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Revenue Committee
September 15, 2011

[LR226]

The Committee on Revenue met at 1:30 p.m. on Thursday, September 15, 2011, at Ockinga Center, UNK Campus, Kearney, Nebraska, for the purpose of conducting a public hearing on LR226. Senators present: Senator Abbie Cornett, Chairperson; Greg Adams; Galen Hadley; and LeRoy Louden. Senators absent: Dennis Utter, Vice Chair; Pete Pirsch; Dave Pankonin; and Deb Fischer. [LR226]

SENATOR CORNETT: (Recorder malfunction, testimony lost) [LR226]

JESSICA KOLTERMAN: (Recorder malfunction) What should we be doing as a body to look at this? And one of the things we found is there are a lot of things going on, but there wasn't a comprehensive way to wrap it all together in a strategic plan. I believe my recollection, and not having the documents to look at today when I was preparing, but my recollection of, at that time, was let's start here with putting together the basis of what we already have, and then figuring out how we can build on that. I think if you...just anecdotally, myself as an example, I get invitations to this event here in Kearney to talk about rural economic development with young people in my age demographic. And then, you know, tomorrow there's a conclave that's being put on by the Platte Institute to talk about that. The Renaissance does things. You know, there's all these different programs. You know, we have the Professional Economic Developer Association groups. You know, there's all these different programs all over the state and, you know, everyone wants to do something and everyone has all these ideas. Everyone wants to have a network. Those things are all great. If I recall from 2005, I think one of the things they talked about, is it the role of the Legislature to begin talking about the strategic plan for this as an entire state? And I think the work that you're doing with the Planning Committee really fits in with that well. So, I...like I said, I don't have the document with me. I didn't have it this morning when I was preparing, but I'd be certainly happy to look for it with you and try to come up with it, and see if that has some guidance in there, but I think that was the general direction they were going. But given that most everyone

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

who's served on that interim study task force was term limited, they kind of said, well, let's try to put all this together in a comprehensive document of what we currently have, and leave that for the new senators as a basis for them to begin work on pulling something together comprehensively. [LR226]

SENATOR SULLIVAN: One other thing, because I know you and I have worked together on youth organizations, and I guess I'm wondering if that is a pool of people that we start emphasizing more in terms of this whole issue about returning to rural Nebraska. [LR226]

JESSICA KOLTERMAN: Yeah, I think...you know, we did a lot of work with the FFA and the business groups. [LR226]

SENATOR SULLIVAN: Um-hum. Um-hum. [LR226]

JESSICA KOLTERMAN: There's so many young organizations, and at the high school level. And, you know, one thing I...this is just again anecdotal. When I was growing up no one said to me, Jessica, you need to think about coming back to Seward when you're done with your college education. [LR226]

SENATOR SULLIVAN: Um-hum. Right. [LR226]

JESSICA KOLTERMAN: It just was a message that in order to be successful...you heard it at school. You heard it in the community. You heard it from, I mean, I don't think my parents but, you know, just generally people. [LR226]

SENATOR SULLIVAN: Sure. [LR226]

JESSICA KOLTERMAN: In order for you to be successful in...you need to leave. And when I did choose to come back, there was almost a disappointment by people, like by

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

coming back I had somehow failed what I had gone out in the world to do. And ultimately I chose to move back to...or move to Lincoln because I didn't feel comfortable in my hometown. So I think it's an attitude that has to be changed overall and I think that the high schools...some of the programs that we've worked with, it's a great place to start. I think that the students, at least the students that I know you've worked with and I've worked with, that would be a good group of students to really have buy in to these initiatives and these ideas and start to sell them to their peers because they're going to listen to their peers more than they're going to listen to us. So... [LR226]

SENATOR SULLIVAN: Thank you. [LR226]

SENATOR HADLEY: Jessica, just, I guess, a question and a comment and then we have Dean Sleight here who's going to talk also, but it seems like this whole idea is critical to agriculture because... [LR226]

JESSICA KOLTERMAN: Exactly. [LR226]

SENATOR HADLEY: If we're going to continue to be leaders in agriculture, we have to be training the next generation and what's...when a young person comes back graduating from some college or university and there aren't the education opportunities for their children or the healthcare for their family, it's going to be a tough decision about whether they want to come back to their agricultural roots. [LR226]

JESSICA KOLTERMAN: Right. I think one thing you see is people say, well, I would maybe move back and run the farm, but I need an opportunity for my spouse. I wouldn't maybe run back and...or move back and run the farm, but I want to make sure my kids have good schools. I want to make sure there's adequate healthcare. I mean, all those things tie in. And so anything that happens in rural development ties directly to agriculture. We also believe that because agriculture is so important, it should continue to be the foundation of some of these initiatives we work on, and anything we can do to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

provide information or assist in those lines, we'd be happy to help. [LR226]

SENATOR HADLEY: Thank you. [LR226]

SENATOR CORNETT: Further questions? [LR226]

JESSICA KOLTERMAN: Okay. Thank you. [LR226]

SENATOR CORNETT: Thank you. Next testifier. [LR226]

GARRY CLARK: Chairman Cornett and members of the Revenue Committee, my name is Garry Clark, spelled G-a-r-r-y C-l-a-r-k. I'm the executive director of Cuming County Economic Development. Cuming County is part of District 16, and our communities are the villages of Bancroft, Beemer, the cities of West Point and Wisner. I'm here to testify on behalf of 500 businesses in Cuming County. We are proponents of LR226 because of its potential to help create a plan that will start aggressively to combat the decline of population and work force shortage in our rural communities. The issues that we face right now are an issue that I would say, when you look at our rural communities and you think about what permeates the Nebraska livelihood, it is those areas where there are few and far in between. The vision of the "good life" comes from that model; from those small towns and those strengthening communities. And so, with that said, I'm here to say that we would love for there to be a plan and a study that would push forward for this effort. Our population figures have been on the decline for about 40 years, and right now we are at around 9,000 residents and community people in our county as a whole. This resource that we are losing is the very essence of the state of Nebraska. It's our people, and they're going away. Without our people, we die as communities, villages, cities, and states. And we are...we all know the saying that says change is inevitable, but growth is optional. Well, the federal census continuously reminds us of this fact. Change is consistently on the rise, but growth is a decision, a choice, a concerted effort. We live in a state that is progressive in nature. We are led by a dedicated group of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

representatives such as yourselves, and the Governor who continues to answer the bell when it comes to creative, innovative programs for the sustainability of Nebraska. LR226 is just another step in that process. The heart of our great state, the beat, the pulse, the ignition, the bricks and mortar, the catalyst, the renewable energy is our youth in our rural communities. Can growth occur without energy? Can a being live without a heart? Can a family go without its youth? Can it go on? Can it move forward without its youth? We all know the answer to these questions. LR226 gives us a much-needed catalyst to address the population decline that has affected our rural communities for years. With the current economic woes nationally, this is a time for us set a course for ideas, programs to prepare for rural communities for the future. This study gives us the opportunity to grow and sustain the very essence of the "good life": our rural communities. I would love for you all to please consider this testimony as a proponent for this plan and I would like to say that I am not originally from Nebraska. I am from Washington, D.C. I was born and raised there and, as of last year, I moved to Cuming County in West Point, and I am now there with my wife and my daughter who is 2. My wife is a school teacher, a second-grade school teacher now. We spent a year with her at home because we wanted to be in rural Nebraska. She is originally from Oakland, Iowa, and we really like the "good life." And so, with that in part being said, I think that it is very important that we consider these people, as Mr. Pollard said earlier, these people that are there are people and they have hearts and they have a pulse and they are the pulse of our state. So let's remember that they do keep things going in this great state. We are primarily ag. We create a lot of cattle and we have tons of feedlots for everyone to see. And I think it is obvious that with our economic state that we are in as a state, we know that that beef and that toughness comes from having these rural communities do what they do. So let's consider that as we go forward. Thank you for having me, and if you have any questions. [LR226]

