



PUBLIC REPORT
JULY 2019

GROWING THE GOOD LIFE

Working to create a new standard of sustainable economic prosperity for all Nebraskans.

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LETTER FROM THE CO-CHAIRS

We are proud Nebraskans. We love our state and its people. We also see the great power of Nebraska's land and location, especially as business leaders. Yet, the longer we've lived in Nebraska, the more we've realized that this state has some systemic challenges that may inhibit future generations from enjoying the good life that we know and love today. We feel compelled to take bold action.

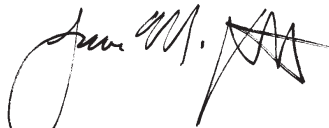
Blueprint Nebraska is an organization of diverse business, industry, and civic leaders who have come together from across our state with the common goal of making sure that the Nebraska of tomorrow is even better than the already wonderful Nebraska of today.

Since April 2018, we have been developing a statewide economic development blueprint for the next decade. Throughout this process, we have been especially grateful for the input and generosity of Nebraskans. We held more than 60 events with over 2,000 participants in more than 30 regions of the state. We have received input via a community survey with nearly 5,000 participants. We have benefited from input from over 320 Blueprint Nebraska advisors.

We thank you all. This blueprint — and the economic prosperity that it engenders — is thanks to you. The blueprint puts us on the path to living the good life, only better, by 2030. The 15 high-priority initiatives are bold individually and as a set. They range from promoting diversity and inclusion to realigning Nebraska's tax structure to promote statewide economic growth and prosperity. They address our people, our places, our government, and our sectors.

We acknowledge that we have much hard work ahead and that our efforts will require a lot of ingenuity and collaboration among key stakeholders. In particular, Nebraska's business community has a duty to help bring out the best in our state. We hope that you will see yourself in the pages that follow and will let us know if you would like to become, or remain, involved. We look forward to continuing to actively engage with you.

Together, we will propel sustained economic prosperity for all. It is at once that simple and that challenging, and we look forward to the 1.9 million Nebraskan success stories from each and every one of you.



Lance M. Fritz
Chairman, President and CEO
Union Pacific Corporation



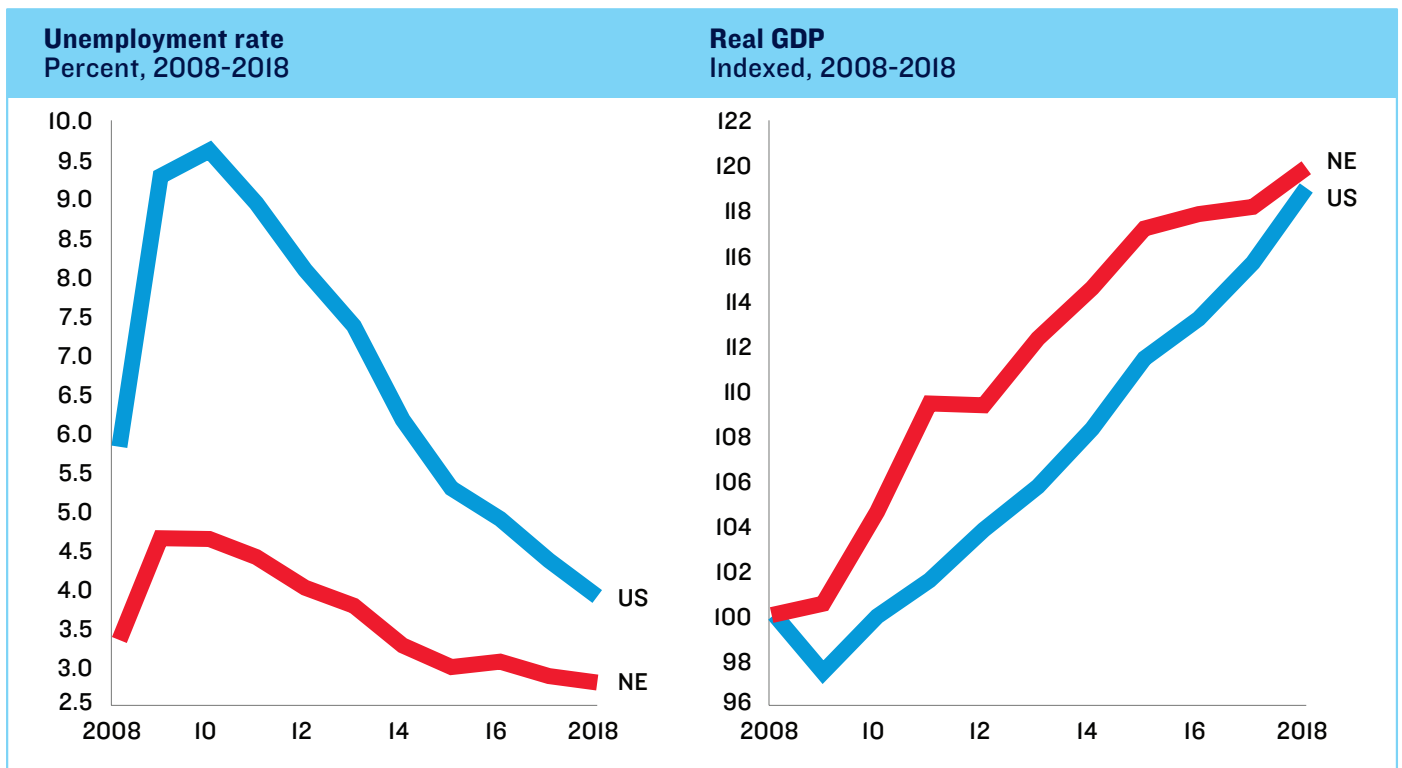
Owen Palm
CEO
21st Century Equipment

CHAPTER I – ECONOMIC CONTEXT

OUR ECONOMY

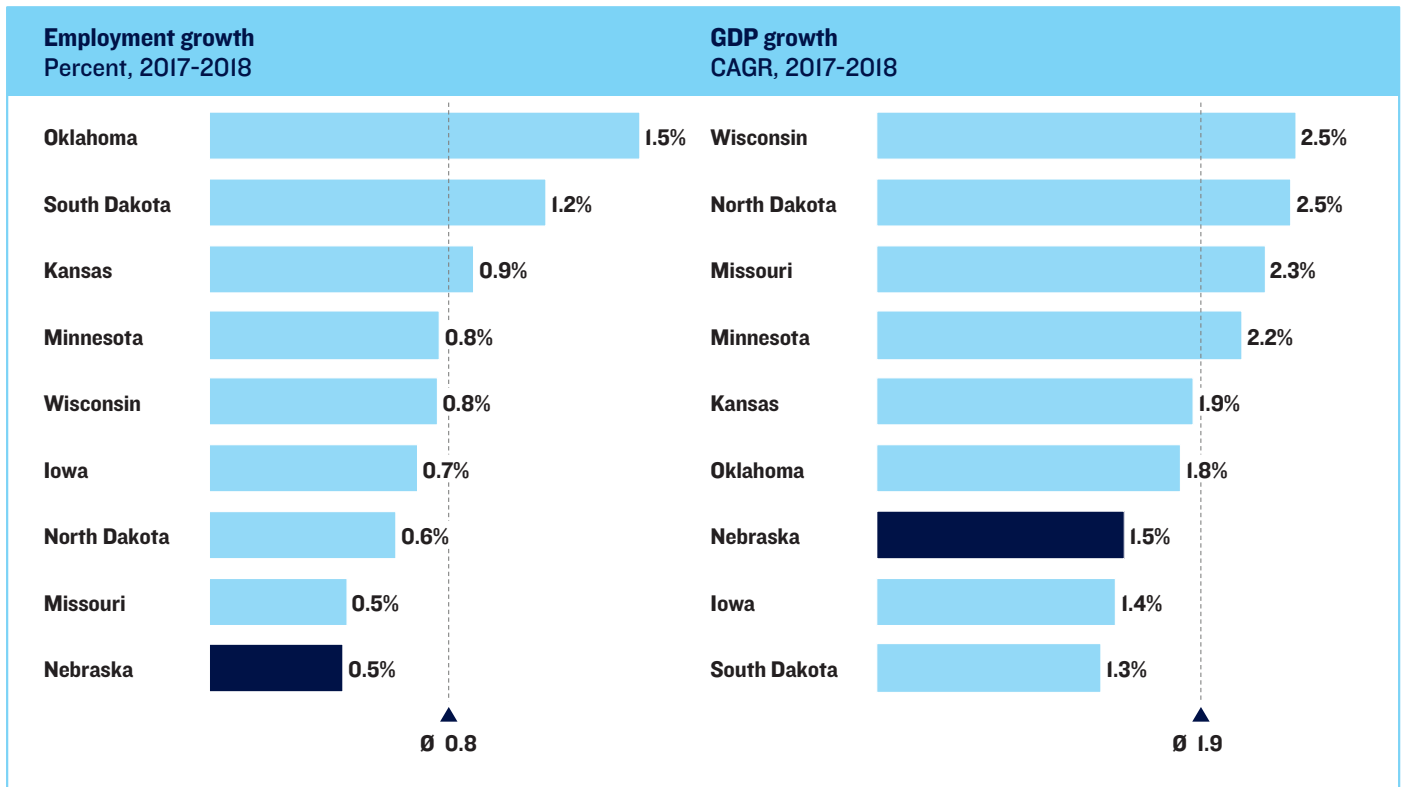
The recession at the beginning of the 21st century was one of the most challenging economic periods in U.S. history. But, while most of the nation saw nearly double-digit unemployment rates, Nebraska's strong labor market weathered the recession and kept unemployment around 5% or lower. The road to recovery has also been smoother for Nebraska, as it has experienced much higher GDP growth than the U.S. economy (Exhibit I).

Exhibit I: Nebraska's economic performance before and after the recession¹



But the state's economic performance faces mounting challenges. Last year, Nebraska had the lowest employment growth among peers and below-average GDP growth (Exhibit 2).

Exhibit 2: Employment and GDP growth relative to peers²



A stagnant farm economy, produced by a decline in commodity prices and agricultural income, has played a significant, if not primary role, in Nebraska's recent economic struggle. The economic slowdown can also be attributed in part to challenges that Nebraska has with key drivers of economic growth:

- Talent: negative net domestic migration³
- Innovation and entrepreneurship: low levels of entrepreneurship⁴
- Business climate: high corporate, income, and property tax rates⁵
- Sectors and clusters: low levels of productivity⁶
- Physical and virtual infrastructure: limited public transit and uneven broadband coverage⁷

OUR ASSETS

Nebraska has a rich history of success, powered by the state's most important assets: our people, land, and location.

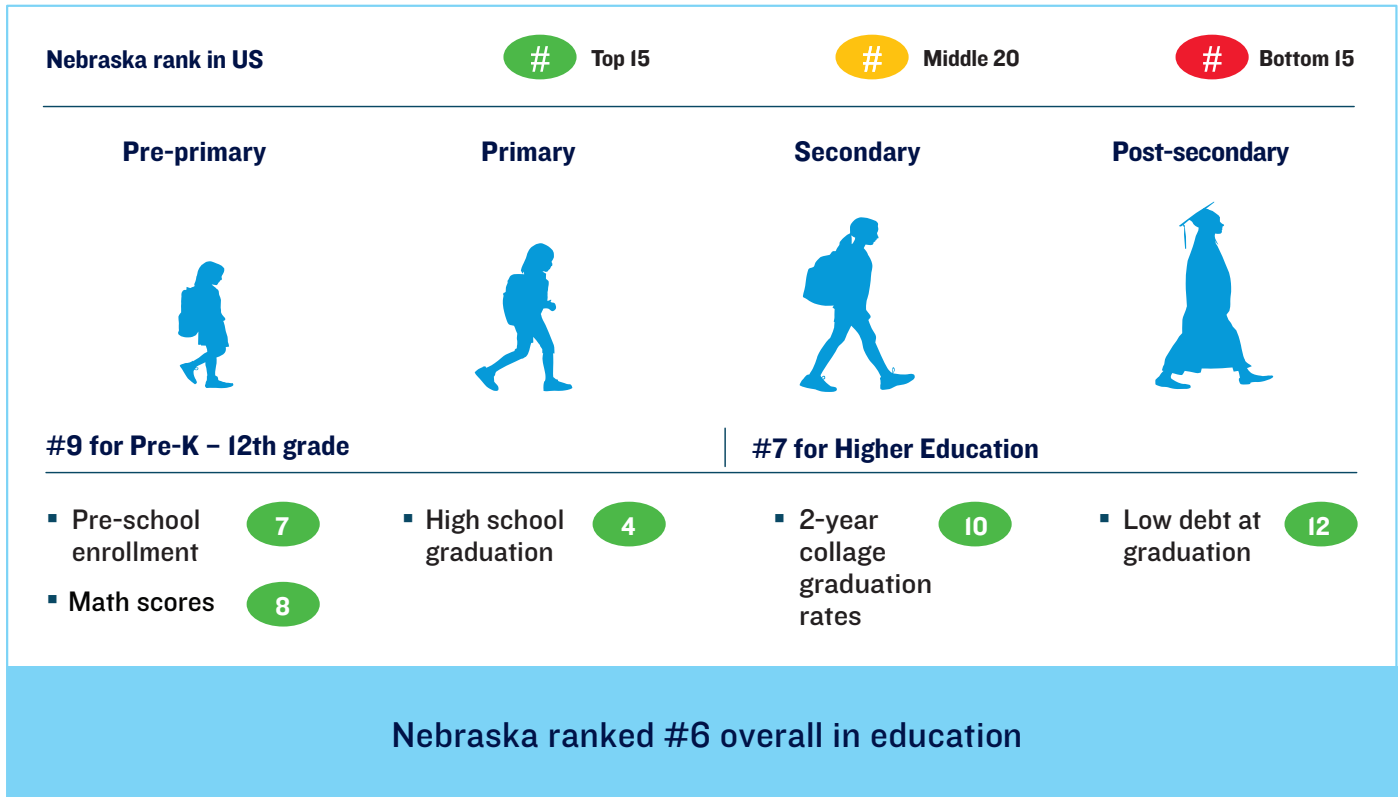
PEOPLE

Nebraska's success today is the direct result of the pragmatism, work ethic, and ingenuity of its people. While less densely populated than many states, Nebraska's 1.9 million dedicated group have shown they can build one of the country's strongest and most resilient economies and even stronger, more resilient communities.⁸ We need look no further than Nebraskans' quick and generous response to 2019's catastrophic flooding to see what makes our people special.

The state's labor market ranks among the most successful in the country. The unemployment rate stands at 2.9% — tied for #9 lowest.⁹ Nebraska also has one of the highest labor market participation rates — 69.6%, meaning that working-age Nebraskans contribute daily to our state's economic growth in higher numbers than people in many other states do.¹⁰

A strong education system powers this labor market success. Nebraska ranks #6 among state educational systems and ranks #4 in the country in high school graduation rates¹¹ (Exhibit 3).

Exhibit 3: Education rankings¹²



LAND

Nebraska is blessed with unmatched land resources. Its geography is unique, with elevation ranging from below 1,000 feet to above 5,000 feet, making Nebraska ideal for different types of agriculture.¹³ Nebraska sits on the Ogallala formation, one of the world's largest aquifers.¹⁴

Describing his native state, *National Geographic's* Paul Jordan recalled: "The prairie comes right up to the friendly cities and embraces them. Windmills spin beside picture book red barns. Cattle graze on rich pastures."¹⁵

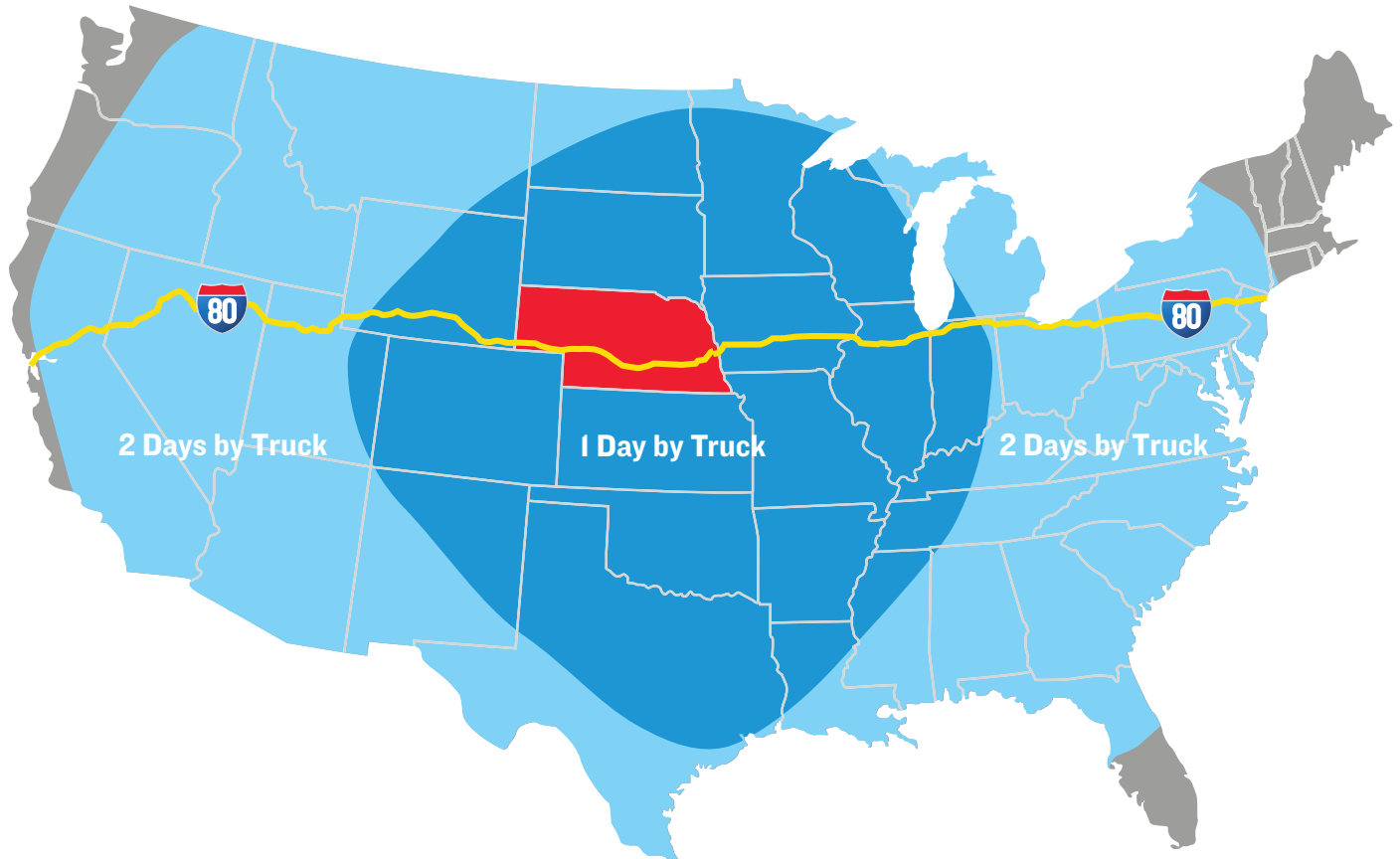
In fact, the land has long buoyed the state's success. Farms and ranches occupy about 91% of the land — 45.2 million acres. With over 23 million acres of rangeland and pastureland, Nebraska, not surprisingly, leads the nation in beef exports (\$1.26 billion).¹⁶

