to buy an airplane. A little bit of a background in terms of where we've been. As we know, we debated this issue late into the night last session and decided not to buy a used airplane but instead to go forward potentially and find the proper way to furnish air transport for the state of Nebraska. We commissioned a study which, in fact, we asked the executive branch to do during the deliberation. They did not want to do it. We did, I think rightfully so--\$3,800 was spent with a world-class firm that gave us an approximation of if we were going to buy an airplane, should we need an airplane, what kind of airplane would it be, etcetera. Again, you all know because I have spoken to you frequently about it here in this committee after being assigned the task to take this on by you that I've had experience with several firms, this being the best, and the information that they have given us is state of the art and very, very, very qualified. So we're now at a point where if we buy an airplane their suggestion is this model, a twin engine turbo prop C90. The approximate cost ranges from \$3.2 (million) to \$3.75 million and that is respectable in terms of the industry. We do not need a jet. They were very specific about that. We need a turbo prop for the range and for the kind of places we would fly in and out of for the state. Safety is becoming an issue with the state airplanes. We have not purchased a state airplane in over three decades. As you know, we were using the Foundation's airplane as part of our fleet and that situation went away when the Foundation sold the airplane. I won't go into details about why I think it was important for us not to buy that airplane,

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but suffice to say that the people who have purchased the airplane bought it at a less cost than we would have paid for it under the original contract between the Governor and the Foundation, which is notable in that they have spent a good deal of money keeping the airplane in the air after they've purchased the airplane. So in all, I think we bettered our position by about a half million dollars in terms of what we would have spent for a used airplane. So to be precise and concise, I would say this bill should be debated on the floor, allows us to buy a new airplane under warranty. With that warranty comes the training positions for two pilots and one mechanic that's included in the contract. I have spoken with a representative from Beechcraft if that's the way we decide to go, and we have talked about negotiating potentially a third pilot position and a third or a second mechanic position should we elect to add those too. I passed out an estimation Fiscal Office gave me for what the projected hourly cost would be. That's for your information, and I think it's clear that the hourly costs are less than what we are currently charging or what the Foundation charged for their airplane. And this is a modified zero base budget process which means we are balancing our budget every year on this issue. I also point out in your books you have letters from both the Adjutant General and also the worksheet that the Adjutant General gave me in terms of the kinds of things that we should look at should we decide to base the airplane in state hangars. I have to say that I do disagree with the conclusion that the Adjutant General came to. There are other states that house their state airplane in their Guard structure and they do pretty well and it holds down the line on the expenditures. It wouldn't be an easy thing to do, but thinking outside the box it's a way to lower our actual expenses. I also...there's also a letter in there from Mr. Mitchell, director of Aeronautics, and the thing I would point out right now is that no one is currently qualified to fly that airplane here in the state of Nebraska. So whoever we pick, whoever the Department of Aeronautics or the Governor picks to go to training, whether it's the existing pilots or new ones, they would have to go to training to fly that airplane. With that, I stand for any questions. [LB1016]

SENATOR LATHROP: Any questions for Senator Krist? Senator Adams. [LB1016]

SENATOR ADAMS: If I may. Senator Krist, first of all, thank you for the work that you have done in preparation of this. I think we're better informed now about what we're doing. As you prepared this, do you feel comfortable that the line between the Legislature appropriating and the executive taking the money and deciding what the aircraft is going to be, are you comfortable that we're on the side of the line where we need to be I guess? [LB1016]

SENATOR KRIST: I am comfortable that we have prepared ourself to make the decision to fund the airplane as a deliberate body. I'm also comfortable that if we look at the process involved with flying airplanes and Department of Aeronautics here in the state of Nebraska we could better our position by modifying that process and the department and how they treat the airplanes and how we fund the airplanes. So I think it

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will be a good discussion. I'm also very comfortable in the fact that I know that there are still colleagues that have a question about whether we really do need to buy an airplane. But I'm also extremely comfortable in saying if then, if we do decide to go that way, this is probably the best alternative in my professional opinion. So on all those levels, I would say it was worth the extra time, it was worth the effort, and I feel comfortable that at some point we're going to say go buy an airplane or go lease the services that you need, but provide safe travel for the Governor and for the elected officials and agency heads of the state. [LB1016]

SENATOR ADAMS: Okay. Thank you. [LB1016]

SENATOR LATHROP: Senator Avery. [LB1016]

SENATOR AVERY: Thank you, Senator Lathrop. Where would we hangar this plane if National Guard doesn't have space as they claim they don't? [LB1016]

SENATOR KRIST: Well, there's discussion about whether there's space available in the existing hangars here at Lincoln. I'd say there's still some wiggle room in terms of is all the hangar space being used as hangar space and not storage space, and do we have the capability of hangaring it in our own hangars if we wanted to? And I think clearly both the Adjutant General and Director of Aeronautics has said we don't want to do that. So that's an issue we're going to have to deal with. [LB1016]

SENATOR AVERY: I have no other. [LB1016]

SENATOR LATHROP: No other questions. Bob, if we don't buy this plane, then...and the Governor needs to go from here to Scottsbluff, what's the alternative to...what happens if we don't? [LB1016]