SENATOR CORNETT: Questions? Senator Sullivan. [LR226]

SENATOR SULLIVAN: Thank you, Senator, and thank you for your comments. How did

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

it happen that you moved to, is it West Point? [LR226]

GARRY CLARK: Cuming County, West Point. Well, I originally attended the University of Nebraska at Omaha and Dana College. I went to graduate school at University of Nebraska at Omaha. When I left, I went back home and worked as a city planner and a main street manager. And we thought that it was probably in our best interest, once we had our first child, that we live somewhere where there were some inherent values and a place where our child could grow safely and get a sense of what a real community was like. And so I found out some information from our graduate program, and I applied and actually did a Skype interview with Cuming County Economic Development. So, we did not have to travel to do my initial interview. And, when we did travel, they sent our whole family out, and we really enjoyed the community and the close-knit areas that were there. We actually considered moving to Senator Brasch's Bancroft area. And I really think that we have fallen in love with the "good life," with what Nebraska has to offer. [LR226]

SENATOR SULLIVAN: Um-hum. [LR226]

GARRY CLARK: And from an outsider like myself, I think it's very important that the people who are from Nebraska realize that you have something extremely different from what we have to offer in East Coast states and communities, and that you have something that is inherently good. And we do not have that. So, I think if we can grasp that and hold on to that and make sure that we provide incentives for people to come out and experience that, they'll fall in love too. [LR226]

SENATOR SULLIVAN: Is Wisner in Cuming County? [LR226]

GARRY CLARK: Wisner as well. [LR226]

SENATOR SULLIVAN: Just the other day, I listened to an interview with a woman who

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

is leading, from her New York City office, who's leading a Fortune 500 company. She's president of it, and she's a graduate of Wisner High School. And she was talking about how valuable her rural education was, encouraging young people in rural communities to get a good education. And I think maybe she even went the next step and said, you know, think about staying or returning to Nebraska. And it occurred to me, do we need to leverage people like that, that have a story to tell, and maybe engage them in a conversation about what we're trying to do? [LR226]

GARRY CLARK: I think that is paramount. What we do in Cuming County for economic development: we have a social media presence as well, and what we do is we try to videotape businesses and owners and people who come back to the community, and we post that on our sites. We want people to be aware that there is some activity going on in Cuming County, and we've initiated a campaign this year that's going to launch in the next two weeks which is called "I Am Cuming County." And the effort is focused on letting people know what's in Cuming County and the people that leave and come back and the experiences that they have. In Wisner alone, Plan B Consultants, Inc. just moved there this last year, and their president and owner is originally from Wisner, and they are a global program that focuses on telemarketing and communications for the hospitality community. So, that's one story that we'd like to capture. And I think it will let people know who grow up in these rural communities that you can go somewhere, you can be a success, and come back and bring that success to us. So, yeah. [LR226]

SENATOR SULLIVAN: Thank you. [LR226]

SENATOR CORNETT: Further questions? [LR226]

SENATOR BRASCH: Garry has been extremely successful as the economic development executive director in Cuming County, and we have seen very, I think, unusual rapid business growth in the short year that you have worked with the county. Your challenges...what were the challenges that you experienced...that? [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

GARRY CLARK: I think it comes down to leverage and incentive, and opportunity and exposure. And I think, for the most part, me coming from Washington, D.C., I had no idea what it was like to be in a community like this. And even though I attended college in a smaller area, you're kind of secluded in college, and you don't experience that full grasp of a small town. But now I realize that for our businesses and for the communities that we encompass, it's very important that we have leverage and incentives and things that can promote what we have to offer. Without that, we cannot recruit people. We cannot recruit the resource that we need, so it's very important. And that's probably the thing that we struggle with the most in Wisner and West Point and Bancroft and Beemer is what do we have to offer in terms of incentives, so. [LR226]

SENATOR BRASCH: Thank you for your work. [LR226]

GARRY CLARK: Thank you, Senator. [LR226]

SENATOR BRASCH: And your testimony today. [LR226]

SENATOR CORNETT: Further questions? See none, thank you. Next testifier. [LR226]

WELDON SLEIGHT: (Exhibits 7 and 8) My name is Weldon Sleight, W-e-l-d-o-n S-l-e-i-g-h-t. I'm the dean of the Nebraska College of Technical Agriculture and a proponent for this study. I appreciate being here with you today, but I need to tell you that Ted Turner and I are not very close. (Laugh) In fact, a study done in 1999 by USDA shows that 51 percent of Nebraska farm acres are owned by nonoperator owners. They haven't done it, and I encourage them to do it again in 2010. They haven't had the money to do it. I just fear that that's even worse now than it was then. Two other statistics I'll state is there...the past 5 years there's been a 20 percent decrease in farmers under 25, farmers and ranchers, and a 30% increase in those that are 75 and older. We're headed for a wreck if we don't do something to increase the supply of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

young people coming back to our rural areas. That's where the farms are and the ranches. One of the big concerns I have is, it's been stated here before today, we in rural areas don't understand how bad things are, and so we're encouraging our kids to leave and not come back. I've given you some maps on the second page of this presentation that show two important things: the first one shows the counties that have lost residents and how many, physically, how many. But the second one shows the number of youth under 19 that have been lost. When you compare those figures, you'll see that the majority of the loss is youth under 19 and unfortunately our schools and others, and perhaps especially us, have said there's nothing here for you, do something else. And then the other real complicating factor is that to support a family you need an investment of about \$1 million, and so when young people come out, there are not...there's not many people that can come up with that kind of...the collateral to make that kind of a loan. There are some ways to do it, and we've found some ways. And I just am thrilled by Garry's testimony and Heather's testimony and others, of coming back. I don't want to repeat what's...what others have talked about here today, but I want to talk about growing our own. Nebraska ought to be farmed and ranched by Nebraska families. In order to do that, there's some comparative advantages to going home. The comparative advantages are if I were to go home, my mother today would say, in fact, she asks me often why aren't you home. She'd say I have this home that I'm going to give you free. I have this...these other resources and I'm known there, and I have all of these resources that become comparative advantages for me. But we have to put our arms around these kids, and Heather said it best: no one asked her to come home. In fact, most people encouraged her not to. We need to put a love leash on them. We need to come up with a way that says when you go away to school, we want to have a plan for you to return home, those of you that would like to. In fact, I've got another table here for you that shows that most youth, 62 percent of our youth, value is their hometown is a good place; 52 percent say they see themselves living in a hometown. The smaller the community, the higher the rating, the higher the loyalty. That's on page 6. Forty-one percent have an interest in owning their own business. The problem is we need to energize the community and the schools to bring the schools and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