The state's crop and ethanol production are equally impressive. Nebraska is the #2 U.S. producer of hay, pinto beans, and ethanol.¹⁷ Across all states, Nebraska ranks #5 in total agricultural GDP — a gigantic feat considering that much larger states, California and Texas, rank #1 and #2, respectively.¹⁸

LOCATION

While Nebraska's rich agricultural history and idyllic stretches of land capture the hearts of poets and lyricists, the state's physical location makes it a natural business hub for the rest of the country. Sitting in America's heartland, Nebraska is a natural conductor for the flow of goods across the country. The state is within a two-day drive to major cities of the East Coast, West Coast, Mexico, and Canada (Exhibit 4).¹⁹

Exhibit 4: Nebraska's central location²⁰



Home to the largest railroad in the nation and two of the top 10 trucking companies, Nebraska has long attracted companies seeking a strategic location near distribution channels.²¹ Today, Nebraska boasts one of the highest concentrations of Fortune 500 companies in the country.²² Many of the largest financial and insurance companies in the U.S. have taken advantage of Nebraska's central time zone to connect with businesses across the country. Flights from Nebraska can reach New York, Washington, D.C., Atlanta, Chicago, Detroit, Houston, Dallas, Phoenix, San Francisco, Seattle, and Los Angeles in four hours or less.²³ The state also has one of the most robust railroad infrastructures in the nation.

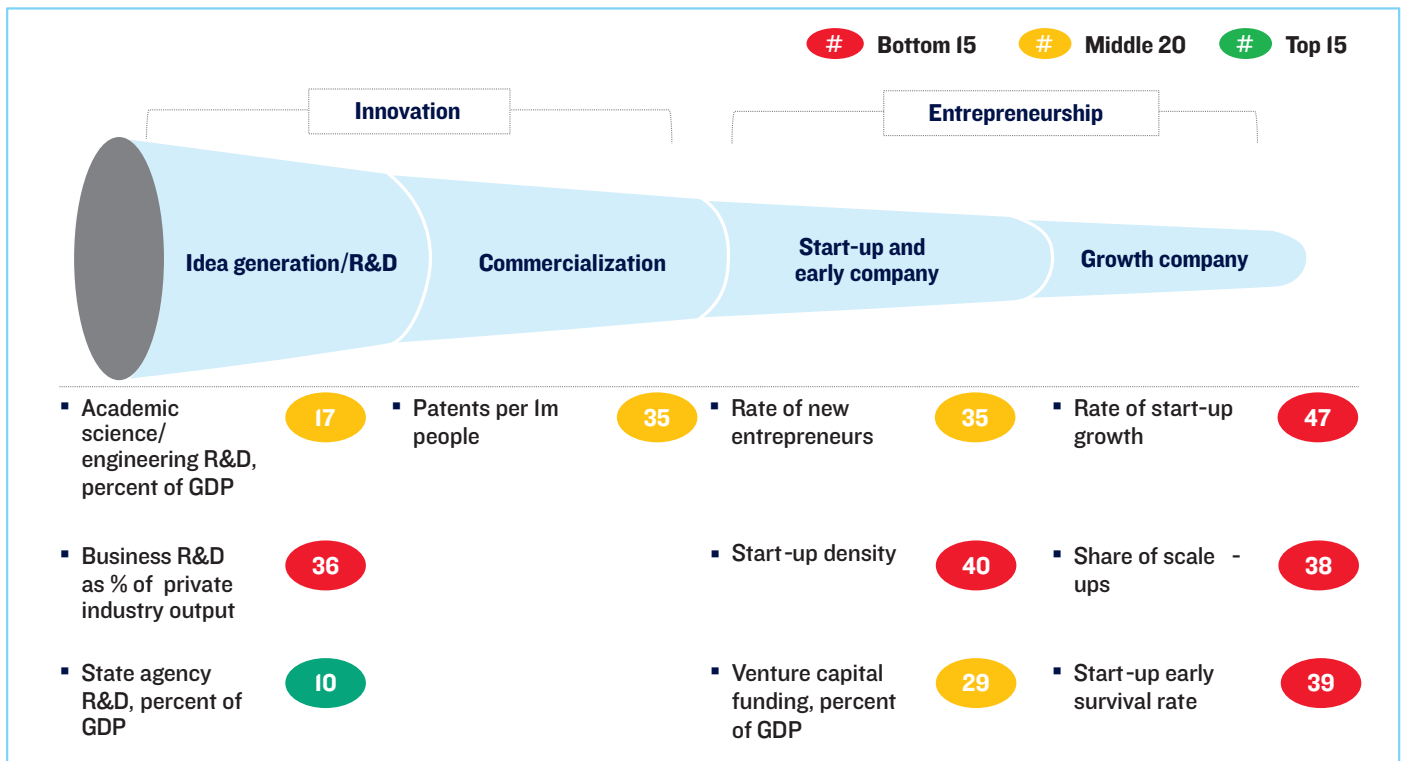
OUR CHALLENGES AND OPPORTUNITIES

Despite all of these strengths, Nebraska faces some challenges, particularly around innovation and talent, that need to be addressed.

INNOVATION

In recent years, Nebraska has not kept pace with peer states on metrics that assess how well we are fostering innovation (Exhibit 5).

Exhibit 5: Innovation rankings²⁴



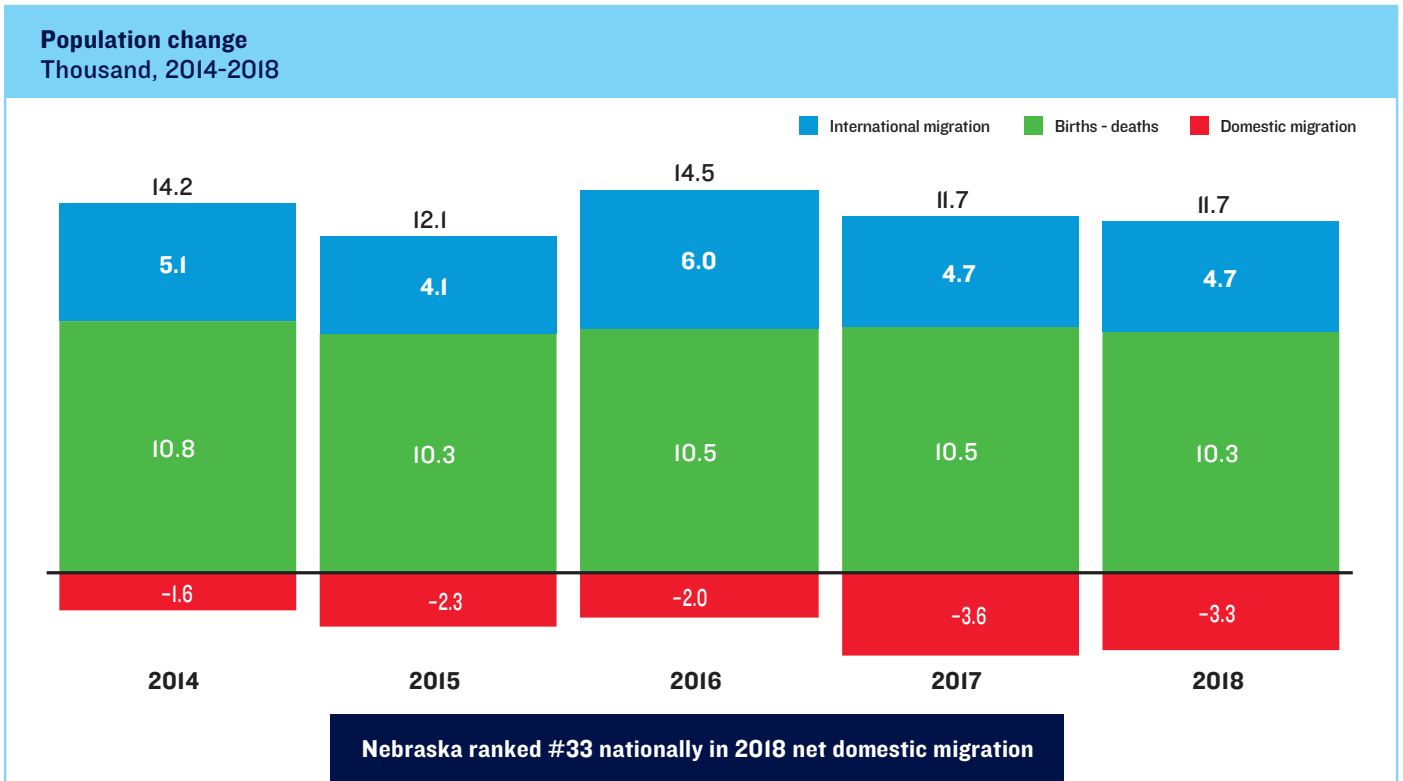
Innovation requires technological know-how and emboldened entrepreneurs. A strong labor market with science, technology, engineering and math (STEM) expertise is often a leading indicator of future success. In 2017, the share of STEM graduates in Nebraska's universities was low — ranking the state #36.²⁵ Nebraska ranked #35 in new entrepreneurs.²⁶

Furthermore, Nebraska's venture capital funding remains low compared to the rest of the nation. Ranking #29 for venture capital deployed as a percent of GDP, Nebraska has one of the lowest startup densities in the nation.²⁷ To remain a vibrant place for business, the state must create an environment that better enables entrepreneurs and their companies to succeed.

POPULATION GROWTH

Another challenge is Nebraska's difficulty retaining and attracting young talent. Ranked #39 among all states, Nebraska recorded one of the lowest growth rates (0.5%) for the population 25-29 years old from 2013 through 2018.²⁸ Nebraska is losing people in the war for talent to other states. In 2018, the state lost about 3,300 residents to other states.²⁹

Exhibit 6: Components of population change



We believe we have the assets and strengths to do better at retaining and attracting talent. As anyone who has made Nebraska their home knows, our state offers outstanding quality of life at an affordable cost of living, with ample jobs for everyone across multiple sectors.³⁰ But our talent retention and attraction challenges mean we must up our game — in housing; arts, entertainment, and recreation; education and job creation; physical and digital connectivity inside Nebraska and out; and cost of living.

Our people are our greatest asset. We must deliver for them. Blueprint Nebraska is for our people and by our people. The vision and initiatives outlined in the following pages draw on the perspectives and hard work of nearly 10,000 Nebraskans. We hope that all Nebraskans will join us on this journey and help us shape its trajectory.

CHAPTER 2 – OUR VISION FOR THE FUTURE

We must be bold, and the recent 150th anniversary of our state is the right time to come together as Nebraskans and celebrate our past and contemplate our future.

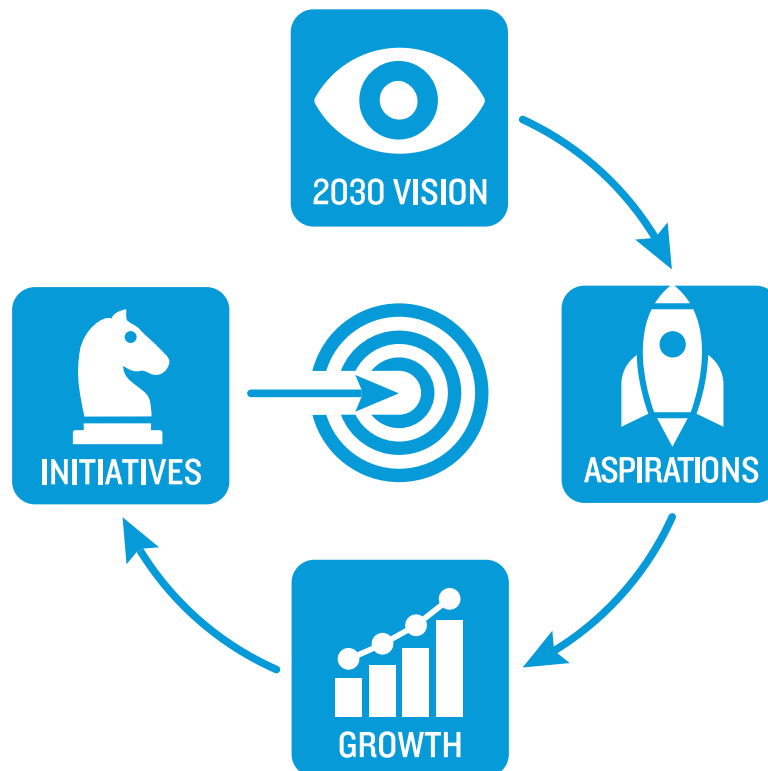
To ensure that we harness our strengths to continue growing and addressing the challenges that threaten our sustainable growth, a group of business, industry, agricultural, educational and civic leaders worked together to develop Blueprint Nebraska, a strategic plan aimed at creating a new standard of sustainable prosperity for all Nebraskans.

Since April 2018, Blueprint Nebraska has engaged local stakeholders in identifying the state’s core challenges and charting a roadmap toward pragmatic, strategic initiatives that can shape our future. With the help of over 320 advisors — an advisory council, industry councils, and more than 275 council members with sector expertise — Blueprint Nebraska identified over 60 potential initiatives.

Based on community engagement and feedback, including over 60 events with 2,000 participants across 30 regions of the state and a community survey of approximately 5,000 local respondents, we prioritized a portfolio of initiatives that have the highest potential for broad and relatively quick impact.

All of this feedback generated a shared ambition for Nebraska’s future that translated into a vision for 2030, five aspirations, and four growth themes, all supported by high-priority initiatives (Exhibit 7). The remaining 45 initiatives easily fell into the category of supportive initiatives, extremely important in their own right, that will both gain from and contribute to the final 15.

Exhibit 7: 2030 vision, aspirations, and growth themes³¹



2030 VISION: GROWING THE GOOD LIFE

Our people, land, and location will propel Nebraska to be the most welcoming Midwest state for youth, talent, investment, and commerce and a national model for continuous growth and prosperity.

Aspirations³²

- Blueprint Nebraska translates this vision into five aspirations — goals we must meet to realize our vision:
- Retain our workforce talent and prepare our workers for today's and tomorrow's jobs by **leading peer states in overall job growth**.³³
- Provide high quality of life that makes Nebraska attractive to a qualified workforce by **leading peer states in the quality-of-life ranking**.
- Attract new residents to the state by **leading peer states in building the population of 18-34-year-olds**.
- Enable the creation of high-paying jobs for Nebraskans in high-growth sectors through productivity improvements by **leading peer states in net, or cost-of-living-adjusted, median income growth**.
- Accelerate the adoption of technology across industries and unlock innovation that creates growth by **leading peer states in research and development (R&D) investment**.

Achieving these aspirations will fundamentally transform the economy of Nebraska and the livelihoods of Nebraskans (Exhibit 8).

Exhibit 8: Potential impact of accomplishing our aspirations³⁴

	Peer rank today (x/9) ¹	Today	2030 rank (x/9) ¹	2030	Potential impact ²
1 Overall job growth	#5	0.5% annualized	#1	0.7% annualized	25,000 additional jobs in 2030
2 Quality of life	#4	Ranked #4 among peers and #11 nationally	#1	Ranked #1 among peers and #3 nationally	One of top 3 best places to live in the country
3 Growth of 18-34 year-old population	#2	0.7% annualized	#1	1.4% annualized	43,000 additional 18-34 year-old population by 2030
4 Cost-of-living adjusted median income growth	#7	1.3% annualized	#1	2.7% annualized	\$15,000 in additional median annual income in 2030
5 R&D, % of GDP	#6	0.9% of GDP	#1	2.5% of GDP	\$200 million in additional R&D per year

¹ Peer states include: Iowa, Kansas, Minnesota, Missouri, North Dakota, Oklahoma, South Dakota, Wisconsin
² Additional beyond projections

Growth themes

- To achieve these aspirations, the strategic plan defines four growth themes, all supported by initiatives that the blueprint recommends implementing:
- **Powering our economy with people** by retaining residents, attracting new Nebraskans, and tapping our universities to equip people with the right skills.
- **Reimagining and connecting our places** with vibrant, livable rural communities and metropolitan areas.
- **Building a simpler, more efficient and effective government** that helps make Nebraska one of the most cost effective, simplest places to live, work, raise a family and start or grow a business.
- **Growing our most promising industry sectors** by developing high-wage, high-growth industries and boosting innovation.