SENATOR KRIST: I have unsolicited and solicited folks that have aircraft services across the state that would love to bid on an RFP to provide these services. They're a continued investment in somebody else's supporting...a contract supporting the Governor. The beauty of that is that when you have a stable of airplanes you could provide a jet or a smaller airplane if it's required and anything in between. The issue is also, is it responsive enough to our NEMA functions and to the Governor or agency heads moving about the state? There's an argument on both sides of that which I think we need to have on the floor, no question. [LB1016]

SENATOR LATHROP: We are kind of in an odd place because I'm looking at the bill. It doesn't say go buy this particular plane. So if we pass this, what happens? Do we need to pass this or is it really a matter of the Appropriations Committee just saying I'm putting aside \$3.2 million and the executive branch should go out and buy a plane? [LB1016]

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SENATOR KRIST: The bill is written nonspecifically to allow us to do that. We're authorizing the purchase of an aircraft and... [LB1016]

SENATOR LATHROP: So let's say we pass a bill. What's to...you've done an analysis. I've looked at it. I agree with your conclusions, and I'm going to say I'm glad we did it. Right, because then after the analysis it was a good decision not to take the one from or buy the one from the Foundation. That would be my conclusion after reading that. But if we said go buy an airplane and the Appropriations Committee said, here's \$3.2 million to do it, how do we know that the Governor would then go out and buy a plane that makes sense or the plane that's the best buy for the state given our needs? [LB1016]

SENATOR KRIST: I can't answer that question definitively. There's nothing I guess that would prohibit him from not doing as we've asked him to do. But we've allowed him the vehicle to be able to do what he has said he wants to do all along, which is provide for air transportation. [LB1016]

SENATOR LATHROP: Yeah. And I'm just wondering about the procedurally because if this was done a year ago and the Foundation plane was still over there, this wouldn't stop him from going and buying that, right? [LB1016]

SENATOR KRIST: Correct. Correct. [LB1016]

SENATOR LATHROP: Okay. [LB1016]

SENATOR KRIST: Now legislative intent being what it is and when we get into the debate, it could be the legislative intent and we could amend this. But this is a... [LB1016]

SENATOR LATHROP: That would be in the appropriations bill or in this one? [LB1016]

SENATOR KRIST: In the A bill, yes. Yes. [LB1016]

SENATOR LATHROP: Okay. Okay. Just trying to get the idea of how that all works. Senator Campbell. [LB1016]

SENATOR CAMPBELL: Thank you, Senator Lathrop. Senator Krist, I really appreciate all the work you've done. I mean it's great that we have someone who has professional experience that can help us interpret all this. When the bill gets to the floor and someone says, well, you've done all the data to buy a plane, but do we have sufficient data if we should lease it? Are we prepared with that kind of information that we can give to our colleagues? [LB1016]

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SENATOR KRIST: Yes, ma'am. I've received, as I said, solicited and unsolicited SkyWerx, for example, in Omaha; Silverhawk here in Lincoln; a group of people who supply air travel for under charter or 135 operation would be capable of setting that up. And I will come prepared with numbers to that hearing or to that time on the floor. [LB1016]

SENATOR CAMPBELL: If I could follow up, Senator. [LB1016]

SENATOR LATHROP: Oh, sure. [LB1016]

SENATOR CAMPBELL: The other question I suppose goes to the use of the airplane. I've had some discussion with you about, you know, do we try to open this up to other state agencies to utilize the plane because the more you use it the cost per hour of flying it goes down. And we've even talked about how the Legislature might use it. Do you expect those questions to hit the floor and... [LB1016]

SENATOR KRIST: Absolutely. [LB1016]

SENATOR CAMPBELL: ...how do we answer...how do we give some parameters to our colleagues about the use of it? [LB1016]

SENATOR KRIST: Well, it has always been available for us even to use the Foundation airplane. I've called Aeronautics myself and priced out a trip. It was too cost prohibitive at the time. The lower we keep the operating cost on the airplane, the more accessible it will be to those other agencies. So I foresee state employees, coaches, recruiting trips; state agencies; the Governor and there would be a priority or I'm sure of who takes it when--NEMA; the Adjutant General; any number of people but us as well. If you have a five-seat airplane and it costs \$1,000 an hour to run, each one of us is going to kick in \$400 or \$500 from our own travel expense money, which we have, to go to Scottsbluff to visit ACCESSNebraska, for example. And if that's imperative that we do that, I mean you and I traveled all over the state with LR37. The Tax Modernization folks traveled all over the state. This makes the state more accessible to the elected officials. Thank you. [LB1016]

SENATOR CAMPBELL: Thank you. [LB1016]

SENATOR LATHROP: I see no other questions. Thanks for your introduction. Are there folks here that would care to testify in favor of LB1016? Is there anyone here to testify in opposition to LB1016? Anyone here in a neutral capacity? Seeing no testifiers, Senator Krist to close. [LB1016]

SENATOR KRIST: Just one quick closing. The discussion on the floor last year left us at a point where we withdrew the money, not the commitment to safety and flying our

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Governor and our elected officials around. That's the way I took that discussion, providing for that air travel. So I hope that we kick this out, kick it to the floor and then we have a fair and honest debate about how we do that, how we provide for safe travel and the access of our Governor and elected officials around the state. Thank you.
[LB1016]

SENATOR LATHROP: Thanks, Bob. That will close our hearing on LB1016 and our hearings for the day. [LB1016]