the community together to put our arms around these kids. They can't all come back, but oh, if we could bring a few each year, and bring them back not as hired hands, but owners. As many of you know, we have developed some ownership programs: the 100 Cow Program, the 100 Acre Program, the Business Builder Program, specifically that puts, gives our students, our youth a stake in their community. They not only own or are part-owners in an enterprise, but they also own the community because they either have a professional position or own an agriculture business entity. Let me just give you one example of how this should work. If I'm a doctor and I know that I'm going to retire in 8 years, how to pick one of those outstanding young people. Or I could use the attorney, because that takes about the same amount of time. I look at Heather and I say, Heather, we want you to come home, and this is what we're going to do to help you come home. We're going to have a job for you every summer. We're going to grease the skids for you and show you how to get in to prelaw and into law school, and we're going to give you a little scholarship. And then we want you come home and buy our practice. We're just not thinking those type of thoughts. The Nebraska College of Technical Agriculture this past year developed a course. A concurrent enrollment course is taught at the high school for juniors and seniors, and we give seminars to communities so that we ask the community members, we want you to raise your hand and tell us what your thinking is. What are you going to be doing? Because we Nebraskans don't want anyone to know our business. And because we don't, then the young people, they look at all of the existing businesses and the farms and ranches, and they're all owned. They don't know how to come home. We have to teach them how to come home. And through this course and through engaging the communities, they can come home. Remember, they're the ones that have babies. It's okay for me as a retired person to come home, but I'm not going to add to that youth pool that keeps the school open. Incidentally, when you lose your high school, you lose the heart and soul of the community. You've got to keep it open, and it takes kids to do that. I just encourage us to, and I commend this committee for studying this. I don't have all the answers. I love what they're doing in Kansas, except Kansas has not encouraged the counties to do much, other than put up some money. I think that if you come up with a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

bill, I'd encourage you to put something in that bill that says, counties, you need to come up with a structure. We recommend that through this program that we have, that they have a retention and...a recruitment retention committee. And that committee goes out and finds all the positions that are going to be available in the next 5-10 years. In the school, we're teaching those kids about how great these...that rural community is. And then we bring the kids and those community members together, whether they be a professional or whether they be a business or agriculture owner. We show them how, and we form partnerships and mentorships before they ever go away to college. We tell them what skills we need, and then we bring them home. That's what will make rural Nebraska healthy again. Thank you. [LR226]

SENATOR CORNETT: Questions from the committee. Thank you. [LR226]

SENATOR SULLIVAN: Thank you, Dr. Sleight. So did I understand you correctly when you said you taught, you work with juniors and seniors in the high school? [LR226]

WELDON SLEIGHT: The high school. That's right. [LR226]

SENATOR SULLIVAN: In Curtis, or are you branched out to other high schools? [LR226]

WELDON SLEIGHT: We've piloted it in Grant and Oshkosh, and it's available throughout the entire state. In fact, it's got some recognition in Washington, and so that curriculum is there now. Curriculum is entirely developed. The sections are in that handout that I gave you showing the youth why they should stay home or come back home. We don't advocate that many of them stay home. They need to go out and bring expertise back. But the community has to say please go and get this kind of an education because we need it, and I am the one that's going to make that available to you. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR SULLIVAN: Who typically teaches that in the school, or do you do it by video conference or distance learning? [LR226]

WELDON SLEIGHT: No, it's taught...it's taught locally. It's not something that's taught well in video conference. It's the combination between a high school teacher and the economic development specialist. The economic development specialist knows all the businesses, all the professions. The high school knows the kids. And then they bring them together, this linkage. [LR226]

SENATOR SULLIVAN: Okay. I've followed what's going on in Curtis and think you're doing some really interesting things. That's why I was surprised to see that you had a decrease in enrollment. Is that because the pool of young people is dwindling? [LR226]

WELDON SLEIGHT: No. It had a lot to do with our campus. I'd encourage you to come and look. We're tore up like you wouldn't believe. We have a new residence hall, but didn't come online until a week after the students got there. We lost eight students the first...these good ag kids, I would think, that the traditional halls would be wonderful. But they want these wonderful new halls. We have them now, but we didn't get them quite ready. The veterinary hospital will be completed in October. The new education center will be completed in November. And then we've got a steam line project and a fiber project and a biomass project, and everything is tore up. But I guarantee you, with our new programs and the facilities to match them, we're going to be there. We're going to double our enrollment. That's kind of...if you build it and then get them to come, or you get them to come and build it. We tried to get them to come for many, many years without having the facilities. Now we have the facilities. [LR226]

SENATOR SULLIVAN: Thank you. [LR226]

SENATOR CORNETT: Senator Hadley. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR HADLEY: Dean, thank you so much for coming. If you had a crystal ball...if we can't turn this around...I was looking at the...63 counties had declines in Nebraska over the last...25 percent were double-digit. [LR226]

WELDON SLEIGHT: That's right. [LR226]

SENATOR HADLEY: If we don't turn this around, what's agriculture going to look like in 30 years or 40 years? [LR226]

WELDON SLEIGHT: We're still going to be an outstanding agriculture state, one of the leaders in the nation, but we will have a different model. The model will be we will have huge farms farming perhaps 2 or 3 corporate farmers per county. And we'll go out and we'll plant, and we'll go out and we'll harvest. We'll have huge operations with huge numbers of cattle, and we won't have families there. We will...it's ironical that NCTA started out as the University of Nebraska School of Agriculture, which was a high school in 1913. We took our children there to be educated, as that's a terrible way to do it. It was wonderful that we had it. But Nebraska's a big place, and I worry about the infrastructure, the roads, the communities. If we don't maintain these communities as I indicated in that presentation, 64 percent, or over 300 of our communities, are under 500. There are some that say it's not worth doing anything to a community that's less than 5,000. I vehemently disagree with that. We must keep the Bancrofts, because the Bancrofts are what serve agriculture. So, I know that's not a really positive thing, but I think that that's the way we're going to be. Our population will continue to go eastward. [LR226]

SENATOR HADLEY: So there really is a sense of urgency. [LR226]

WELDON SLEIGHT: There is. [LR226]

SENATOR HADLEY: If we want to continue with the model of the family farm, the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

infrastructure, rural Nebraska with education, healthcare, etcetera. [LR226]

WELDON SLEIGHT: The thing...the most important thing, Senator, we've got to do is quit discouraging our good ag kids from going back into agriculture. We scare them to death with this \$1 million enterprise. Today, I just got word from FSA yesterday that we have 1.75 percent money to buy the cows. There's some 1.5 percent money to buy the farms. I don't ever want to hurt rural banks, but that first loan or two ought to be from FSA so that...because the difference between making a living and not making a living is the difference between 1.75 and 6 percent interest. But we have to teach them how to do it, and I need you to help me teach my dear old rancher and farmer friends that you have to have something more than a hired hand. You have to have a partner because they're not going to live forever, even though we think we're going to. [LR226]

SENATOR HADLEY: Thank you. [LR226]

SENATOR CORNETT: Further questions. See none, thank you. Next testifier. [LR226]

NICOLE SEDLACEK: (Exhibit 9) Good afternoon. My name is Nicole Sedlacek, N-i-c-o-l-e S-e-d-l-a-c-e-k. I am the executive director at the Holt County Economic Development Agency in O'Neill. Holt County Economic Development has been in existence since 2007 and, since then, people attraction, people recruitment to Holt County has been one of our core strategies to our economic development plan. While we continue to lose population in Holt County, we are seeing some success. We've been able to see 25 young, new families return to Holt County since 2007. And much of this success could be credited to the expansions of our healthcare services in Holt County. With two hospitals in the county that continue to expand their offerings and their physical space, they are in need of top-quality talent to provide those services. Our two hospitals have been able to...have been very fortunate to use two long-running programs that create those incentives for healthcare professionals to return or to locate in underserved areas--the Nebraska Student Loan Program and also the Nebraska