Executed in concert, these growth themes and the 15 high-priority initiatives that will grow the good life promise to have significant, mutually reinforcing impact across the state (Exhibit 9).

Exhibit 9: Overview of Blueprint Nebraska’s initiatives and their potential impact

Theme	Initiative	Jobs	Quality of life	Young population	Income	R&D
People	▪ Scale public-private partnerships that deliver internships, apprenticeships, and customized workforce solutions	✓	✓	✓	✓	
	▪ Revolutionize all educational segments from early childhood to career	✓	✓		✓	
	▪ Promote diversity and inclusion to retain and attract talent, and connect communities across the state		✓	✓		
	▪ Launch a “Choose Nebraska” campaign		✓	✓		
Places	▪ Rejuvenate our communities, town centers, and meeting places through targeted investments	✓	✓	✓	✓	✓
	▪ Increase rural broadband access and make our large and small cities national models for rapid 5G network scale-up	✓	✓	✓		✓
	▪ Expand Nebraska’s transportation connectivity	✓	✓			✓
	▪ Build an additional 30,000 to 50,000 achievable, livable housing units		✓	✓		
Govt.	▪ Realign Nebraska’s tax strategy to promote statewide economic growth and prosperity	✓		✓	✓	✓
	▪ Reimagine government services by improving business climate and citizen experience	✓	✓		✓	✓
	▪ Optimize Nebraska’s incentives strategy	✓			✓	✓
Sectors	▪ Diversify, expand, and improve the productivity of Nebraska’s agri-business cluster	✓			✓	✓
	▪ Build a pipeline of tech founders in sectors linked to Nebraska’s core industries by creating entrepreneurship zones and innovation hubs	✓			✓	✓
	▪ Create a multi-partner manufacturing innovation center of excellence	✓			✓	✓
	▪ Develop fintech, banking, and insure-tech partnerships	✓			✓	✓

These initiatives will transform our state by 2030. In just one decade, these initiatives will:

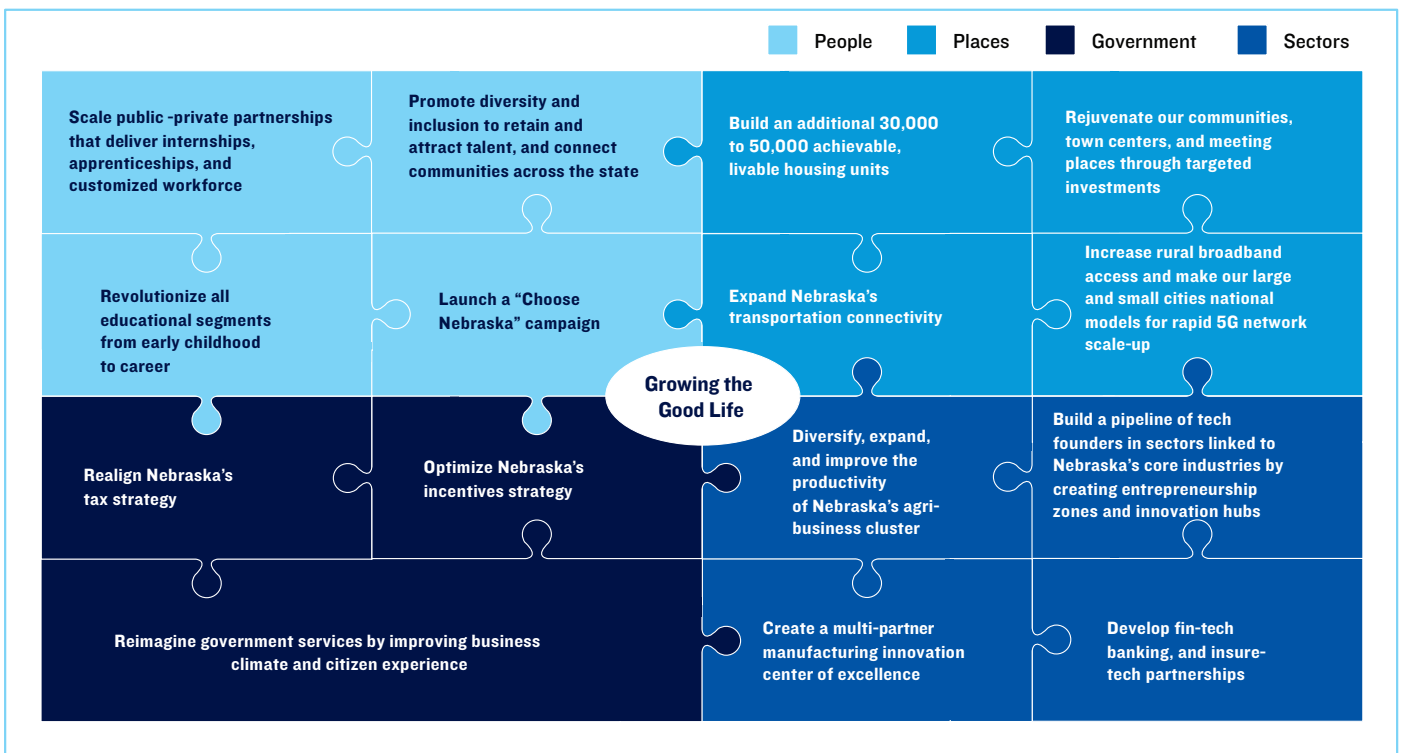
- Create the best odds in the country of landing a good job and enjoying a good life in Nebraska.

- Give Nebraska the best, mid-sized metro area transit; the most arts, cultural, and recreational opportunities per capita; and the most vibrant rural main streets in the country.
- Make Nebraska the easiest place to live, work, raise a family and start or grow a business, thanks to the most efficient state government in the country.
- Build the agricultural technology hub of the world, and make Nebraska the best place in the country to bring automation and other tech innovation to diverse industries.

In more concrete terms, by 2030, these initiatives will create 25,000 jobs and add \$15,000 to the annual income of every Nebraskan. The initiatives will make Nebraska a top 3 state in which to live and bring 43,000 new 18-34-year-old residents to the state. The initiatives will secure additional annual investment in R&D of \$200 million.

The growth themes and high-priority initiatives are inextricably linked. Each is integral to achieving our vision and our aspirations, and some will enable others. For example, promoting diversity and inclusion across the state can turbocharge our “Choose Nebraska” campaign, and vice versa. Each initiative is a piece of the larger puzzle of growing the good life (Exhibit 10).

Exhibit 10: Overview of linkages among growth themes and initiatives



We are proud to have united around a commitment to transform our state and implement these 15 initiatives. While we have much work ahead of us, we should celebrate the achievement represented by the blueprint. Our cross-sector, cross-industry, cross-party, and cross-community commitment to, and alignment around, our collective future is unprecedented. Our blueprint will realize the potential created by our people, land, and location and respond to the challenges that threaten sustainable growth in our state. We can create a new standard of sustainable prosperity for all Nebraskans — with continued collaboration by Nebraska’s citizens, business leaders, NGOs, and government.

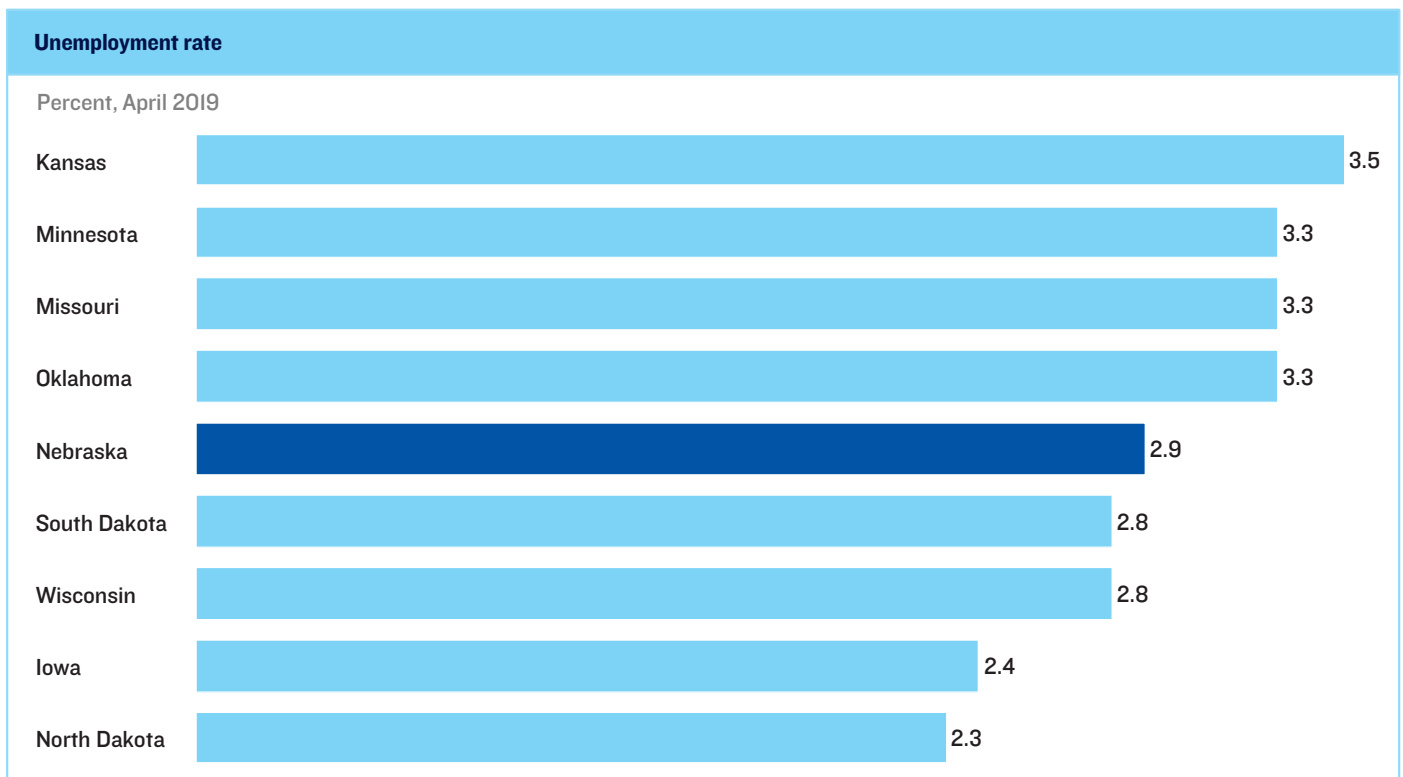
CHAPTER 3 – POWERING OUR ECONOMY WITH PEOPLE

Landscapes loom large in many descriptions of Nebraska. As an 1879 brochure described Nebraska’s rich fields and picturesque views to curious travelers: “You have only to tickle it (the land) with a plow and it will laugh a harvest that will gladden your hearts and make joyous your homes. The bright sky, pure water and clear, life-inspiring atmosphere of this region give to men and animals the vitality and inspirations of youth.”³⁵

But when travelers visit our state, they comment on more than our landscapes. They remark on Nebraska’s people — calling them friendly, unpretentious, and hardworking.

Today, Nebraska has one of the strongest labor markets in the country and, at 2.9%, the ninth lowest unemployment rate (Exhibit II).³⁶

Exhibit II: Unemployment rate by state

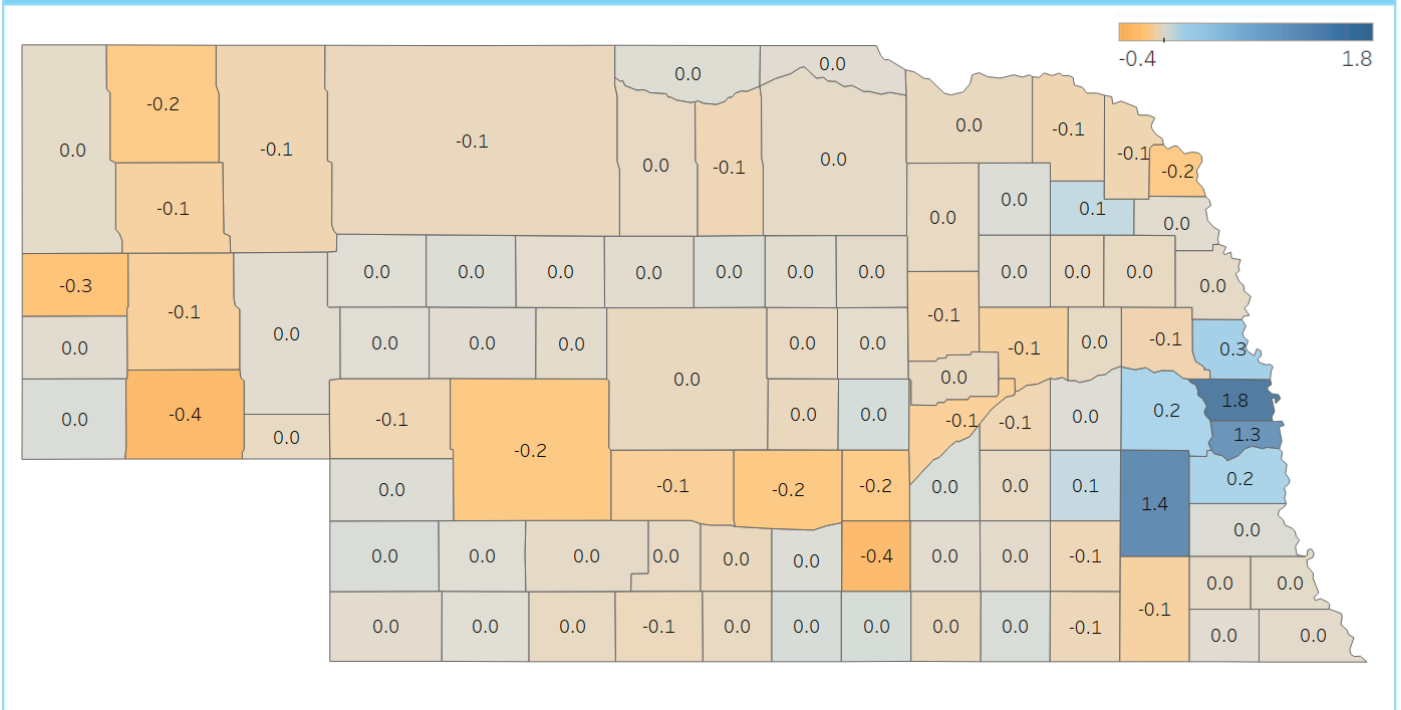


Nebraska owes much of its success to a strong educational system. Ranked #6 in education, Nebraska boasts stable school districts and strong post-secondary options through community colleges and four-year colleges and universities.³⁷

But we face challenges. Recent population gains belie the fact that 3,300 more people left the state than entered it in 2018, so Nebraska ranked #33 in net domestic migration.³⁸ This migration pattern affected many regions of the state (Exhibit I2).

Exhibit I2: Net migration by county³⁹

Net migration by county in Nebraska, thousand, 2018



We propose to continue powering our economy with people by increasing the top talent resident in our state, keeping unemployment rates low, leading the nation in PK-I2 and higher education rankings, and by continuing to make Nebraska a welcoming place for everyone. (Exhibit I3).

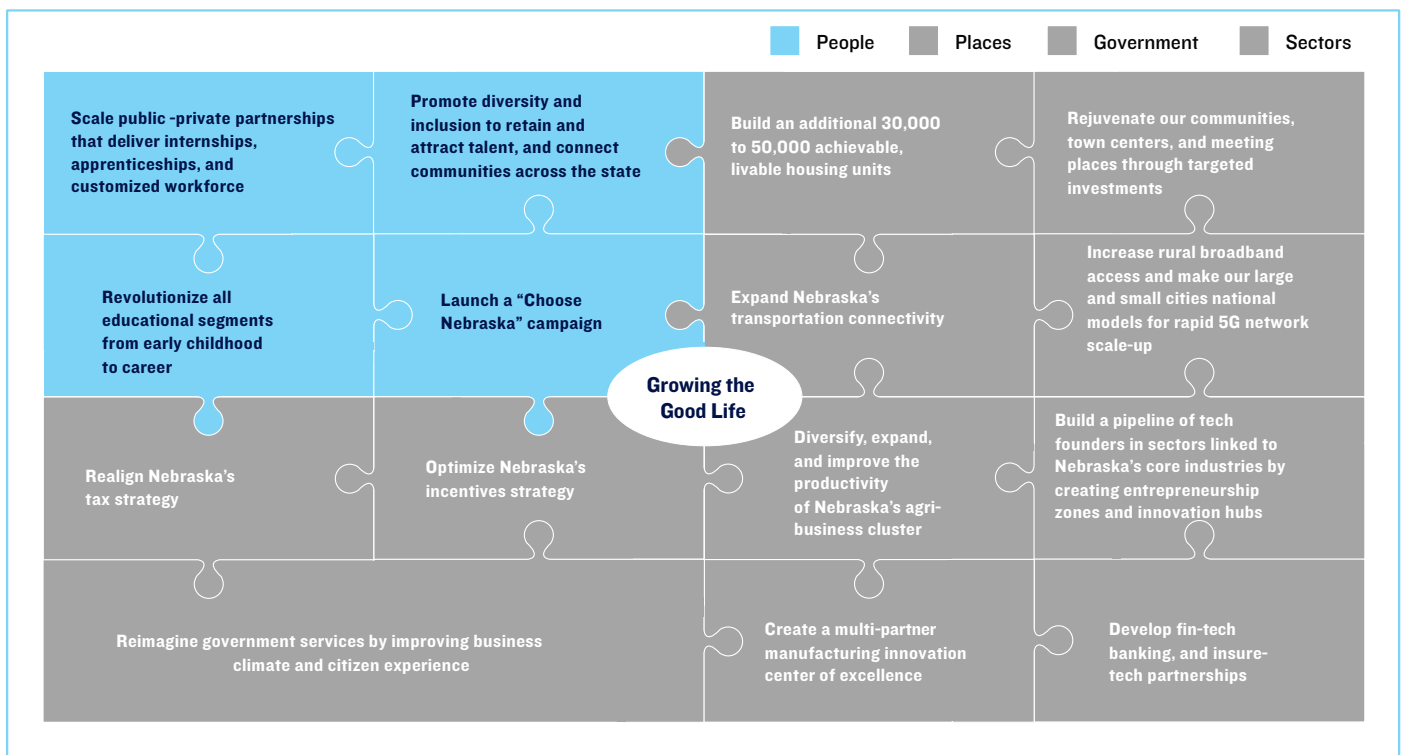
Exhibit I3: Powering our economy with people – growth theme metrics⁴⁰

Growth theme metrics	
Nebraska will measure progress by tracking the following indicators	
Indicators	Latest data
Growth in top talent (e.g., STEM)	#27 best state
Diversity and inclusion	#26 best state
Unemployment rate	#9 best state
PK -I2	#9 best state
Higher education	#7 best state

Nebraska needs to work for everyone — today and tomorrow — regardless of where they begin. To this end, we propose four high-priority initiatives (Exhibit I4):

- Scale public-private partnerships that create more internships and apprenticeships per capita and customized workforce solutions than any state in the Midwest.
- Revolutionize all educational segments from early childhood to career, making Nebraska the nation’s leader in lifelong learning and preparing people for the jobs of the future and prosperous careers in targeted growth sectors.
- Promote diversity and inclusion to retain and attract talent, connect communities across the state, and make Nebraska the most welcoming state in the Midwest.
- Launch a “Choose Nebraska” campaign that makes Nebraska the Midwest leader in attracting 18-34-year-olds.

