

**By Emily Nohr**

*Nebraska News Service*

Gov. Dave Heineman made a rare appearance at the Legislature Wednesday, testifying at a committee hearing to cut \$22 million in state aid to cities, counties and natural resources districts.

“My budget priorities are education and jobs,” Heineman told the revenue committee. “In order to do that, we have to make tough budget decisions. This bill does that.”

Heineman said that the proposed state aid elimination to local governments would save the state about \$44 million over the course of two years.

Heineman said he believes local governments are capable of dealing with the loss and could consider implementing salary freezes to make up for losses. The state aid also makes up a small percentage of their total budget, he said.

Nine people testified against the bill, no one spoke for bill.

Most opponents said this bill would eliminate between 1 to 2 percent of their budget, putting pressure on local governments to increase property taxes, cut jobs, go without certain services or find other sources of funding.

Randy Gates, finance officer for Norfolk, said his city has been struggling financially since 2000. About one percent –or \$191,000–of Norfolk’s general fund revenue is made up of aid from the state, Gates said.

That aid has helped with the city’s financial problems and eliminating it would add to the stress of the last 10 years, Gates said.

District 4 State Sen. Pete Pirsch of Omaha asked Gates how Norfolk would make up the difference if state aid to the city were eliminated. Gates said he had no solutions and wouldn’t speculate on the city’s situation with the next budget.

Grand Island Mayor Jay Vavricek said that with expenses rising fast, he doesn’t know how programs and services will be paid.

A few senators from the revenue committee, like District 24 State Sen. Greg Adams of York, said that the cuts are part of “sharing the pain” of the state’s budget situation.

But other opponents were not concerned about money. Instead, they voiced their fear about disconnecting the state from cities, counties and natural resources districts.

“Counties exist to deliver services you enact,” Mike Boyle, a Douglas County Board member, told the committee. “So there has been a very close relationship and partnership with the state and counties. I’m here to say this cuts the services to your constituents.”

Boyle asked lawmakers to let the relationship between the state and cities, counties and natural resources districts grow and become more efficient.

If adopted, the bill would go into effect July 1, 2011.