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

Loan Repayment Program. These have been very popular to help us recruit pharmacists, doctors, physical and occupational therapists back to Holt County. In addition to the professionals with the hospitals that have been able to be brought back with this program, the community of Atkinson has been able to use this same program to bring back a dentist to take over a practice from a retiring dentist in the community. The community used LB840 funds to match the required community match needed for that loan repayment program. This program was instrumental in helping bring back a young family, save a business from closing, and also adding more jobs to our local economy. Without these two existing programs, we would not have been able to recruit to Holt County these young professionals over the last few years. While I'm a huge advocate for these programs, I really think Nebraska needs to broaden the scope of eligible professionals who'd receive incentives for moving back to rural communities. My communities in Holt County are in need of young farmers, informational technology specialists, electricians, welders, plumbers, attorneys, truck drivers, accountants, childcare providers. Numerous other professionals are needed in Holt County. We need them to fill open positions and projected openings due to retirements and business expansions. I know we have these needs because we are regularly conducting business visits with our existing companies in Holt County. The common theme holding some of these companies back from expanding and adding jobs to the local economy is lack of qualified individuals for their companies. These needs are also proven in the Nebraska Department of Labor's short-term and long-term industry projections for our region. Every spring in Holt County, we present a mailbox to our graduating seniors at each of our high schools in Holt County. It's a token of good luck and warm wishes to them for graduating from high school. It's an actual mailbox: real, full-size, postal-approved mailbox to our graduating seniors. Our thought is we need to give them mailboxes to think about returning home to, instead of suitcases to leave and pack up with. In the mailbox is a personal invitation for them to consider returning back home to their community in Holt County. If incentives like student loan repayment would be offered, the state of Nebraska would be sending a very strong message to these high school graduates to go get your college education and return back to your hometown or

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

a rural community. Most importantly, stay in Nebraska. Nebraska communities need you. The big question is, that we're all thinking, is how do we fund an incentive program like this? We need to think outside the box. Does the state provide all of the matching funds, or are incentives only offered on the community county level? Does the private sector play a role? I think it's a combination of all of those: state, local, and private. Holt County, the county itself, again seeing our huge need in the healthcare industry, pledged \$50,000 over a number of years from our inheritance fund to help with the college of nursing project on the campus of Northeast Community College in Norfolk. Norfolk is 75 miles from O'Neill, but we know in Holt County that we'll benefit from the College of Nursing project. And it will provide a way to educate our residents close to home, while educating the future work force of our local hospitals and nursing homes. That \$50,000 investment from our inheritance fund, on the county level, will pay dividends for the future of Holt County. Private donors from Holt County also believed in the project and contributed privately. Our community foundations are also a great tool for raising funds privately, for scholarships, youth engagement and recruitment projects, and for leadership recruitment and development. Holt County has been very fortunate to receive a couple of large...be the recipient of some large estate gifts. A \$2.3 million estate gift that is directly to be used for entrepreneurship and people attraction. Another estate gift, a \$1.8 million estate gift that has been permanently endowed to fund scholarships to traditional and nontraditional students in the Holt, Boyd, and western Knox County areas. Those applications from those students are scored primarily on their interests on returning back to the area. While the essay can really show a sincere desire to return to the area, due to current laws and regulations, we can't legally enforce them, or tug them back to the county. Once we give them that scholarship and we can stay in communication with them, we can't legally enforce them to come back to our county and communities. While cities and county monies may be more limited than they have been in the past, successful and proactive communities will find a way to make legislation like this and incentives work for the benefit of our communities and counties and future residents to help stop the population loss that rural Nebraska is experiencing. With that, I would take any questions if you have any. [LR226]

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Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR CORNETT: Questions from the committee? Senator Sullivan. [LR226]

SENATOR SULLIVAN: Thank you for your comments. It's very interesting. So you've got open positions. You're... [LR226]

NICOLE SEDLACEK: Yes. We have numerous open positions. In fact, we keep track of job postings. We have a Web site where we put all of the available job postings on our Web site, and in a 12-month period, we had 358 openings in Holt County. And as of July 1, we've already surpassed 120 job openings in Holt County, primarily in the healthcare and ag-related industries. [LR226]

SENATOR SULLIVAN: So are you getting inquiries when these job openings are made public? [LR226]

NICOLE SEDLACEK: We do get inquiries, and we are seeing some young people moving back. They're not coming in large crowds like we want them to, of course, but we have available jobs. But sometimes they're just not able to be filled due to lack of skills and qualifications from the individuals applying. [LR226]

SENATOR SULLIVAN: Okay, and then you mentioned that one of these estate gifts, you're going to focus on entrepreneurship. What are you going to be doing there? [LR226]

NICOLE SEDLACEK: My office, Holt County Economic Development, is actually the recipient of a portion of that gift. And so we have hired a business development specialist, or a business coach, to work specifically one-on-one. We have numerous businesses in Holt County, and to focus on our existing businesses, to help them with business transitions, help them access new markets. And then that position also works on the people recruitment and retention. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR SULLIVAN: Thank you. [LR226]

SENATOR CORNETT: Senator Hadley. [LR226]

SENATOR HADLEY: Thank you. I appreciate and am interested to hear your story. It is interesting that we have open positions. I know I've been involved in Buffalo County economic development a lot, and one of the problems we have in rural Nebraska is a lack of a work force. At times we have the entrepreneurs, we have the businesses that want to move because the owner wants to move. The owner would like to live in Ord or Burwell or O'Neill. But if you don't have the work force, the owner can't move their business. So it is a little bit of a chicken and the egg type of thing, and we spend a lot of time in economic development trying to get that business to move. But if the business looks and says I can't hire the kind of work force I need, then they're not going to move. [LR226]

NICOLE SEDLACEK: We were very fortunate to recruit a company that has operations in California and operations in Omaha to Atkinson, and they are struggling with trying to find qualified individuals to fill their positions. New company, excellent opportunity, excellent benefit package, but they cannot find the right people with the right qualifications to meet those needs that their company has. [LR226]

SENATOR HADLEY: I'm not an economist like Mr. Lock is back there, but I think around 4 percent is almost structural unemployment that basically you're pretty close to what an economist would call "full employment" at that point in time. [LR226]

NICOLE SEDLACEK: Um-hum. Um-hum. [LR226]

SENATOR CORNETT: Senator Sullivan. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR SULLIVAN: Does rural Nebraska need a public relations campaign? (Laugh)
[LR226]

NICOLE SEDLACEK: You know, I think yes...possibly, I think, incentives like this. A student loan repayment program would be a nice incentive to add to that toolbox. And I think we have to be able to...we have great schools where we have schools yet, and we have a great quality of life. But I think trying to get that message out there, that message is going to hit harder to those who have experienced that and grew up in it. And fortunately, you know, for Cuming County, you know, Garry loves it in Cuming County, and they were able to get him from Washington. So, you know, I think it's...I think programs like this, a student loan repayment program, would help with that attraction to rural Nebraska. [LR226]

SENATOR CORNETT: Thank you. Senator Louden. [LR226]

SENATOR LOUDEN: Yes. Thank you, Senator Cornett and thank you for your testimony today. Holt County, that's on Highway 20? [LR226]

NICOLE SEDLACEK: Highway 20, yes, and 281 also dissects through the county.
[LR226]

SENATOR LOUDEN: Eighty-one going... [LR226]

NICOLE SEDLACEK: Two eighty-one. [LR226]