Exhibit I4: Initiatives for powering our economy with people

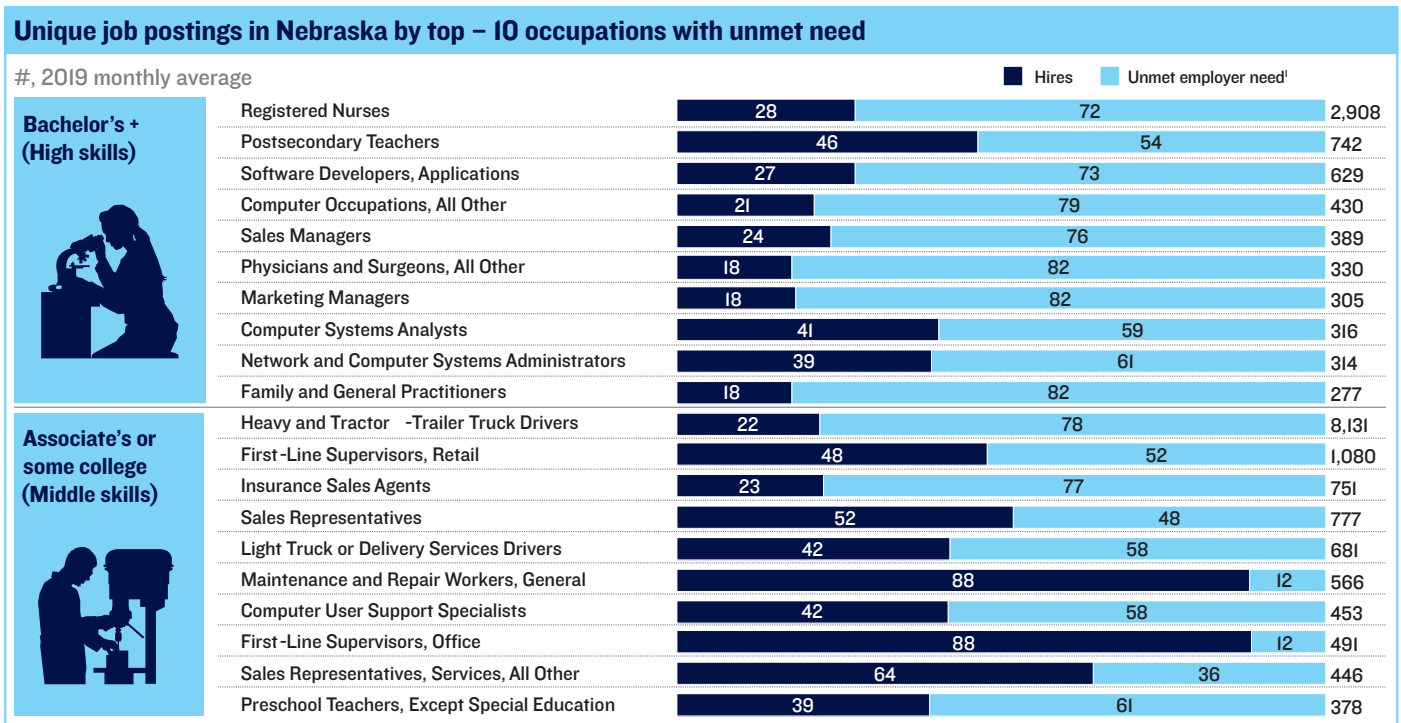


SCALE PUBLIC-PRIVATE PARTNERSHIPS THAT CREATE INTERNSHIPS, APPRENTICESHIPS, AND CUSTOMIZED WORKFORCE SOLUTIONS

Nebraskans have a strong work ethic, reflected in the state’s high labor force participation. The labor force is well educated, with 64% of Nebraskans having had some college education or more.⁴¹ With low unemployment and high labor force participation, the state offers a labor market model for the country.

But, while the quality and work ethic of Nebraskans are notable, low unemployment has also created a tight labor market. In January 2019, the state had four job postings for every unemployed person in Nebraska.⁴² We have unmet employer needs in a variety of middle- and high-skilled occupations (Exhibit I5).

Exhibit I5: Unmet employer needs by occupation⁴³



¹ Employer needs (i.e., unique job postings) not met by number of hires

One of the state's biggest challenges over the next few years will be retaining, attracting, and training people to fill the increasing number of positions created by a growing economy.

We propose scaling public-private partnerships that create more internships and apprenticeships per capita and customized workforce solutions than any state in the Midwest to meet the needs of expanding and relocating companies. When successful, this partnership will give our young people the best odds in the country of securing an internship or apprenticeship.

This initiative will require increasing collaboration between business and education and building upon the work of our chambers of commerce, educational institutions and state agencies to develop public-private workforce partnerships. This initiative will unify and scale current efforts to create a model public-private partnership for the country.

Because we have succeeded in quantity of jobs, we've earned the right to focus more on the *quality* of our jobs and our ability to prepare workers for and match them with those jobs. Nebraska has a small proportion of high-wage jobs compared with other states and pays lower wages for comparable jobs than competitor states do, even adjusted for cost of living.

Underutilization of Nebraskans in the labor market has resulted in an estimated annual loss of \$11 billion in wages and \$824 million in associated tax revenue.⁴⁴ Many people are unaware of career pathways and the evolving nature of Nebraska's labor market.

To create more internships and apprenticeships per capita, the initiative will:

- **Focus on business issues.** This effort will inform educators about in-demand occupations, offer tours, and provide career ladder information to students and Baby Boomers seeking

encore careers. The effort will require increasing collaboration between educational institutions and businesses to ensure that they develop the skills needed in an ever-changing workplace.

- **Foster agency-business partnerships.** Agency coalitions or collaborations are an effective means for businesses to learn about beneficial workforce programs and initiatives across the state and in their regions. This effort will work in concert with successful agency talent initiatives to enhance the support of businesses and to track outcomes. Such partnerships will also ensure awareness of and application to federal workforce programs and incentives, such as registered apprenticeships. For example, the EmployLNK model now replicated in Omaha, Norfolk, and Beatrice brings together agencies to speak to businesses with one voice.
- **Generate awareness among students.** Communities will embrace the use of STEM mobile labs, especially in rural areas.⁴⁵ Schools and more than 50 businesses will partner to connect students with job shadows, internships, apprenticeships, and jobs/careers, adding to what the Jobs and Extended Learning Opportunities website and other resources provide.
- **Increase the number of apprenticeships and internships.** This effort will direct more advertising to potential applicants (e.g., career fairs and digital marketing) to build awareness of apprenticeship and internship programs. It will also include commitments from many employers in the state to increase the number of apprenticeships and internships offered.

More specifically, to deliver customized workforce solutions, this initiative will:

- **Create an employer concierge.** The concierge should listen to business needs, connect multiple agencies, and assist with accessing relevant workforce resources.
- **Identify priority sectors for recruitment.** This will require working with the business community to identify priority industries that have unmet talent needs (e.g., ag-tech and fin-tech).
- **Identify skills in high demand.** Collecting input from businesses will ensure that the skills taught are meeting economic demand.
- **Strengthen education partnerships.** This will require partnering with local colleges, especially community colleges, to tap their expertise in designing and delivering training that widens the community college pipeline for H3 (high-wage, high-demand, high-skill) careers. This approach complements agency efforts such as the Developing Youth Talent Initiative that seeks to inspire middle-school students to explore careers in manufacturing and IT.
- **Create opportunities for unemployed and underemployed populations.** By building awareness, leveraging public- and private-sector solutions and more fully utilizing existing services, such as the Nebraska Department of Labor reemployment system, this effort will seek to fill jobs with the people we already have, starting with the unemployed and underemployed.
- **Create a value proposition for companies looking to expand.** This will require collaborating with the economic development community to create presentations highlighting the value of the programs offered and to assist in pitching them to companies contemplating expansion.

According to Area Development's annual corporate survey, the most critical factor for companies doing site selection is the availability of skilled labor.⁴⁶ Not finding the right local talent or battling high turnover can challenge a company of any size. But, with the right support mechanisms in place, Nebraska will help companies weather these challenges. The most successful workforce development programs have trained thousands of workers and updated the skills of millions.

Additionally, apprenticeships and internships are a proven way to build skills and increase productivity and wages. A study of registered apprenticeships in ten states found that people who completed an apprenticeship gained approximately \$8,000 in wages per year and more than \$200,000 over their lifetime.⁴⁷

REVOLUTIONIZE EDUCATIONAL SEGMENTS FROM EARLY CHILDHOOD TO CAREER

According to U.S. News Best States Rankings, Nebraska's educational system ranks #6 in the nation, thanks largely to a strong PK-12 system that prepares students from a very early age. The state ranks #7 in preschool enrollment, #11 in reading scores, # 8 in math scores, and #4 in high school graduation rates.⁴⁸

But many high school graduates in Nebraska are inadequately prepared for college or the labor market. The state ranks #28 in college readiness and #24 in four-year college graduation rates.⁴⁹ Employers consistently say that graduates do not always bring the cognitive or noncognitive skills needed to succeed in the workforce.

We propose revolutionizing all educational segments from early childhood to career, to make Nebraska the nation's leader in lifelong learning and preparing people for the jobs of the future and prosperous careers in targeted growth sectors, from early childhood to career. This initiative will require improving early education and increasing post-secondary readiness. This, in turn, will also require understanding the current situation (e.g., further developing the longitudinal data system), scaling our STEM talent, and optimizing our governance and funding.

More specifically, this initiative will:

- **Improve early childhood education.** This will require increasing state funding for early childhood education, with a focus on ensuring the availability of services in childcare deserts. This will also require launching a statewide effort to increase support for early childhood teachers by promoting the need to increase wages, improve the quality and content of early childhood education preparation programs, increase opportunities for supervised internships and student teaching, and provide ongoing professional development that is rigorous and relevant.
- **Increase post-secondary readiness.** This will require convening policymakers around increasing coordination and alignment on academic rigor between K-12 education and the post-secondary education system, including revising education governance, if needed. This will also require ensuring the quality of early credit classes and the portability of the credits.

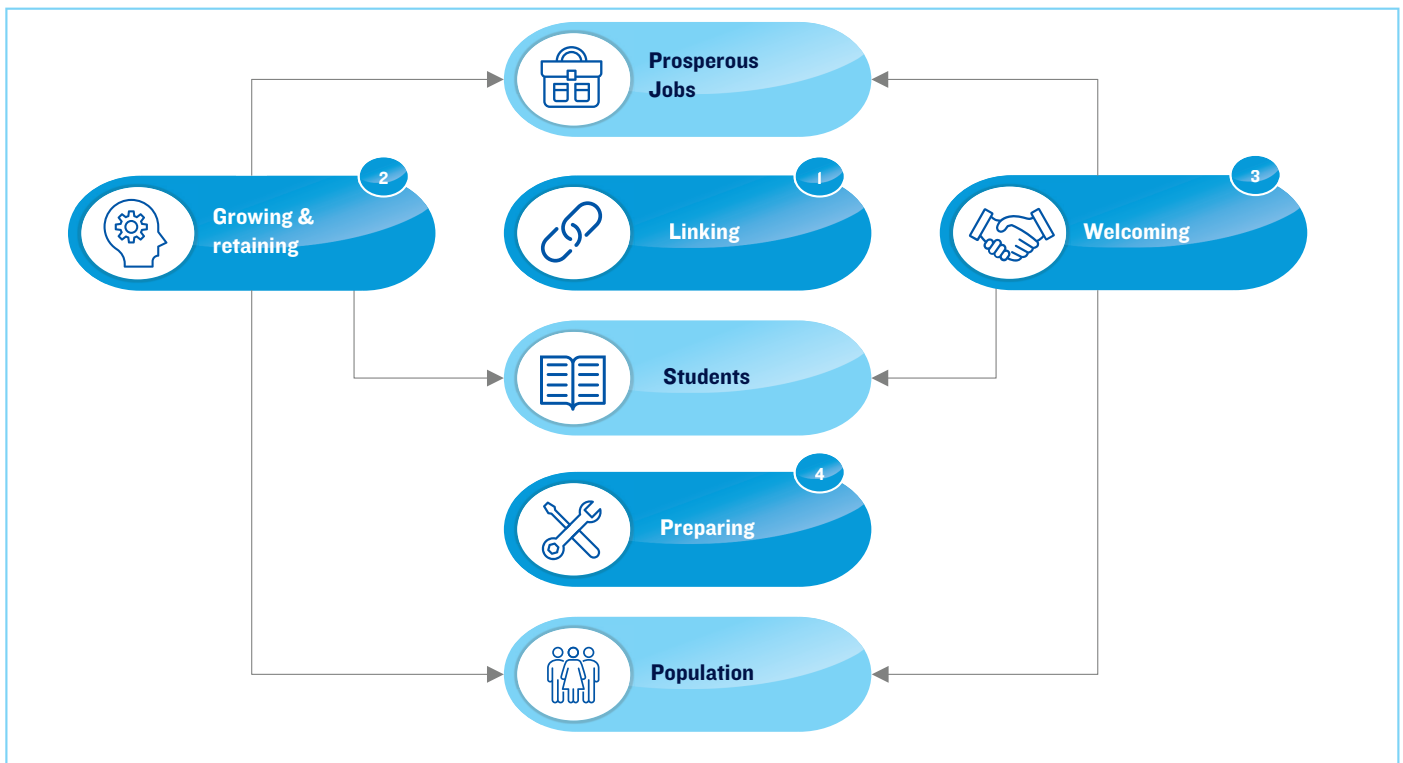
Key enablers of the initiative include:

- **Develop a deeper understanding of the current situation and gaps across all educational segments.** This will require further developing the state's longitudinal data system to track outcomes along the lifelong learning continuum. This will also require assessing curricula at all levels of education to determine how to incorporate career exploration and enhance career readiness.
- **Scale-up STEM talent.** We must expand science, technology, engineering, and math education at all ages, while helping our children and young adults become well-rounded problem-solvers. This will require more STEM teachers and programs in schools, more STEM majors in our universities and community colleges, and more STEM training programs for those who don't pursue two- or four-year higher education. Efforts should target the fastest-growing occupations (e.g., statisticians).⁵⁰
- **Optimize education governance and funding.** This effort might revise funding mechanisms and allocations to support state education and workforce priorities. The effort might also revise the education governance structure to increase efficiency and systemwide alignment, as dictated by state education and workforce priorities. This effort might involve coordination and consolidation of educational resources to achieve higher-quality results for more students at lower cost.

Our education system can better prepare our young people for the more meaningful careers of the future, produce the types of talent needed to fill high-wage and high-growth jobs, and create a more robust supply of quality workers that help existing businesses grow and encourage new businesses to locate in Nebraska. Successful education transformations (e.g., K-12 transformation) show that real improvements are possible.⁵¹

We need all four of the initiatives outlined above to really power our economy with people (Exhibit I6).

Exhibit I6: Powering our economy with people initiatives



PROMOTE DIVERSITY AND INCLUSION TO RETAIN AND ATTRACT TALENT AND CONNECT COMMUNITIES ACROSS THE STATE

One of Nebraska’s primary strengths is diversity of places and industries. Nebraska offers different ways of living, from a place with a strong sense of community where everybody knows your name, like Red Cloud, to the urban lifestyle and thriving arts scene of Omaha or Lincoln. The state also enjoys a diversity of industries that has shielded Nebraska from recession.

The state ranks #48 in the U.S. News & World Report Best States Rankings measuring equality among states’ citizens, ahead of only one peer state, South Dakota. Nebraska ranks #40 on income gap by gender and #43 on education gap by race. Nebraska also ranks #48 on disability employment gap, last among peers.⁵² The state ranks #37 on racial and ethnic diversity⁵³ and #28 on best states for LGBTQ+ families.⁵⁴

Improvements in diversity and inclusion (e.g., reduction in labor market discrimination barriers for women and black men) have driven 20-40% of U.S. GDP per capita growth over the past 50 years.⁵⁵ Furthermore, younger people increasingly look for diversity, and younger minorities will account for most of the population growth in the coming years.⁵⁶

We propose expanding our efforts to promote diversity and inclusion to retain and attract talent and connect communities across the state and make Nebraska the most welcoming state in the Midwest. This initiative would require developing and delivering community exchange programs and diversity and inclusion leadership programs.