SENATOR LOUDEN: Two eighty-one going north and south. On Highway 20, is that 2-lane out there? [LR226]

NICOLE SEDLACEK: It is. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR LOUDEN: And years ago, long before your mother was around, probably, Highway 20 used to be a main arterial highway. You know, because it starts clear in Iowa in, I don't know, Davenport, Iowa, or someplace, goes clear across, and that was a big, big truck route across there. All them little towns: Merriman, Cody, all them. Gordon had a 24-hour truck stop with a mechanic on-duty for 24 hours. Now we lost all that. So I'm wondering when you can't get people in and out of there, what is your transportation situation in and out of Atkinson or O'Neill? [LR226]

NICOLE SEDLACEK: The transportation, we are very fortunate, it is...it's 2-lane, but with shoulder there is excellent...the state department of roads. We have excellent quality roads in Holt County with Highway 281 and Highway 20. [LR226]

SENATOR LOUDEN: And Highway 20 goes in to South Sioux City? [LR226]

NICOLE SEDLACEK: Yes. [LR226]

SENATOR LOUDEN: And how far out does that 4-lane come out of South Sioux City? [LR226]

NICOLE SEDLACEK: Not very far. (Laugh) [LR226]

SENATOR LOUDEN: Okay, because I was wondering. Senator Engel and I discussed this several years ago, you know, is why that...why Highway 20 wasn't improved more for...to take part of the traffic off of Interstate 80, or even Interstate 90 for that matter, for your east to west traffic control. And I'm wondering if that has any effect on...when you have people come in to there, do they have good access to get in and out of there? Sure, it's a 2-lane highway, but you can only run so much business down a 2-lane highway. [LR226]

NICOLE SEDLACEK: And that's correct. And, you know, while it's 2-laned, it's

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

maintained very well with shoulders and increased of speed limit. It's a well-traveled area. I know our law enforcement has even increased (laugh) their patrol in route of Highway 20 recently. [LR226]

SENATOR LOUDEN: Then, in other words, there is some congestion, then, on Highway 20? [LR226]

NICOLE SEDLACEK: Some, yes. Um-hum. Um-hum. [LR226]

SENATOR LOUDEN: Okay, thank you. [LR226]

SENATOR CORNETT: Further questions from the committee? See none. Next testifier. [LR226]

NICOLE SEDLACEK: Thank you. [LR226]

REX NELSON: Good afternoon, Senators. Rex Nelson, R-e-x N-e-l-s-o-n, and I'm going to take the briefest "me, too" approach I can here, but I'd like to just touch on some of the questions that I've heard this afternoon as to why...why should we do this? Why should we save rural Nebraska? And that's a pragmatic question that needs to be asked. I look at the example of Australia. It's interesting that places that there, they have lost so much infrastructure that literally their agriculture is to the point of not functioning very well. Young couples can't have their expectant mothers stay in the agriculture area. They have to board them in cities because healthcare just isn't there. Law enforcement and the needs of the people that have to support agriculture eventually, and it just isn't there, and agriculture is important enough to the state of Nebraska. That alone, I think, should be compelling to even our urban legislative delegation. There's businesses here, and I think we talked about...there's been good testimony. We have businesses that need employees and they're in danger of closing. Those are generating revenue that impacts the economy of the entire state, and we really do have the...a tremendous loss

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

in front of us as those business fail to transition to new owners, so I think there's some fairly compelling arguments for taking care of the infrastructure that we have in rural Nebraska. Stem the decline. It doesn't necessarily address those examples that I've heard both this afternoon of the ranching communities where already they're traveling a long distance to their schools. It's hard to go back and reinstate that infrastructure, but we could stem the decline, and I think we must. This is an interesting proposition that's being presented to us here. I think the jobs need to come first. With the question and egg...chicken and egg question? I think that people don't move until they know that there's an opportunity for a job of some kind. And what we've been hearing this afternoon, I would agree from my example, and as executive director of McCook economic development, we too have jobs that are going unfilled and businesses that struggle to staff their positions. So I'd say the jobs are there, or at least there are some jobs, and we need to make sure that those are staffed and they find the employees that they need. Otherwise, you see entrepreneurship as a way that people create their own jobs. As to the tax credit competition, it's interesting to me that in this particular case, we're talking about people who don't live in Nebraska and are coming to Nebraska. That's really a very different proposition than those that would compete...those competing tax credit interests, the retirees that already live in Nebraska. We're talking about bringing new people into the state. Then, in five years, they would be contributing. So, personally, I don't think they're comparable examples. There isn't a silver bullet approach to solving the population decline issue. We need a full toolbox. We need all the tools we can work with. We need to use them all and use them well. I think it's intriguing that this proposal promises to spend the money on people that we know are coming back. We spend gobs of money on young people who we know full-well are going to leave the state. In this case, at least we know this investment's going to bring some return right back to Nebraska. So the Kansas proposal, for instance, invests in people who will stay, and I think that's intriguing and it should be studied. We should look at it. So, I think, I'm really anxious to see the things that you learn as you go ahead and ask more questions and look for the best models here. But, certainly, representing my business community in McCook, Nebraska, I support this innovative approach.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

Questions. [LR226]

SENATOR CORNETT: Questions from the committee? See none, thank you. [LR226]

REX NELSON: Thank you. [LR226]

LARRY DIX: Good afternoon. My name is Larry Dix. I'm the executive director of the Nebraska Association of County Officials and here today just to have a little conversation about this legislative resolution. As you know, counties are very, very interested in expanding that tax base. I mean, there just isn't any question about that. But I do want to point out, when we're looking at, at least what we've talked about a lot today, is sort of the Kansas model. And the Kansas model and the Nebraska model, I think, probably are going to have to look significantly different. And let me tell you why I think that's the case. If we were to, from a county board perspective, simply pass legislation that would say here, we're going to have this tuition refund credit, I don't know too many county boards that are going to get too excited about that, the way Nebraska tax laws are. Now in Kansas, Kansas had a local option tax so that many of those counties have a sales tax option: countywide on top of the cities. So, if somebody moves in to those counties, there is some additional revenue coming in. If we have somebody move from the outside of the state into Ord, Nebraska, and they move into a rental property, there is virtually no tax base gained for the...from the county perspective. And so I would ask that when we look at this, you know, which you guys all know we'll be there to participate in, I think we have to design it in such a way. The young lady from Holt County talked about a private-public partnership. I think we have to look at that. I think we have to challenge the chambers of commerce to say okay, folks, you're getting some money from these businesses. You need to contribute to this student fund. You need to roll out some of that money because there's going to be a direct impact to those chamber of commerces (sic), more so than the direct impact just to county government. But I don't want anybody to walk away saying counties aren't interested. We are interested in it. We think it should be done. We want to look at ways