More specifically, the initiative might:

- **Encourage the private sector to lead by committing to increasing diversity and inclusion.** The effort might, for example, promote flexibility (e.g., changing policies and mindsets to make flexibility the assumed starting point for all roles, not the exception), goals and progress indicators tied to incentive structures, “shared care” parental leave policies (e.g., overhauling parental leave programs to encourage men to take primary responsibility for care and help women reduce the career and financial impact of unpaid parental leave and part-time work), companywide unconscious bias training, or formal sponsorship programs to improve retention of women.
- **Facilitate broader socio-economic inclusion.** This effort might focus on any or all of the following: data and research to develop solutions for low-income individuals; access to quality, affordable child care; encourage expansion of family medical leave options; or more services for homeless families, including better access to quality mental health services.
- **Commit to equity and inclusion for communities who need it most, such as veterans.** This effort might focus on increasing access to mental health services, particularly for veterans, because they often have high rates of psychiatric disorders, substance abuse, and suicide. The effort might also encourage governmental collection of veterans’ data to support community needs and services and ensure fair and accurate representation.
- **Develop a statewide sibling communities and leadership development program.** This effort might survey Nebraska communities and pair them to enable communities to benefit from others’ experience with similar issues and programs (e.g., business mentorship or cultural awareness programs). For example, the effort might pair urban and rural communities to exchange ideas and lessons learned and celebrate the strengths of both communities.

The effort might also develop accredited leadership courses to raise awareness of diversity issues, build leadership skills, diversify the network of participants, and equip participants to include diversity and inclusion in leadership decision-making.

Underserved people and communities often experience great economic disparities that have direct, negative economic impact on the state. Reducing these disparities could have positive impact on our regional economy and tax base and our ability to grow, retain, and attract businesses and a talented workforce.

The efforts outlined above reflect best practices that produce measurable impact. When large organizations commit to increasing diversity, they can make a difference, for themselves and the economy. Research shows that companies in the top quartile on racial and ethnic diversity are 35% more likely to enjoy financial returns above their national industry median. In the United States, racial and ethnic diversity and better financial performance show a linear relationship. For every 10% increase in racial and ethnic diversity on the senior executive team, earnings before interest and taxes (EBIT) rise 0.8%.⁵⁷

LAUNCH A “CHOOSE NEBRASKA” CAMPAIGN

Nebraska ranks #9 among the best states in the country.⁵⁸ From Omaha to Scottsbluff, Nebraska has something for everyone. Thanks to its low unemployment rate and affordability, Nebraska is one of the few places where the American dream is still within everyone’s reach.⁵⁹

Nebraska has seen a significant exodus of talent in recent years. Annually, Nebraska is losing approximately 2,000 people 25 years and older with a bachelor’s degree or higher.⁶⁰

The state is home to some of the best educational institutions in the Midwest and attracts many out-of-state students (e.g., one-third of University of Nebraska-Lincoln's student body).⁶¹ Of all the people who attended higher education institutions in Nebraska, only an estimated 41% currently live in the state.⁶² This is much lower than leading states like Texas that retain over 70% of graduates.⁶³ Nebraska also ranks last in states that Americans want to visit⁶⁴

We propose launching a "Choose Nebraska" campaign so that Nebraska leads the Midwest in attracting 18-34-year-olds. Our proposed campaign aims to unify and amplify the great work already underway by agencies, nonprofits and communities across the state. The initiative will require conducting a survey to understand target audience preferences, identifying markets, increasing offerings (e.g., incentives and cultural opportunities), and conducting a recruitment campaign in the identified markets.

More specifically, the initiative will:

- **Conduct a customer perception survey to better understand our target audience.** The survey will help us understand what our target audience of 18-34-year-olds wants in a place to live and how we will better meet their requirements. In particular, we will need to survey those who have recently left the state. Once we settle on a particular campaign, we should conduct user testing to evaluate its strengths and weaknesses with the target audience.
- **Identify target markets.** This will require identifying the regions in the country that are seeing the greatest exodus of young talent.
- **Work with communities.** This effort will involve giving communities additional best practices for outreach, attraction, and retention of people and forming partnerships in each community to launch campaign efforts.
- **Create and expand cultural and workforce opportunities to retain and attract young talent.** This will require maximizing philanthropic efforts to provide the amenities desired by the workforce. This effort will link with local businesses' internship and apprenticeship programs to promote connectedness and solicit investments to promote cultural exchanges in downtown or main street areas.
- **Provide incentives for qualified people to remain and relocate in Nebraska.** Just as we provide incentives to retain and attract companies, we will offer incentives to retain and attract people. This effort will develop a STEM talent fund to provide incentives (e.g., tuition reimbursement, housing) that will retain and attract priority talent at different stages of the education pipeline (e.g., after high school graduation, after college graduation).
- **Launch an aggressive recruitment and retention campaign.** This campaign will share positive stories about Nebraska, including the new incentives, within the state and in targeted communities outside the state. The effort will tap big data and advanced analytics to micro-target young people with the right skills and willingness to relocate to Nebraska.

Branding campaigns can attract residents, visitors, and investment. Economic impact studies show that branding campaigns have generated returns of \$300-\$600 for every dollar spent.⁶⁵

SUPPORTING INITIATIVES

In addition to the four high-priority initiatives, we propose three supporting initiatives to power our economy with people:

- **Make Nebraska the best place to be a child by addressing early care and early education issues.**
- **Mitigate benefits cliff through policy change and increased income from upskilling training and career pathways.**
- **Evaluate and promote the future of the military in Nebraska (e.g., future Offutt Air Force Base missions, Veterans Affairs business attraction program).**

CHAPTER 4 – REIMAGINING AND CONNECTING OUR PLACES

Nebraskans are blessed with tremendous places. Land and location are two of Nebraska’s greatest assets. As Governor Ricketts says, “We have a beautiful state filled with tremendous opportunity from the Missouri River to the Sandhills to the Pine Ridge.”⁶⁶ Nebraska is the state in the middle of it all.

In the Northwest, rugged bluffs rise, turning open spaces into national treasures. In the Sandhills, the landscape and ecological diversity attract many. In the Southwest, we can learn about the frontier and railroad history. In South Central, we can experience the Sandhill Crane migration. In the Northeast, we have many quaint towns to visit and inhabit. In the Omaha metropolitan area, we boast a vibrant urban space. In the Southeast, we enjoy the landscape of the Missouri River and Nebraska’s capital city.⁶⁷

Places matter. Walkable communities, vibrant main streets, access to community culture and amenities, greenspace, and other quality of life features are necessary to retaining and attracting people. The Project for Public Spaces argues that a “strong sense of place” can “influence the physical, social, emotional, and ecological health of individuals and communities everywhere.”⁶⁸ In so doing, “placemaking” can also help power our economy so Nebraska continues to flourish.

We propose reimagining and connecting our places by maintaining a cost-of-living advantage, increasing social and civic engagement, and improving transportation and broadband connectivity within Nebraska and with the rest of the country and the world (Exhibit 17).

Exhibit 17: Reimagining and connecting our places – growth theme metrics⁶⁹

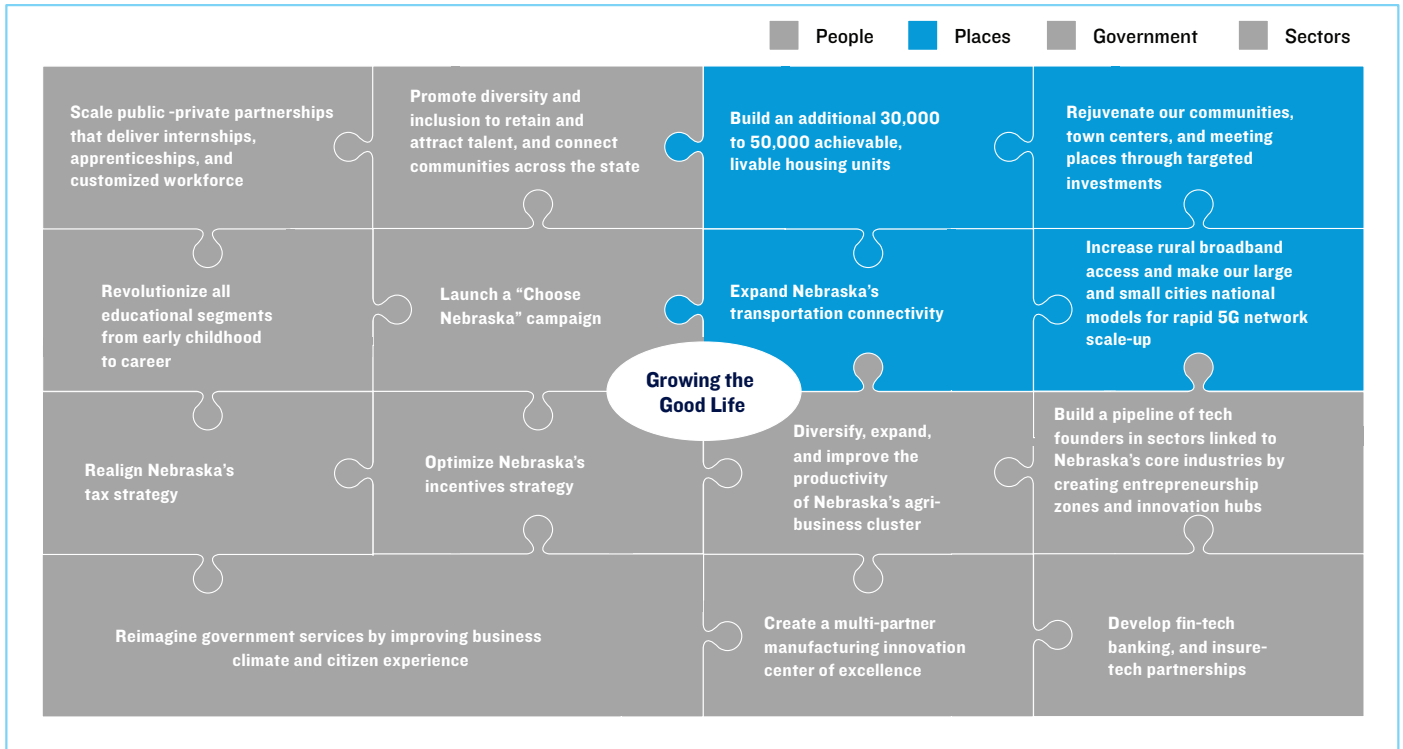
Growth theme metrics	
Nebraska will measure progress by tracking the following indicators	
Indicators	Latest data
Cost of living	#14 best state
Civic and social engagement score	65/100
Transportation	#25 best state

To this end, we propose four high-priority initiatives (Exhibit 18):

- Rejuvenate our communities, town centers, and meeting places through targeted investments (e.g., arts, entertainment, recreation, and community planning) to create the best places to live, work, raise a family and play in the Midwest.
- Increase rural broadband access and make Nebraska’s large and small cities national models for rapid 5G network scale-up to achieve a quantum leap in digital connectivity.

- Develop one of the nation's leading inland logistics and industrial hubs, new East-West and international air services, and the nation's model for public transit in mid-sized metropolitan areas, making Nebraska the most connected state in the country.
- Build an additional 30,000 to 50,000 achievable, livable housing units, making Nebraska the national housing model for coordinated public-private delivery of resources, community housing leadership, and housing affordability and sustainability.

Exhibit I8: Initiatives for reimagining and connecting our places



REJUVENATE OUR COMMUNITIES, TOWN CENTERS, AND MEETING PLACES THROUGH TARGETED INVESTMENTS

Nebraska is home to diverse thriving communities. For example, Omaha weathered the recession better than any other U.S. city.⁷⁰ Much of Omaha's success is attributable to its ability to attract top talent with its lively arts and culture scene. The city is home to such organizations as the Joslyn Art Museum, Bemis Center for Contemporary Arts, and many local galleries and shops. The city is looking to the future and has several efforts underway to continue revitalizing an already successful region.⁷¹

This success is not unique to Omaha. Nebraska has 3,558 arts-related businesses, supporting 12,701 jobs, and over \$400 million in creative industry earnings.⁷²

But not all metropolitan areas and rural communities enjoy the same vibrancy. Some communities have unemployment rates twice the state average, and not all regions have access to the same level of arts, entertainment, and recreation offerings.⁷³

We propose rejuvenating our communities, town centers, and meeting places through targeted investments (e.g., arts, entertainment, recreation, and community planning), creating the best places to live, work, raise a family and play in the Midwest. As modeled by non-profits and communities across the state, this initiative will harness the strength of Nebraska's people and empower community leaders to play an active role in revitalization and facilitating investment in communities' top priorities, which we know will include arts, entertainment, and recreation.

More specifically, this initiative will:

- **Survey urban and rural communities and ensure that representatives of the community's cultural sector are at the planning table** to select and prioritize communities for revitalization efforts. This will require aligning on criteria for revitalization, conducting analyses to select communities for the first wave of revitalization, and hosting community roundtables and other forums to understand community needs.

The revitalization strategy will employ various models and should be context-specific and community-driven. Potential models include emphasizing downtown densification, bolstering knowledge capital (e.g., increasing talent), developing or deepening a distinctive industry cluster, and building around anchor institutions, such as hospitals, educational institutions, or well-established companies.

- **Target state investment and other incentives**, such as investment in enabling infrastructure (e.g., workforce development), to spur private investment and consider retargeting existing state and/or local incentives to revitalization priorities. The effort will also take advantage of federal programs, such as U.S.D.A. Rural Development, which offers funding for arts-based rural advancement. Like housing development, this effort will use opportunity zones to ensure that main street businesses in Nebraska communities receive more than their fair share of the new federal capital gains tax benefits for investment in designated low-income census tracts.
- **Develop partnerships to increase arts, entertainment, and recreation opportunities.** These partnerships will link the private sector, nonprofit organizations, and government. At the outset, the partners will focus on mapping community assets to inform community strategic planning and marketing. The partners will also encourage nonprofits and government to participate in imagining and creating cultural districts, rural arts development programs, and cultural heritage and arts trails.

The partnerships will develop a network connecting cultural organizations throughout Nebraska and coordinating activities to benefit communities and the state. This network will cross-promote programs, events, and activities; cultivate strategic partnerships and resource-sharing arrangements; and develop a robust system of data-gathering and mapping of cultural attractions and organizations across the state to identify strengths and needs.

- **Leverage current recreational strengths and successes to increase and promote Nebraska's nature and outdoor recreational opportunities.** In partnership with local and state entities (e.g., Nebraska Game and Parks Commission) this effort will be anchored in a vision of abundant parks and outdoor spaces that will include pools, sports fields, picnic spaces, and playgrounds. The effort will survey recreational land, water, and wetlands; prioritize areas for development; and invest in recreation-related, amenity-driven economic growth in those areas.
- **Build upon Nebraska's strong health care system to enhance the community experience and strengthen the workforce.** This will take a close look at the relationship between community vitality and the availability of local and regional health services ranging from early childhood through elderly care.

Nebraska has already seen successful revitalization efforts, such as the revitalization of Broken Bow that offer a model for other communities. Since 2015, Broken Bow has benefited from investment of over \$10 million in the downtown area and commercial and residential building permits valued at \$32 million across the city.⁷⁴

In 2016, Broken Bow launched a \$4.3 million project (funded by a 1.5% sales tax) to build greenspaces, lay bricks along city squares, improve sidewalks and streets, install new light fixtures, and construct a new bandstand (with separate funding). Broken Bow undertook other downtown capital improvement initiatives, including a \$1.4 million library expansion.

Many respondents to Blueprint Nebraska's survey believe that rural Nebraska, in particular, needs help reimagining and developing its communities. Respondents believe local communities should support local businesses, develop their places and amenities, and do so proactively.

INCREASE RURAL BROADBAND ACCESS AND MAKE NEBRASKA'S LARGE AND SMALL CITIES NATIONAL MODELS FOR RAPID 5G NETWORK SCALE-UP

Nebraska and its providers have deployed broadband across the state. *The U.S. News & World Report* Best States Rankings list Nebraska as #18 for broadband access and #15 for ultra-fast Internet access, which the report defines as access to high-speed broadband internet with speeds greater than 1 gigabit per second.⁷⁵

But many Nebraskans call virtual, or Internet, connectivity a significant issue in their day-to-day work and life. Respondents to the 2018 Community Survey cited better broadband access and availability throughout the state as a major opportunity.

For example, while the percentage of broadband access in urban areas is 97.9%, it is only 58% in rural areas.⁷⁶ This disparity affects the state's farmers and ranchers disproportionately and will put the state's standing as a leader in production agriculture at risk, limiting Nebraska's ability to lead the development and implementation of advanced farming and agriculture techniques and processes.

This sentiment is reflected in recently-enacted legislation by Nebraska's Unicameral to create the Rural Broadband Task Force and charge it with reviewing issues related to availability, adoption, and affordability of broadband services in rural areas of Nebraska.

We support current initiatives underway to address statewide connectivity and propose increasing rural broadband access and making Nebraska's large and small cities national models for rapid 5G network scale-up to achieve a quantum leap in digital connectivity. This initiative supports quantifying the opportunity to determine priority areas and appropriate technology, securing resources to finance the initiative, and expanding coverage, potentially by partnering with local ISPs, utility companies, and non-profits to build out the network. We propose partnering with advocates of this measure and strengthening the state's resolve to prioritize this initiative.

More specifically, this initiative will:

- **Determine high-need, high-impact areas for broadband and 5G expansion.** This effort will survey a sample of unserved households and analyze population density, topography, and existing infrastructure to map the best technology for each geography.
- **Calculate the expected return** using survey data on adoption rates and **calculate the expected cost** based on the technology needed to best serve the priority areas.
- **Seek partners for capital and optimize use of public funding.** This effort will apply Nebraska Universal Service Funds distribution methods to measure the broadband speeds delivered and the number of customers served at those speeds.

In underserved, more challenging areas, more aggressive measures will be taken to provide the needed virtual connectivity. For example, where companies are not serving farmers, ranchers, and agricultural service firms with needed high-speed broadband, the state will reallocate appropriate levels of Nebraska Universal Service Funds, on a competitive basis, to telecommunications companies that agree to deliver high-speed broadband. Such an effort will negotiate public-private partnerships with service providers (e.g., broadband reverse auction grants followed by rigorous evaluations).

Virtual infrastructure investments enable economic growth. Broadband access, in particular, can generate GDP growth of 1.21% for each 10% increase in broadband penetration.⁷⁷

EXPAND NEBRASKA'S TRANSPORTATION CONNECTIVITY

Nebraska is a leader in many aspects of transportation. The state derives natural transportation advantage from its location at the exact geographic center of the continental United States. Nebraska is home to some of the densest rail and highway cargo routes in the country. Class I rail carriers Burlington Northern Santa Fe (BNSF), Canadian National (CN), Kansas City Southern (KSC), and Union Pacific (UP) converge at or near Nebraska's Eastern border (Exhibit I9), as do U.S. Interstates 80 and 29.

Exhibit I9: Freight Flows by Highway, Railroad, and Waterway⁷⁸



The state has good highway connectivity for all communities. The state keeps the highway system in good repair. The Nebraska Department of Transportation has achieved its target of 80-85% of highway pavement in good repair, with a 2017 rating of 83.4%. The state keeps 96.6% of bridges in good or fair condition, exceeding the goal of 95% or more.⁷⁹

The state's central location allows freight flows to reach all areas of the country in three days or less. Nebraska's zero-inventory tax has fueled a strong warehousing sector, and the state boasts 11,500 trucking companies, two of them in the nation's top 10.⁸⁰

But Nebraska's transportation infrastructure is aging, and the state has new transportation opportunities, especially for freight logistics, air service, and transportation in metropolitan areas.

Local and county infrastructure across the state needs repairs. The state has 15,040 bridges, 11,070 of them on county road systems. Of these bridges, 1,896 are considered structurally deficient, and 1,140 are rated in poor condition.⁸¹

Finally, metropolitan transportation systems (interstates, highways, and transit) don't provide adequate service for their respective populations. This has negative impact on the ability of businesses to retain and attract talent.

Funding needed to repair the state highway system and improve transit in Omaha is estimated at more than \$23 billion between now and 2040. This estimate does not include improvements to local municipal street networks, county road and bridge systems, or airports statewide.⁸²

We propose developing one of the nation's leading inland logistics and industrial hubs, new East-West and international air services, and the nation's blueprint for public transit in mid-sized metropolitan areas, making Nebraska the most connected state in the country. This initiative will leverage our strengths in ingenuity, geographic location and transportation networks to help identify opportunities for developing partnerships in the public and private sectors.

More specifically, this initiative will:

- **Develop one or more of the nation's leading logistics and industrial parks**, following the growth of inland ports across the U.S. By prioritizing multi-scaled mega-site developments and partnering with the Class I railroads and the Federal Highway Administration, Nebraska will develop one or more new or expanded logistics and industrial parks of 1,000 acres or more. These sites should prioritize industrial zones and transportation-connected land, in partnership with experienced operators that will assume some of the development risk and help attract tenants with a mix of build-to-suit leases and sales. This should produce a mix of intermodal rail and highway cargo facilities and services, warehouse and distribution center space, and manufacturing space that, together, will create several hundred onsite jobs and thousands of jobs from spillover effects.
- **Scale-up East-West and national/international air service.** The business community should come together to press airport authorities and air carriers to expand air service by increasing service connecting Eastern, Central, and Western Nebraska to boost commercial and community connectivity across the state and by expanding national and international routes.

Increasing air service within Nebraska will require temporary government subsidies to reduce the route startup risk for air carriers.

As a major tech and innovation hub, Nebraska will require daily nonstop service to places like Austin and Boston, which are not now available. As a major global agriculture, manufacturing, and finance hub, Nebraska will require international service to places like the U.K., Brazil, and China. As a welcoming place for immigrants, Nebraska will require service to places like Mexico.

- **Make Lincoln and Omaha national models for next-generation public transit for mid-sized cities.** The Lincoln and Omaha business, civic, and government leaders will create a roadmap for efficient, low-cost, innovative transit that taps the best new technologies for electric, autonomous, and connected vehicles. These metro areas (and others) will pilot all-electric, bus-based rapid transit with dedicated lanes; driverless shuttles; shared electric car fleets; and other innovations now in testing, but not yet implemented at large scale, in other cities.

Research shows that \$100 billion in infrastructure spending will boost job growth by some 1 million FTEs.⁸³

BUILD AN ADDITIONAL 30,000 TO 50,000 ACHIEVABLE, LIVABLE HOUSING UNITS

With about 77,000 square miles of land, Nebraska ranks as the #15 largest state.⁸⁴ The average acre is valued at a relatively low cost. In 2017, Nebraska boasted the #21 lowest median price per square foot (\$139) among states.⁸⁵

But many Nebraskans experience housing challenges. Many communities across the state lack an adequate supply of housing. Nebraska only has 41 affordable units for every 100 households in extreme poverty.⁸⁶

In recent years, employers have been unable to expand their businesses because housing shortages prevent recruiting additional employees, and the lack of housing deters new businesses from locating in our communities. The issue is not only the number of single-family homes and rental units on the market but also the condition, age, and affordability of these structures.

The cost of purchasing or renting a home has, for many in Nebraska, outpaced personal income. In Omaha, for example, nearly 50% of renters report spending more than the recommended 30% of their income on housing.⁸⁷

The cost of new housing construction is prohibitive for most of the state's workforce, particularly those just entering the workforce. Increased material costs and too few people engaged in the building trades have stymied housing production, increasing risk for those in the business of developing housing in the state.

We propose building an additional 30,000 to 50,000 affordable, livable units, making Nebraska the national housing model for coordinated public-private delivery of resources, community housing leadership, and housing affordability and sustainability. This initiative will scale current state and regional initiatives and help local communities become more knowledgeable about public-private housing opportunities, housing incentives and innovative ways to improve housing affordability.

More specifically, this initiative will:

- **Organize Nebraska into regions that coordinate and collaborate via the creation of “Build Nebraska” organizations.** This effort will address housing needs in part by creating organizations with full-time professional staff and plans for new residences to serve as “center points” and “testing grounds” for coordinating efforts, particularly to develop new types of housing. The effort will also recognize that regional collaboration can help to develop more housing units with balanced demographic targeting and create economies of scale that will enhance affordability across the state.
- **Develop formal community housing intelligence training,** offering incentives for participation and using digital delivery, to enable communities to take the lead in planning the development and maintenance of their affordable housing stock and develop initiatives to support payment for housing (e.g., low-interest loans and buyer/renter support, such as vouchers or down-payment assistance).

In particular, communities need more information to continue making the case that the contribution of local public and private financial resources is paramount to addressing housing shortages. For example, most communities have building ordinances and codes, but enforcement is not consistent which has contributed to substandard housing across rural Nebraska.

- **Strengthen housing incentives and rural funding options**, such as a Neighborhood Homes Investment Act (e.g., using optional, auctioned state tax credits for specific subsidies) and efforts like the Rural Workforce Housing Investment Fund, the latter of which has been used to finance affordable housing within counties of less than 100,000 residents.
- **Leverage opportunity zones** to ensure that affordable housing in Nebraska gets more than its fair share of the new federal capital gains tax benefits for investment in designated low-income census tracts.
- **Explore new techniques to make land use and housing development more affordable**, such as changes to zoning regulations that encourage higher-density housing; and smaller unit designs, unique designs for irregular lot configurations, and demolition tools.

Decent, safe, and affordable homes enable Nebraskans to live happy, healthy lives and support economic development. The National Low-Income Housing Coalition highlights that low-income children who grow up in stable, affordable homes are more likely to thrive in school, attend college, and enjoy financial success as adults. People who have affordable homes spend five times more on healthcare and three times more on nutritious food than those who lack affordable homes.⁸⁸

The National Low-Income Housing Coalition also highlights that building 100 affordable rental homes can generate more than \$11 million in local income, more than 150 local jobs, and more than \$2 million in taxes and other revenue.⁸⁹

Respondents to the 2018 Community Survey emphasized the need to seize the opportunities to develop more affordable housing and programs to support housing development.

SUPPORTING INITIATIVES

In addition to the four high-priority initiatives, we propose two supporting initiatives to reimagine and connect our places:

- **Make Nebraska a Midwest leader in energy** by diversifying our energy mix.
- **Expand our leadership in water resource management** (e.g., improve water sustainability and quality through digital agriculture and invest in improving the quality of surface water, groundwater, and the water supply).

CHAPTER 5 – BUILDING A SIMPLER, MORE EFFICIENT AND EFFECTIVE GOVERNMENT

As Nebraskans, we take great pride in working together across sectors to find solutions to our most pressing challenges. In government, many consider our own George Norris (1861-1944) the greatest U.S. Senator in history.⁹⁰ In fact, Senator Norris received the most votes when, in 1955, the Senate created a special committee to select five outstanding former Senators whose portraits would hang permanently in the Senate reception room. Among his career-defining accomplishments, Senator Norris established the nation’s only unicameral state legislature in Nebraska.

Today, we build on Senator Norris’s legacy. Governor Ricketts states his administration’s mission as “making government more effective, efficient, and customer-focused.”⁹¹ In other words, we seek to bring our government into the 21st century. We can continue to innovate as Senator Norris did — for example, using data analytics and digitization to improve government efficiency and effectiveness and putting the citizen experience at the heart of government processes. Doing so could create positive economic outcomes for Nebraska.

We propose to build a simpler, more efficient and effective government by digitizing processes and eliminating waste and red tape in government services, while maintaining or improving service speed and quality (Exhibit 20). We also propose to realign Nebraska’s tax policy and incentives strategy, while continuing efforts to control spending. Together, these actions will make Nebraska more competitive and a simpler, lower-cost place to live, work, raise a family and start or grow a business.

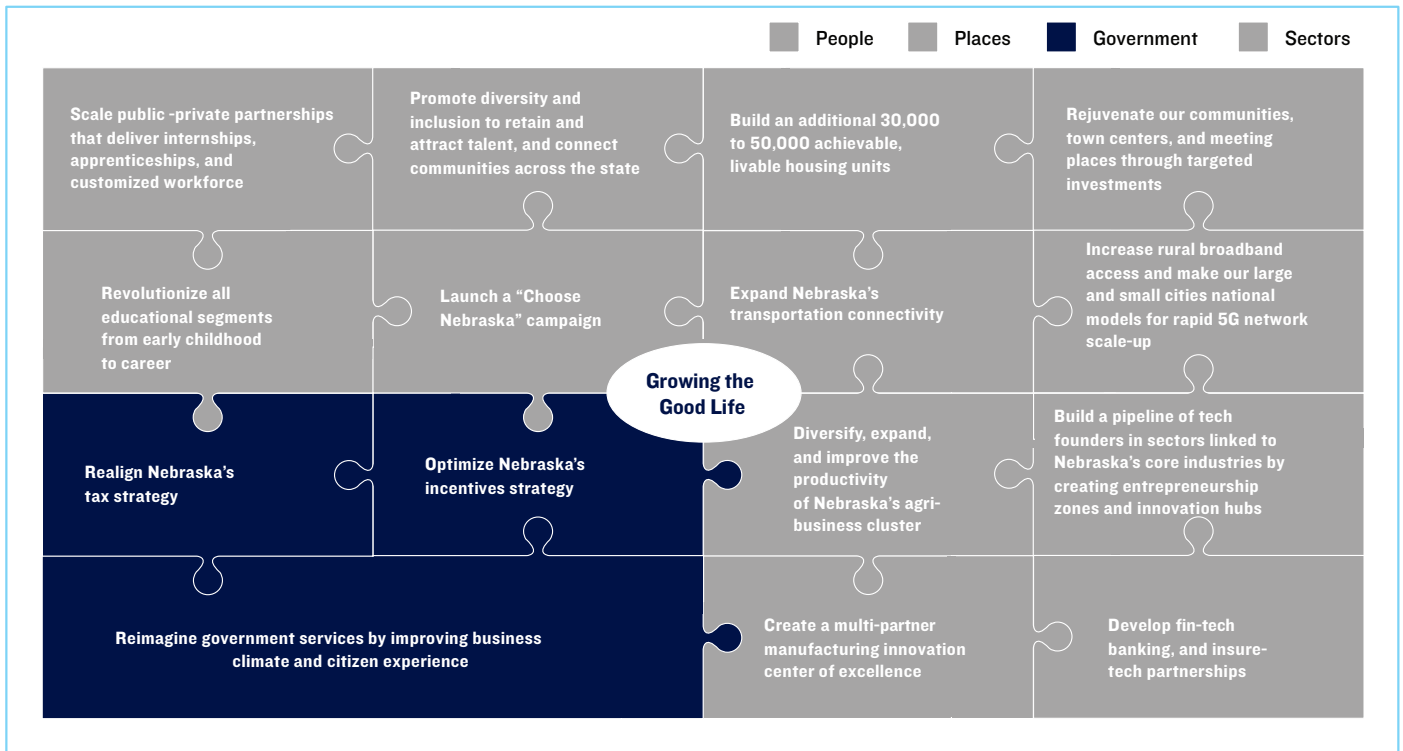
Exhibit 20: Building a simpler, more efficient, and effective government – growth theme metrics⁹²

Growth theme metrics	
Nebraska will measure progress by tracking the following indicators	
Indicators	Latest data
Cost of doing business	#8 best state
Ease of doing business	#12 best state
Firm growth	#19 best state

To this end, we propose three high-priority initiatives (Exhibit 2I):

- Realign Nebraska’s tax structure to promote statewide economic growth and prosperity, making Nebraska the most competitive state in the Midwest.
- Reimagine government services to help improve the business climate and citizen experience, making Nebraska the most effective and efficient state in the Midwest.
- Optimize Nebraska’s incentives strategy to motivate investment in target growth sectors, making Nebraska’s incentives program the most efficient in the Midwest.

Exhibit 2I: Initiatives for building a simpler, more efficient and effective government



REALIGN NEBRASKA'S TAX STRUCTURE TO PROMOTE STATEWIDE ECONOMIC GROWTH AND PROSPERITY

Nebraskans take pride in being fiscally responsible, as seen in the way government operates. The state ranks #7 for fiscal stability and #6 for long-term fiscal stability.⁹³

Despite being fiscally responsible, Nebraska ranks #40 on taxes, with one of the highest tax burdens in the nation.⁹⁴ The state ranks #28 in corporate taxes and #26 in income taxes, which weakens the state’s economic competitiveness.⁹⁵ Losing people can mean losing billions of dollars in tax revenue.⁹⁶ While taxes are not the primary driver in their location decision, it plays an important role.⁹⁷ At a time when companies and people are fleeing high-tax states, Nebraska must take action.⁹⁸

Nebraskans agree. When asked what one thing we need to ensure Nebraska’s economic vitality, they ranked decreasing or eliminating taxes among the top 3.

Property taxes are also an issue. Nebraska ranks #40 and last among peer states.⁹⁹ Property taxes loom especially large because they link to education funding. The challenge has made headlines for the past 30 years¹⁰⁰ and remains a top priority in legislative sessions.

In addition to continuing efforts to control government spending - the key to sustainable tax relief - we propose realigning Nebraska's tax structure to promote statewide economic growth and prosperity, making Nebraska the most competitive state in the Midwest. This is a bold aspiration, but a fiscally responsible and nimble Nebraska has the best odds of revolutionizing the tax burden.

This initiative will require commissioning a nonpartisan study to reconsider tax policy to maximize growth and opportunity for all and then introducing a “clean-sheet” tax program to keep tax burdens as competitive, efficient, and equitable as possible.

More specifically, the initiative will:

- **Commission a nonpartisan study to reconsider tax policy** in order to maximize growth and opportunity for all. The effort would include a comprehensive review of all taxes (e.g., corporate, income, property, and sales) to identify optimal rates to promote economic growth. This study should conclude by the end of Q2 2020.
- **Introduce a clean-sheet tax program** to keep tax burdens as competitive, efficient, and equitable as possible. This tax program should motivate hard work and investment. The effort might address policies and programs long considered sacrosanct and might produce small pockets of winners and losers, but it should aim to maximize statewide economic growth, while protecting our million-plus Nebraskans in the middle and working classes.

REIMAGINE GOVERNMENT SERVICES BY IMPROVING THE BUSINESS CLIMATE AND CITIZEN EXPERIENCE

Nebraska is already a great state for doing business. The state ranks #5 in the Forbes best states for business rankings (Exhibit 22) and in the top 20 across all categories, with notable strengths in regulatory environment (#2) and business cost (#8).¹⁰¹

Despite ranking #2 in overall regulations, Nebraska ranks #44 for licensing regulations and #25 for startup and filing costs (Exhibit 23). A survey of small business owners similarly ranks Nebraska #46 for licensing regulations and #33 for ease of starting a business.¹⁰²

Looking ahead, Nebraska should expand its success to capitalize on the opportunity to use technology to improve government efficiency. Govtech's Digital States Survey ranks the state below many peers (e.g., Missouri, North Dakota, and Wisconsin).¹⁰³

Exhibit 22: Best states for business ranking¹⁰⁴



Forbes best states for business rankings, 2018								
	Nebraska	IA	KS	MN	MO	OK	ND	WI
Overall national rank	5	13	28	10	18	24	23	32
1.Business Cost	8	4	39	38	22	7	11	36
2.Labor supply	19	34	26	7	37	36	8	35
3.Regulatory environment	2	10	11	19	14	15	26	22
4.Economic climate	20	28	37	11	24	30	42	21
5.Growth prospects	19	37	29	20	20	36	30	32
6.Quality of life	11	8	29	3	9	31	43	20

Exhibit 23: Business regulations rankings¹⁰⁵



Business Regulations, 2015								
	Nebraska	IA	KS	MN	MO	OK	ND	WI
State Energy Regulation	15	20	7	34	7	10	1	48
Land Use Regulation	14	7	1	33	5	13	4	32
Occupational Licensing	44	33	2	4	6	37	23	12
Start-up & Filing Cost	25	1	34	17	29	1	9	12
Labor	14	20	4	35	23	15	13	22
Tort	2	10	5	4	34	42	10	15

We propose reimagining all government services through digitization, coordination and consolidation, and elimination of red tape and waste. These efforts will create the most effective and cost-efficient state government in the Midwest. This initiative will build upon recent gains in state government efficiencies by identifying opportunities to transform, restructure, and digitize the provision of all government services. This will enable us to deliver more services with less and free up resources to fund our bold high-priority initiatives (e.g., education and workforce, physical and virtual infrastructure, and innovation and R&D).