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

to keep those rural communities in those counties. We want to see some growth in those areas. But I think we have to look at the funding model. I think we have to take a serious, serious look at that. Cities, maybe, should be participants in this also, because the cities in Nebraska do have the sales tax authority, so there is some direct relationship to the revenue that's flowing into this. I thought it was a tremendous hearing. It was very, very interested in hearing, you know, what's going on in some of these communities. And while I was setting there I was thinking just about, you know, knowing the way I travel across the state, knowing people moving from here or there, I started to analyze in our office, between the computer side of our office and our office, we have 17 employees. And of those 17 employees, 16 of those employees have come from a rural community into Lincoln. Our business has always been in Lincoln. So you can sort of see that when we...a lot of people are looking, they're looking for the educational values and the values system that these people have picked up in their small communities. And what happens is that they get to the large cities, it's hard to reverse that thing. We're a statistic of that where a majority of our employees all came from a rural area, but they're not going back to the rural areas. So the challenge is, how do we entice them to get back to those rural areas? And I think it's something that we have to look at. We have to look at for the benefit of the state of Nebraska. I think we just have to look at the funding model. I think there are a number of things to look at. Lastly, the information that came out of the Holt County testimony, inheritance tax was used for the nursing project. That was a number of counties contributed inheritance tax to that nursing project. It wasn't just a handful. I've got to tell you, that whole northeast, almost every county, Senator, that you represent, I think, contributed to that. One of the things I think we want to look at in the statutes, and I was just thinking of it as I was sitting there. County government, county boards tell me they, as county boards, don't have enough tools to entice businesses to come to the county. And when I say that, here's an example. We need to look at the statutes to see if the county board can take money and move it into an economic development project directly. What I think, the way the statutes are written, county boards have to take the money, move it to a chamber of commerce, and chamber of commerce will move it to a project. Or we have to move it to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

an economic development district, and economic development move it to the project. Just a week ago, a rural western county had someone wanted to build along a railroad spur, and they came to the county board to ask for assistance. And the county board said well, we're going to have to jump through 2 or 3 hoops. We want to help you, but we have to jump through these 2 or 3 hoops to make it happen. And so then when you do that, they wanted to build this in a very rural part of the county, outside of any city. And the chamber of commerce said, I'm not so sure where most of our money needs to go within the city and so we need to look at that section of statute possibly for another tool in the county to be able to provide direct impact to businesses as they want to relocate. Yeah, and when we look at that, Senator Louden, when they want to relocate to rural, rural Nebraska. So with that I know we've got a long travel ahead of us, but I'll answer any questions anybody would have. [LR226]

SENATOR CORNETT: Larry, you've already brought up a number of questions that I had in regards to, one, how the counties at this point, because most of the rural counties are very short on money, how they would come up with funding for this. Secondly, and you've been in the business long enough to know that everything we do has unintended consequences. Yes, economic development is wonderful, but we have a lot of cities now that are complaining vehemently that they have no sales tax, because they have to turn it back for the projects they have received. I wholeheartedly agree we need to stop the bleeding from the rural community, but I agree with you that we have to look at some other means at this point for funding it on the county side, because I don't think that most of the counties could participate in this program. And you've got a lot of counties that have very few...very little population now. [LR226]

LARRY DIX: You know, when you start talking about even some of the dollars, and let's take the smallest of small counties. We've got 11 counties under...that have less than 1,000 people. [LR226]

SENATOR CORNETT: A thousand people. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

LARRY DIX: Right. I mean that's a...when I tell that story nationally, people just can't believe it. [LR226]

SENATOR CORNETT: How many do we have less than 500? Three? [LR226]

LARRY DIX: So...I think we have 3 or 4 less than 500. And so...and say we had, for whatever reason, a small business locate in one of those counties, and we had 4 or 5 people come in and say I want my tuition paid back. There's no levy authority. There's no way that the county could even do it, even though they would want to so bad, to build some economic development in the counties. They just couldn't do it. [LR226]

SENATOR CORNETT: Well, you know, last year when we cut state aid to cities and counties and NRDs, I had counties saying you're taking \$10,000 from me. We can't do...you're killing us. And if that small of amount, really, if you think about the size...geographic size of a county, I think you are going to have to look at alternative funding sources to do something like this. [LR226]

LARRY DIX: I agree. I just...I don't think. The way Nebraska law is set up, and if we would...if we were to bring the Kansas program to Nebraska, I don't think there would be a lot of county boards that would say I can't wait to pass this resolution. I mean, it just isn't in the cards... [LR226]

SENATOR CORNETT: I think you'd only see those... [LR226]

LARRY DIX: ...the way our tax laws are. [LR226]

SENATOR CORNETT: I was going to say I think you'd only see the larger counties. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

LARRY DIX: Probably. And that isn't saying anything negative. [LR226]

SENATOR CORNETT: That's not a bad thing, but that's not helping the truly rural.
[LR226]

LARRY DIX: That's right. But that's...that's just the way our tax law and our tax structure is in the state of Nebraska. [LR226]

SENATOR CORNETT: Questions from the committee? [LR226]

SENATOR SULLIVAN: You said you...there are 16, 17 people in your office, the majority of whom have come from rural Nebraska. It does beg the question, why couldn't your office be located in rural Nebraska? (Laugh) [LR226]

LARRY DIX: Well, by the nature of what we do, you know, it's pretty difficult to do what we do and not be almost across the street from the Capitol. But I was just going through those in my mind, just going through every staff member. I mean, we have staff from Minden and Albion and Butte, Boyd County. I mean, we've got them from some of the largest counties or from some of the smallest to the very, very smallest. But that's where everybody tends to come from. And I've got to tell you as an employer, especially in...this is crazy as it sounds, but as an employer of a computer company, I would tell you I look for people from small communities to come and work in that environment because they love to communicate back to the small communities, but they don't feel they want to move back to the small communities. But they love to interact with them.
[LR226]

SENATOR SULLIVAN: We have to remember that we don't want to kill the gold...the goose that's laying the golden egg! (Laugh) [LR226]

LARRY DIX: Right, right. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR HADLEY: Larry, thank you, and I appreciate your comments because, you know, every state is unique. Every county is unique. And I think it behooves us to think out of the box as to how we potentially might do this. And I think over the years we've done that with the Advantage and the Super Advantage, and things like that. And we've tweaked them and we've made them work. So I think rather than looking at this as a stumbling block, I think it's just a way that we just are going to have to figure out a different way. And I would hope maybe some of the partnerships might be with the colleges and universities. And, you know, I thought to myself, we passed the bill, the internship bill, that we're going to help companies have interns. Well, we passed that so that the student gets all excited, potentially, about moving to some rural area. Then find, you know, if we had this little extra tool, that might complement a bill that we've already passed. And that was kind of thinking out of the box with that internship bill. So I think we're building on things and these partnerships. And I would hope that postsecondary education would see this, that potentially they might get students who say, boy if I knew I could come back to my hometown area after I get done, sure, I'm willing to go off to Kearney or...by the way, Larry's one of our outstanding grads from Kearney State. [LR226]

LARRY DIX: From UNK. From Kearney when it was Kearney State. [LR226]

SENATOR HADLEY: I think there's a plaque here someplace. [LR226]

LARRY DIX: Yeah, right. (Laugh) Well, you know, and I don't want anybody to misinterpret it, because NACO is on board with trying to build these rural communities. And I think if you go back legislatively and look at it, you know, a few years ago, we passed some legislation for beginning farmers to...so that we could allow them some tax breaks which came directly from counties. And NACO supported that. So I don't want anybody to miss that point. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR CORNETT: My only point was I don't think that most of the counties are in a position to do this without some type of a partnership. [LR226]

LARRY DIX: I agree. [LR226]

SENATOR CORNETT: From everything that has occurred over the last few years. [LR226]

LARRY DIX: I would agree. I wholeheartedly agree. Absolutely. [LR226]

SENATOR CORNETT: Further questions? See none. [LR226]

LARRY DIX: Thank you. [LR226]

SENATOR CORNETT: Next testifier. [LR226]