More specifically, this initiative might:

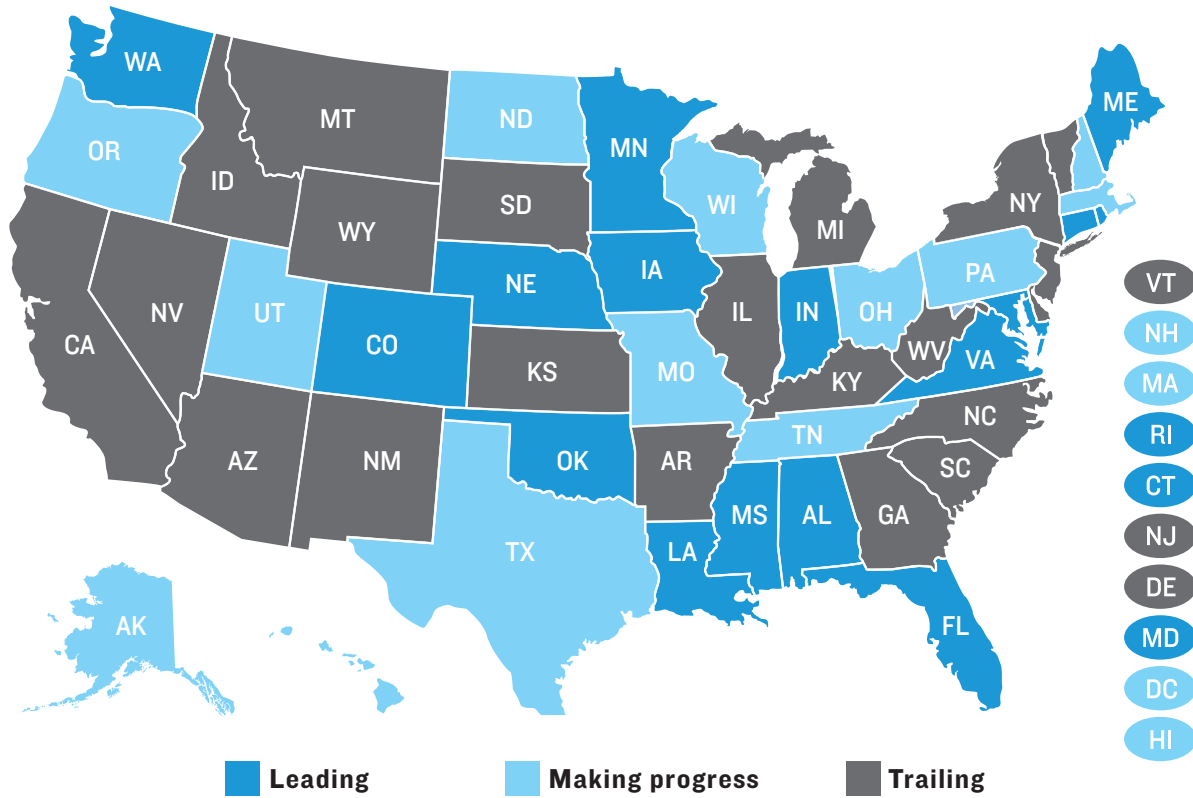
- **Digitize government service provision** to improve the cost and ease of doing business and the citizen experience. In recent years, Nebraska's Office of the Chief Information Officer has worked to centralized infrastructure and data, including consolidation of regional government servers and agency services. These centralization and consolidation measures create savings, enhance security and increase the speed of service to the consumer. We propose adopting these best practices and adopting an overarching, statewide digital strategy with defined targets, common IT platforms, and technical standards to improve IT collaboration and efficiency at all levels of government.
- **Maintain or expand our revenues, even while reducing our tax burden.** States have taken various approaches to maintaining or increasing revenues, even while decreasing their tax burdens. Some have generated tens or hundreds of millions of dollars in additional revenue by applying advanced analytics to enhance compliance, adopting best private-sector collections practices with non-compliant taxpayers, and optimizing and then monetizing state-owned assets, such as real estate, transportation right-of-way, and state-owned enterprises.
- **Transform and reorganize government.** This effort might strengthen functional leadership and capabilities across all governmental bodies and deepen the vision, accountability, and capabilities needed for large-scale transformation. This might require re-evaluating the structure of the government, including the operating model and potential duplication within and across levels of government. For example, as the state has already realized savings from agency mergers, Nebraska might realize cost, speed, and quality benefits by increasing coordination between government agencies, streamlining governance, or sharing services across counties.

Improving government services might score several quick wins — reduce costs to businesses, improve trust in government, and strengthen citizen and employee engagement. Longer term, improving government services might help attract business. A McKinsey Center for Government report found that effective government transformation can save millions in government expenditures. Alternatively, governments may maintain current spending levels, while greatly boosting the quality of such key services as health care, schools and universities, policing, and transport.¹⁰⁶

OPTIMIZE NEBRASKA'S INCENTIVES STRATEGY

According to the Pew Charitable Trusts, Nebraska is a leading state in incentives evaluation (Exhibit 24). Leading states are strong in planning, measuring impact, and informing policy choices. In particular, the Pew Charitable Trusts finds Nebraska strong in the effect that incentives have on the state economy, their economic impact and their fiscal impact.

Exhibit 24: State tax incentive evaluation ratings¹⁰⁷



But Nebraska has room to use incentive dollars more efficiently relative to peer states. Nebraska spends \$26,000 in incentives for each job.¹⁰⁸ This ranks the state #5 among nine peers and #26 in the nation.¹⁰⁹ Improving the efficiency of incentives (e.g., capital investment per incentive dollar, incentive per job, and incentive per dollar of wages) could generate savings, while creating the same number of jobs and requiring no additional capital investment.

We propose optimizing Nebraska's incentives strategy to motivate target growth sectors, making Nebraska's incentives program the most efficient in the Midwest. This initiative will require developing a holistic incentives strategy that includes targets, priority sectors, and best practices to increase efficiency.

More specifically, this initiative might:

- **Set a clear vision and strategy focusing incentives on target sectors** in line with the overall economic strategy and focusing on areas where the state is competitive (e.g., ag-tech and fin-tech).

- **Set specific and measurable targets** for each sector — for example, targets that include the desired number of jobs, the cost per job in incentives and the amount of wages per job.
- **Secure funding** that is both sustainable and fiscally prudent to fund incentive programs (e.g., evergreen funds and revenues from state-owned assets).
- **Build the right teams.** This effort involves hiring industry experts to lead recruitment in each sector and a business development team to increase the share of deals won at a lower incentive cost.
- **Increase transparency in evaluation.** This effort might involve improving transparency into companies receiving incentives.
- **Use non-financial incentives.** This effort might create new site development funding programs and expand existing programs with dedicated funding streams and implement a virtual-shovel-ready/full-shovel-ready site-preparedness program based on a uniform standard, with funding assistance.

As global competition for limited investment opportunities intensifies, incentives can provide a powerful tool for staying ahead. States that have implemented incentives strategies have generated jobs while maximizing the use of public funds for economic development.¹¹⁰

SUPPORTING INITIATIVES

In addition to the three high-priority initiatives, we propose one supporting initiative to build a simpler, more efficient and effective government:

- Capitalize on opportunity zones to turbocharge the economy in underinvested neighborhoods by attracting long-term investment.

CHAPTER 6 – GROWING OUR MOST PROMISING INDUSTRY SECTORS

In the 1970s, Nebraskans worked primarily in two industries: agriculture and manufacturing. Land and water resources propelled Nebraska to leadership in the agriculture sector. Affordable real estate prices and strategic location fueled leadership in the manufacturing sector.

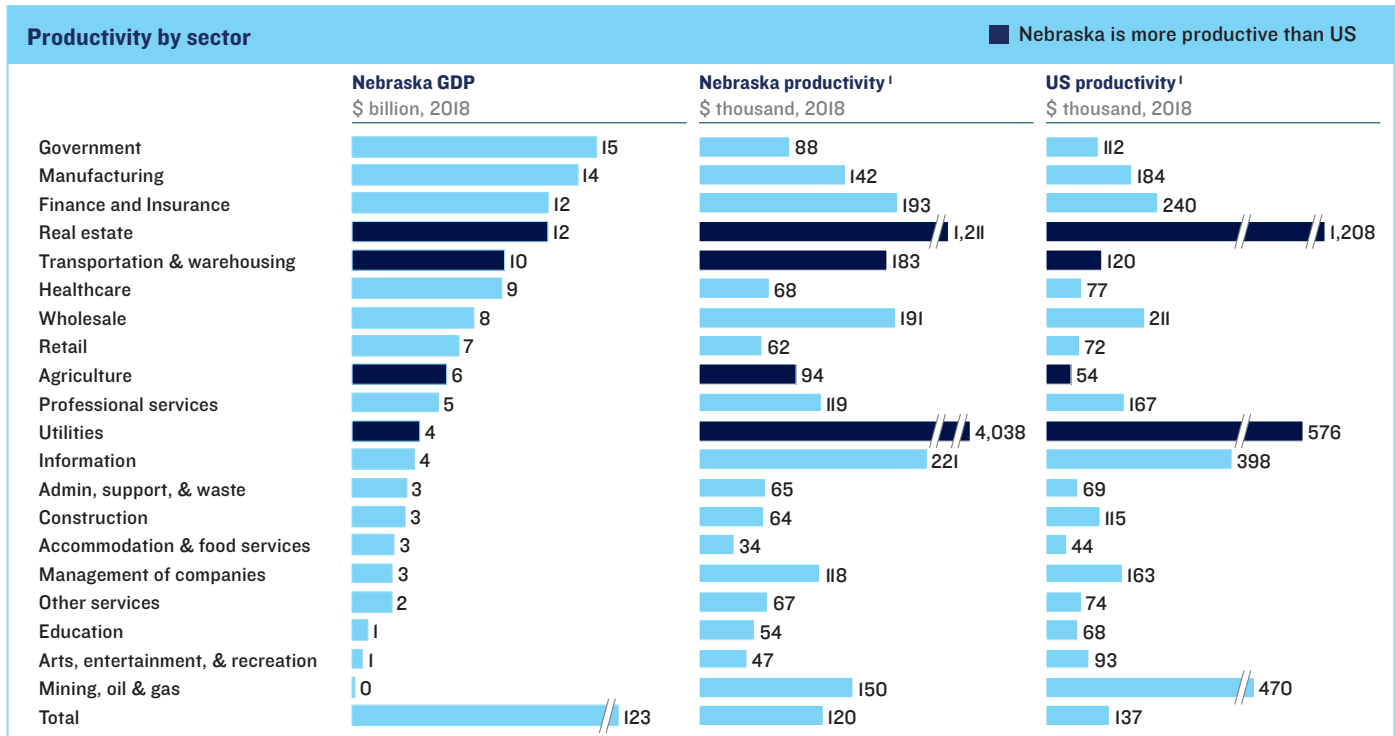
Over the last few decades, improvements in technology and production have changed the way Nebraskans spend their productive time. Today, Nebraska's largest employers are not only agricultural and manufacturing companies, but also leading transportation and financial services companies, creating a diverse and rich economy.

Despite these strengths, the state is losing competitiveness because of lower productivity. The average Nebraskan worker produces \$120,000 in value of output per year, while the average American worker produces \$137,000.¹¹¹ With the exception of a few sectors (e.g., agriculture, transportation, and warehousing), this disparity prevails across sectors (Exhibit 25).¹¹²

Nebraska has three levers for improving productivity:

- **Expand the share of the most productive sectors in the economy.** For example, the value of the products and services produced by the average Nebraskan worker in the accommodation and food services industry in 2018 was \$34,000. This is no indication of how hard people work. It is simply a reflection of the market value of those products and services. In contrast, the value of products and services produced by the average Nebraskan worker in the information sector in 2018 was \$221,000.¹¹³
- **Expand the share of the most productive industries in each sector.** For example, the value of the products and services produced by the average worker in the apparel manufacturing industry in 2018 was \$73,000. In contrast, the value of the products and services produced by the average worker in the chemical manufacturing industry in 2018 was \$406,000.¹¹⁴
- **Increase innovation and wages in each industry.** Nebraska cannot migrate 100% of its economy to the most productive sectors or the most productive industries in every sector. Other sectors and industries play a key role in the state's economy (e.g., it would be hard to retain and attract engineers if there were not restaurants). But Nebraska can boost productivity in every sector and industry by increasing innovation (e.g., automation) and increasing wages. Innovation in processes and technologies allows companies to produce more with the same number of workers. Paying above-market wages helps companies recruit better talent, reduce turnover, and provide additional motivation.¹¹⁵

Exhibit 25: Productivity by sector¹¹⁶



¹ Measured as GDP per worker

As automation and technology continue to transform work in the years ahead, Nebraskans have the opportunity to capitalize on new ways of working, and increasing productivity should translate into higher wages over the long run.¹¹⁷ For example, a company that has \$200,000 in revenue per worker has more flexibility to pay workers a higher wage than a company that has only \$50,000 in revenue per worker.

We propose growing our most promising industry sectors by increasing productivity, the number of entrepreneurs, and R&D investment in the state's economy, especially in high-tech sectors and in the most innovative parts of traditional sectors (Exhibit 26).

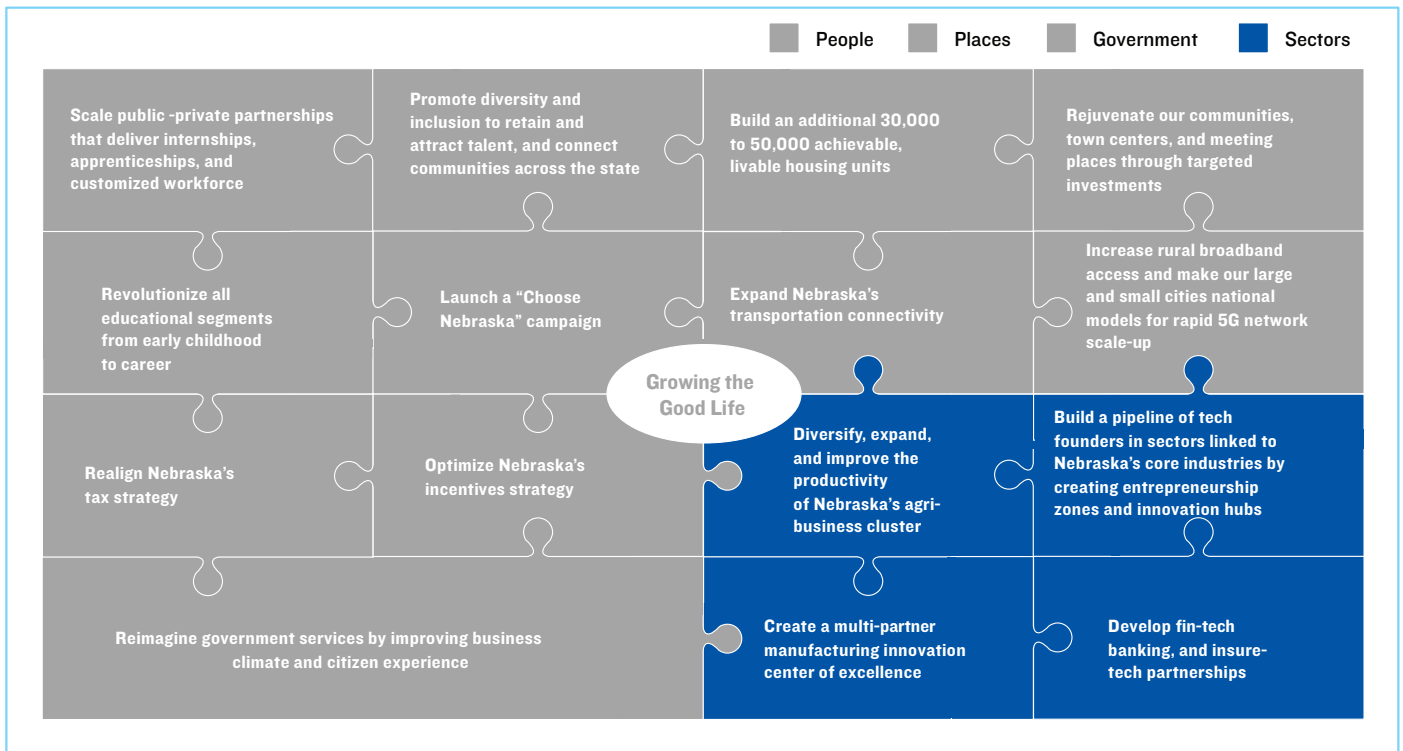
Exhibit 26: Growing our most promising industry sectors – growth theme metrics¹¹⁸

Growth theme metrics	
Nebraska will measure progress by tracking the following indicators	
Indicators	Latest data
Productivity	#27 best state
Entrepreneurship	#33 best state
R&D spending on universities and companies	#17 and #36 best state

Nebraska's future depends on the continued success of industry sectors. To reignite the state's growth engine, we propose four high-priority initiatives:

- Diversify, expand, and improve the productivity of Nebraska's agri-business cluster (e.g., ag-tech, food manufacturing, and machinery industries) to increase demand for production and to create global leadership in value-added, 21st-century agriculture.
- Build a pipeline of founders in tech sectors linked to Nebraska's core industries — med-tech, ed-tech, design-tech, fin-tech and insure-tech, ag-tech, and transportation and logistics technologies — to create the Midwest's leading tech cluster of R&D and innovation.
- Create a multi-partner manufacturing innovation center of excellence, focused on Industry 4.0/automation to make Nebraska the Midwest leader in next-generation manufacturing.
- Develop fin-tech, banking, and insure-tech partnerships to strengthen and diversify the financial services cluster, making Nebraska the Midwest leader in financial innovation.