DAVID BELL: I'm David Bell. I'm an economic developer in Columbus, Nebraska. I've got some other titles, but you'll see that on the cards. You did say earlier that if someone wanted to say me too, I will do that. I'll say me too and I support the testimony that you've heard tonight. Rex...Mr. Pollard and Mr. Nelson are peers of mine. I respect both those guys and I would also like to offer if you ever have an opportunity for a think tank or other kinds of input, there's no issue greater than rural community survival that's dearer to my heart, so. I've been in rural economic development for 34 years, grew up on a farm, so I understand where you're coming from, and what you're up against. So unless you have a question or two, I'll step aside and let... [LR226]

SENATOR CORNETT: Questions from the committee? See none, thank you very much. [LR226]

DAVID BELL: Good luck with your mission. I do support what you're attempting to do

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

here with LR226. [LR226]

SENATOR CORNETT: Next testifier. Could the remaining testifiers start moving towards the front of the room? Okay, last but not least. (Laugh) [LR226]

EDUARDO TORIBIO: Good afternoon. I'm going to be brief. (Laugh) I wasn't planning on testifying but, you know, I agree with most of the things that the previous speakers have...their points of view. I think LR226, I think that's the number of the bill, doesn't go far enough. I think, you know, the student loans repayment incentives are...it's a good incentive. Tax income credits are good, too. But I think what we're really lacking here is we need to create jobs, opportunities in rural Nebraska. You know, I'm 32. I asked myself why I live in rural Nebraska. I live in Gibbon, you know. I asked my wife, you know, are there really opportunities that are worth for me to stay in this state, you know? I'm not from Nebraska. I move here in 2001. I got most of my education. I went to Milford, got my electrician degree. I worked for years and then I got into...anyway, that was not the point that I wanted, that I was trying to make. But I think we're lacking opportunities. People are not going to move into this state if they don't have the means to support their family. You know, I don't see those good jobs. It's not just the fact to create jobs, but good-paying jobs, something that pays, you know, at least \$14-\$15 an hour. I don't know how people can...I can't support my family earning \$10 an hour. That's just not going to happen. So we need good-paying jobs. If we look at ways we can increase revenue in this state, you know, we see we need agriculture, manufacturing, tourism. That's the three main big ones. Renewable energy can easily become second to agriculture. We have a lot of opportunities with wind energy, and we need to look into that. You know, that's going to bring a lot of extra income to all the counties. In...I have an idea to build wind farm in every county. You know, there's 93 counties in Nebraska, I think, and we should have a wind farm in every county so they can collect their tax revenues, that, you know, they can support the schools. They can pay for these incentives as part of...to match the state, or whatever the other 50 percent comes from. So I think we need to create more opportunities that's going to bring new

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

people into the state and to rural Nebraska. It's going to allow me to stay. I would like to work in renewable energy and...but I don't see those jobs. They're a very, very, very small amount of jobs. We had a graduate from Norfolk, the wind thing training program there, and they were telling me that they were looking at moving into Iowa, Wyoming, because there's not that great amount of jobs in wind energy here. So right there we're losing, you know, recent graduates, people in their early 20s that could be staying here and...but that was all my remarks. Do you have any questions? [LR226]

SENATOR CORNETT: Senator Sullivan. [LR226]

SENATOR SULLIVAN: Thank you, Senator Cornett, and thank you for your comments. My question isn't so much related to your specific comments, but I can't help but ask it because, you know, we lack a lot of ethnic diversity in this state. And I...but we are growing in diversity, and I think we can capitalize on that. And I think we are underutilizing them, and you've heard earlier in testimony that we have some jobs waiting to be filled. So how do we leverage education, ethnic diversity, and match them up with jobs that are available? [LR226]

EDUARDO TORIBIO: Well, I just found out from the lady from Holt County there is a lot of jobs there. Maybe I'll just move there. (Laugh) [LR226]

SENATOR SULLIVAN: What do you do in Gibbon? [LR226]

EDUARDO TORIBIO: Well, I'm self-employed. [LR226]

SENATOR SULLIVAN: Okay, okay. [LR226]

EDUARDO TORIBIO: I started this renewable energy company selling small wind turbines and solar panels. [LR226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR SULLIVAN: Uh-huh. Uh-huh. [LR226]

EDUARDO TORIBIO: But, you know, knocking door by door I've been told not in my backyard, or that kind of...I don't know. That kind of answer from...I think it's going to take time. But what I'm offering is not in demand right now in this state. Maybe in 5 years, maybe in 10 years, who knows? [LR226]

SENATOR SULLIVAN: Uh-huh. Uh-huh. [LR226]

EDUARDO TORIBIO: But we need to...I think we all need to work together. There is programs, there are some training program, for example, to train welders. [LR226]

SENATOR SULLIVAN: Um-hum. Um-hum. [LR226]

EDUARDO TORIBIO: This was by the Stimulus Plan, okay? We have \$3.4 million of this money available right now to train welders. So if Katana Summit in Columbus need welders, we can train those welders. If we need welders trained in Holt County, we need to talk to Northeast Community College. [LR226]

SENATOR SULLIVAN: Uh-huh. Um-hum. [LR226]

EDUARDO TORIBIO: I mean, we all need to find a way to interconnect, work together, and find solutions. So there's a lot of opportunities, you know. We just need to work... [LR226]

SENATOR SULLIVAN: Match them. [LR226]

EDUARDO TORIBIO: Yeah, match them. Correct. [LR226]

SENATOR SULLIVAN: Thank you. [LR226]

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Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR CORNETT: Further questions? [LR226]

SENATOR BRASCH: I'm sorry, I did not catch your name when you...did you give us your name? [LR226]

SENATOR CORNETT: He wrote it down. It's Eduardo? [LR226]

SENATOR BRASCH: He wrote it down? [LR226]

MATT RATHJE: Yes, I have it. You can say it for the record. [LR226]

EDUARDO TORIBIO: Okay. Now my first name is Eduardo, E-d-u-a-r-d-o. [LR226]

SENATOR BRASCH: Eduardo. [LR226]

EDUARDO TORIBIO: And I'm from Lima, Peru. It's a big city, 8 million people. I came to Nebraska. I got married here. I like it here. I want to stay here. But if I can't meet my...I can't support my family, I'm not going to stay here. So hopefully we'll come up with some answers so you're not going to lose another person, you know, in this state. [LR226]

SENATOR BRASCH: And perhaps we need a statewide jobs posting, not just in the community. Maybe that...because I know Cuming County, Garry Clark was here. We...in fact, I think Smeals, at one point, was paying for people to go to school to become welders. We were looking for welders there. And so you can find that. Back to wind and solar energy. I believe wind is still unreliable and expensive. I went to an energy day-long seminar this summer and that solar is truly more cost-effective. And then we are a public power state. So the job market might be slow to grow in that, possibly, in the state. But there are opportunities for that as well. Any...what about technology?

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

What are your thoughts? Would that be something that you feel you have enough training in? Background? [LR226]

EDUARDO TORIBIO: Well, I was working as an electrician, and some recruiter from California came to Milford and they said, you know, move with us. Let's go to California to join the solar revolution. So I got my interest. This was in 2002, and say why are not we doing that in Nebraska? And I didn't find any real resources. [LR226]

SENATOR BRASCH: Okay. [LR226]

EDUARDO TORIBIO: You know, the...so it's just going to take time for us to build that industry, new industry. But manufacturing, we can build manufacturing facilities along the Burlington Railroad, you know. I mean, we can be producing the towers, the turbines, the solar panels...they're going to be in demand, you know. We don't know when, exactly, but we're going...that's going to be part of our future. So there's a lot of opportunities to build jobs in manufacturing, too. And, you know, living in rural Nebraska should not be a disadvantage. It's not a liability. Sometimes I have to defend why I live here. But if you can help me find an answer to that question, then I think we're all going to be happy. [LR226]

SENATOR BRASCH: Thank you, Eduardo. Thank you. [LR226]

SENATOR SULLIVAN: Thank you. [LR226]

EDUARDO TORIBIO: Thank you. [LR226]

SENATOR CORNETT: Next testifier. [LR226]

SHAWN KASKIE: (Exhibit 10) Hello, my name is Shawn Kaskie, S-h-a-w-n K-a-s-k-i-e. I would like to thank the Revenue Committee for investigating this very important

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

legislative incentive for our struggling Nebraska rural communities. I am here testifying in support of the concept of LR226. I am currently the director of the Center for Rural Research and Development at the University of Nebraska at Kearney, but my comments today are purely a reflection of my experience in the area of rural economic development, and not necessarily those of the University of Nebraska. I am a certified professional community and economic developer, business retention and expansions consultant, community development block grant administrator, and next level entrepreneurship guide. I've taught entrepreneurship classes in rural Nebraska to high school students and the EDGE course. I have 15 years' experience...13 years' experience teaching, consulting, and facilitating topics related to rural economic development in 60 communities over a dozen rural Midwest counties throughout Nebraska, Illinois, Wisconsin, and rural Papua, New Guinea as a rural development Peace Corps volunteer. I have a master's degree in regional planning and a certificate in community development from the Illinois Institute for Rural Affairs. Although I grew up in Papillion, Nebraska, and Bellevue, in fact, I'm a military brat. So, I went to Hastings College where I met my wife who is from Loup City, Senator Sullivan's district, population of 1,000. The county population is less than 3,000. It's about 60 miles north of here, Sherman County. I fell in love with Sherman County and the area, getting to know my wife through college. That's why, when I was offered a job as Sherman County's first economic development director, I accepted, and we boomeranged back from Wisconsin from Nebraska. To do this, I took a 20 percent cut in pay and benefits. I was a university employee in Wisconsin. There, I struggled. We...I worked really hard, like some of my other colleagues in small economic development counties that you've heard testify before me. I'm trying to put together economic development incentives. They have a very challenging job at the university. We support them with all of the technical assistance and tools that we can right now but it's still a very tough job. So, while more incentives are required, one case I'd like to bring up: when I was the economic development director in Loup City three years ago, we worked to get an IT company. We reformed an old Carnegie library that was in Loup City. They retrofitted it. We put them in touch with several state programs, and they did start an offshoot. It's

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Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

called Xpanxion Technologies of Kearney, and they put part of their quality assurance team in Loup City. But again, like my colleagues before me, they had a hard time recruiting individuals to go back there. So I have a story, a real story, but again, back to my wife and I. After a few years in Loup City, we...the job is challenging so I was actually looking to leave the state again to go back to another university system. And were it not for this position at UNK opening up, I would have left the state again. However, that being said, if there were some incentive like the Kansas bill, not necessarily with these same exact incentives as the Kansas bill, we probably would have left the state again. But if we had...my wife and I both have outstanding student loans from the University...from Nebraska state incentives. We would have, the way the Kansas bill is written, we would have been eligible for both, living in Wisconsin, both the student loan incentive and the income tax incentive because we were living out of the state, those sorts of things. So, also, in my role as a University...in Illinois and Wisconsin I was in rural development in those areas, I've surveyed hundreds of youth on this very topic, and in most cases, they're an interest. And as my colleagues said it before me, it's an issue of public relations campaign that some of the senators have mentioned, and I am very much in support of that as well. That is necessary. There are already some of those things in motion. There's a group called Unite Nebraska, and it's connecting young professionals groups that have already started on those tracks. That could be investigated as part of your study as well. Furthermore, the gentleman from NACO earlier talked about other models. There are others out there. The state of Wisconsin, where I was an employee before, also does have a countywide sales tax, so there's a little bit more leverage they used. When I was there I helped tour...the community-based tourism develop. They were able to slice a chunk of that based on the type of business. If you were a "tourism type business" you could access some of those funds for advertising outside of the county. So, a potential model would be instead of tourism, make it for people recruitment or alumni recruitment. So there are some other models that are out there, based on my experience in other states. Again, I'd like to thank the Revenue Committee for the opportunity to testify on this critical topic, and thanks for your...thanks for investigating this study. [LR226]

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Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

SENATOR CORNETT: Let me play the devil's advocate for a moment. You live in Wisconsin. You take a 20 percent pay cut to move to Nebraska who has a program like this in effect. You get 30 percent of your student loan paid back, and you get exempted from your state income tax. That's got to make up for the 20 percent pay cut, correct? What is to keep you here at the end of 5 years? Do we put a clawback in? [LR226]

SHAWN KASKIE: That's a good question. I don't have an answer for that one, but that would be something to consider. But again, I guess, I would...I guess on the other side of that is the hope that getting the whole thing about getting in there is half the battle. And so I would say that again we were close, so the timing was great that another position that enticed me, I was able to stay. So the longer that you are here, the longer that it is that you're going to by our colleagues in Holt County, 120 job openings. And so the positions are there. There are more and more opening, I think, as Senator Brasch mentioned, the 9 percent employment rate, so the longer that you can keep them here, the more likely it is that they're going to fall into one of those more local positions, because we didn't want to leave, but we were very close to leaving. So if you're here for 5 years, it would have likely kept us, because we were right on the bubble of that decision. So if we would have continued for the 5 years to get 20 percent of the student loans which we both had, it would have, could have kept us here longer instead of shorter. [LR226]

SENATOR CORNETT: So you wouldn't see a problem with a clawback aspect. That after you've gotten 5 years of no state income tax and loan forgiveness, that if you choose to leave, then, you'd have to pay back a percentage of that amount, similar to your student loan for...your student tuition forgiveness programs. [LR226]

SHAWN KASKIE: Right. [LR226]

SENATOR CORNETT: Because with the...we don't want them here for 5 years,

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Transcriber's Office
Rough Draft

Revenue Committee
September 15, 2011

because Nebraska is not going to pay as much as other states, necessarily. We do have advantages of the "good life" and, I agree, we have a different environment than a lot of other states. But you get 5 years' experience, you get your student loan paid off, a good percentage of it, then you take the job in another state that pays 20 percent or more. [LR226]

SHAWN KASKIE: Right. I guess if the contract is set up for 5 years I would personally not support the clawback provision, so. [LR226]

SENATOR CORNETT: Even though there is something like that in all of our tuition forgiveness programs for med school, nursing, dental. [LR226]

SHAWN KASKIE: That may be the case, so. That's just my personal opinion, again. Thank you. [LR226]

SENATOR CORNETT: Further questions. [LR226]

SHAWN KASKIE: Thank you. [LR226]

SENATOR CORNETT: Thank you very much. [LR226]

SHAWN KASKIE: Thank you. [LR226]

SENATOR CORNETT: Is there anyone else wishing to testify? I think that concludes the hearing today, and I want to thank everyone for joining us today. (See also Exhibits 1-6) [LR226]

SENATOR HADLEY: Want to thank the University of Nebraska-Kearney for a wonderful facility, and... [LR226]

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Rough Draft

Revenue Committee
September 15, 2011

SENATOR CORNETT: Oh, definitely. Thank you very much. [LR226]

SENATOR HADLEY: And thanks, Burt (phonetic). [LR226]