Exhibit 27: Initiatives for growing our most promising industry sectors



DIVERSIFY, EXPAND, AND IMPROVE THE PRODUCTIVITY OF NEBRASKA'S AGRIBUSINESS CLUSTER

Agriculture is king in Nebraska, crowned with the highest mean rating for importance in Blueprint Nebraska's survey of approximately 5,000 Nebraskans.

The state is blessed with abundant water supply. Nebraska sits on the Ogallala formation, one of the world's largest aquifers.¹¹⁹ This abundance of water, combined with fertile soil and varying topography, makes Nebraska an ideal place for agriculture. Nebraska's central location with good transportation access complements its water, soil, and topography advantages. Because of these competitive advantages, the agriculture sector, which is more concentrated in Nebraska than the national average, achieved high GDP growth during the recession.

But the state lags in agricultural innovation. Nebraska has a relatively low rate of adopting technology/data collection and integration/consolidation/sharing of that data. The state ranks #29 in total investment in ag-tech, putting at risk Nebraska's continued leadership in agriculture productivity.¹²⁰

Respondents to Blueprint Nebraska's survey suggested that diversification, better promotion/marketing, value-added projects, more innovation, and care of the land, water, and natural resources are important for the future of agriculture. Local communities should support producers, retain young producers, grow the future workforce, and recognize the importance of international trade and the community benefits of the sector.

We propose diversifying, expanding, and improving the productivity of Nebraska's agri-business cluster (e.g., ag-tech, food manufacturing, and machinery industries) to increase demand for production and to create global leadership in value-added, 21st-Century agriculture. This initiative will require investing in bio-based feedstock manufacturing, promoting research partnerships, and providing support services to stimulate investment.

More specifically, to usher in more value-added, 21st-century agriculture, this initiative will:

- **Increase bio-based feedstock manufacturing in the state**, such as co-location of fermentation, green chemicals, and bioplastics production.
- **Promote education, incentives, and research partnerships** to help encourage agricultural producers to diversify crops and expand into higher-value-added downstream products with agricultural inputs. This effort will also expand the supporting value chain of agricultural machinery, equipment, and technology.
- **Support technologies, marketing strategies, and market development efforts** that will enable Nebraska agriculture to evolve from a "commodity-driven" model to "de-commoditization" that creates and captures intrinsic value.

To increase investment in agriculture, the initiative will:

- **Invest in scaling physical spaces.** This effort will coordinate with local and regional governmental entities to establish up to three "agricultural parks" — large sites/campuses across the state zoned specifically for agricultural production and processing. Production agriculture, processing, and technology development entities will co-locate and cross-pollinate at these sites to improve efficiency, develop and share technologies, and foster economic activity in rural areas.
- **Invest in R&D.** This effort will increase R&D investment and public-private collaboration to improve efficiency, water quality/quantity, digital agriculture, and production and processing and find new uses for commodities.
- **Increase connectivity.** This effort will increase last-mile broadband connectivity to provide infrastructure support for ag-tech.
- **Invest in data.** This effort will create a statewide initiative to consolidate business and economic data from diverse sources and transform it into powerful tools for decision-making, profitability, and communication with consumers and influencers.

This initiative will increase producers' earnings and resilience. Recipients of U.S.D.A. value-added grants have 89% higher business survival rates.¹²¹

BUILD A PIPELINE OF TECH FOUNDERS IN SECTORS LINKED TO NEBRASKA'S CORE INDUSTRIES

Nebraska has a long history of innovation and entrepreneurship. The creativity of Nebraskans has produced innovations at home, school, and work. Nebraska is the birthplace of Kool-Aid, CliffsNotes, and Vice-Grip pliers, as well as collapsible voting booths and the 911 emergency system.¹²²

Nebraska is technology-driven and increasingly focused on R&D, especially bio-science (including medical tech and life science) and bio-technology (including raw material resources, ethanol, and commodities).

But after years of successful innovation, the state has experienced stagnation. Nebraska ranks in the bottom 10 states on share of startups, share of STEM graduates, and venture capital deployed as a percent of GDP. These scores reflect low levels of investment and commercialization. The state ranks #36 in business R&D and #35 in patents per capita.¹²³

In 2017, the Milken Institute released a report ranking the top universities for technology transfer, and the University of Nebraska ranked #35. This is a major accomplishment considering that only one university in peer states ranked higher— the University of Minnesota.¹²⁴ Nebraska has an opportunity to build on this success and become a leader in technology transfer and commercialization.

We propose developing a pipeline of founders in tech sectors linked to Nebraska's core industries – med-tech, ed-tech, design-tech, fin-tech and insure-tech (discussed separately), ag-tech (also discussed separately) and transportation and logistics technologies – creating the Midwest's leading tech cluster of R&D and innovation. This initiative will require building entrepreneurship zones and innovation hubs to attract investment (e.g., R&D and venture capital) and a tech cluster that will promote local entrepreneurship.

More specifically, to increase investment in R&D, this initiative will introduce or scale-up three efforts:

- **Create outcome-driven performance metrics.** Adopting key performance indicators tied to achievable goals will allow the state to monitor progress and prioritize its R&D expenditures.
- **Support university and business R&D efforts.** Expanding on existing strengths in medical research and defense, this effort will create a centralized resource to help university and local business researchers apply for funding (e.g., federal grants).
- **Scale a statewide hunt for intellectual property (IP).** This effort will scale the existing commercialization unit to engage universities and labs in supporting commercialization. This will require reviewing existing IP and incentive structures.

To develop entrepreneurship zones and innovation hubs that help entrepreneurs thrive, the initiative will:

- **Define the mission, vision, and objectives for the zones and hubs.** This effort will consolidate perspectives on strengths and assets of the region, state, university and real estate partners, and location. The effort will also articulate clear short- and long-term goals for the zones and hubs to create aspirational, but achievable objectives.
- **Choose the right partnership model for the zones and hubs.** This effort will explore such options as academic institutions, research park real estate players, innovation service providers (e.g., co-working space providers and accelerators), and health systems.
- **Invest in local technology startups.** This effort will commit venture capital to local startups to seed early organizations and their innovation. The effort will also support local technology startups' proof-of-concept in our organizations to provide a live testbed for their ideas. The effort will explore increasing the Business Innovation Act budget that assists startups in Nebraska and it will develop a model for identifying and mentoring entrepreneurs.






Investments in R&D have positive economic impact. Research shows that a 1% increase in the share of R&D expenditures in the economy yields a 2.2% increase in real GDP growth.¹²⁵

Innovation hubs support the industries that are the growth engines for the U.S. economy (Exhibit 28).¹²⁶

Exhibit 28: Innovation industries vs. all other sectors¹²⁷

CREATE A MULTI-PARTNER MANUFACTURING INNOVATION CENTER OF EXCELLENCE, FOCUSED ON INDUSTRY 4.0/AUTOMATION

Nebraska is known not only for growing things (agriculture), but also for making things

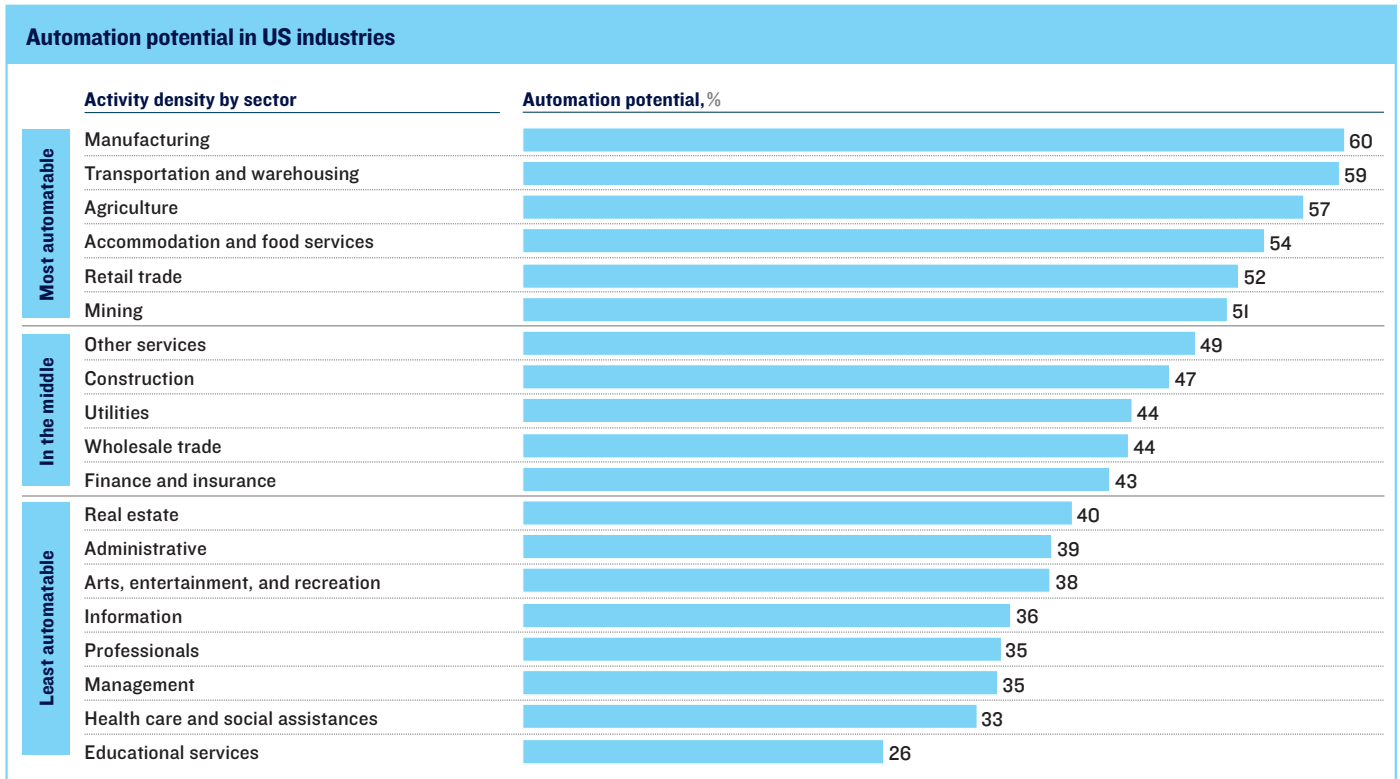
	Innovation industries ¹	All other sectors
 Productivity growth Annual growth since 1980	2.7%	1.4%
 Worker earnings and productivity 2015	\$95,000 \$214,000	\$53,000 \$108,000
 Engineers and patents Share of U.S. total	80%	20%
 Exports Share of U.S. total	60%	40%
 Multiplier effect Additional domestic jobs created	3-5	1

¹ 50 diverse industries (e.g., aerospace, computer systems design, medical devices, pharmaceuticals, R&D services, software)

(manufacturing). Manufacturing is the second largest sector in the state economy, accounting for 11% of Nebraska’s GDP and employing nearly 100,000 people.¹²⁸ Manufacturing has thrived in Nebraska because of affordable real estate in a centrally located state that offers ready access to transportation and roads.

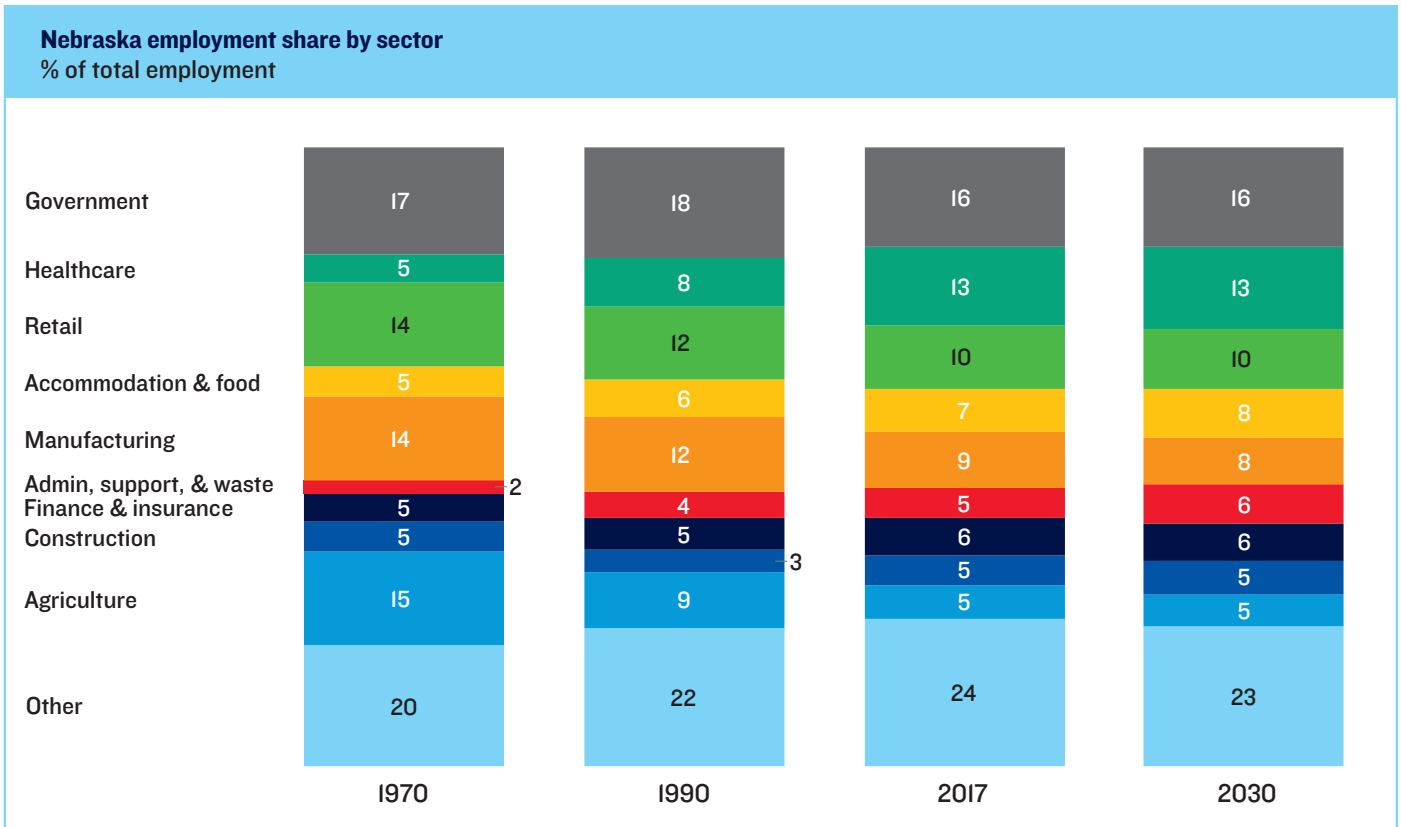
The manufacturing sector is experiencing massive change. Automation and Industry 4.0 are beginning to transform manufacturing. In fact, manufacturing is the sector with the greatest automation potential (Exhibit 29).¹²⁹

Exhibit 29: Automation potential by sector



But these trends have produced a steep decline in manufacturing employment across the country. In 1970, manufacturing accounted for 14% of Nebraska's employment. In 2017, that share dropped to 8% (Exhibit 30).¹³⁰

Exhibit 30: Employment share by sector



At the same time, some manufacturing sub-sectors – primarily advanced manufacturing – have seen massive growth. According to a Brookings study of advanced manufacturing, Nebraska ranks #40 in concentration on advanced industries.¹³¹

We propose creating a multi-partner manufacturing innovation center of excellence, focused on Industry 4.0/automation, to make Nebraska the Midwest leader in next-generation manufacturing. This initiative will require launching a venture capital investment fund, creating productivity incentives, and providing resources and technical support (e.g., infrastructure and training) to boost the adoption of advanced manufacturing technology.

More specifically, this initiative will:

- **Establish a leading manufacturing center of excellence** to advise on applied research and process efficiency.
- **Launch a venture capital investment fund** focused specifically on innovative, next-generation manufacturing companies.
- **Create productivity incentives** to promote the development of disruptive advanced manufacturing technology and reward companies for realizing efficiency gains from their investments.
- **Provide resources and technical support** (e.g., infrastructure and training) to boost the adoption of advanced manufacturing technology.

Manufacturing centers of excellence are finding favor because they reduce costs 5% - 15%. Centers of excellence in other regions have garnered millions of dollars of investment and generated thousands of high-paying jobs.

DEVELOP FIN-TECH, BANKING, AND INSURE-TECH PARTNERSHIPS

Leading financial services companies call Nebraska home. A solid mix of business, finance, and insurance companies already supports the state's economy.

Nebraska houses banks of every stripe — family-owned community banks, including the largest in the country; investor-owned banks; and large national and regional banks that have locations throughout the state. Nebraska has also been looking to the future of finance. Thanks to the efforts of entrepreneurs and visionary companies, Omaha ranks among the top 5 most promising fin-tech hubs in the nation.¹³²

But Nebraska still ranks #19 in fin-tech investment, 2014-2017.¹³³ Banking, finance, and insurance are highly regulated industries, and the fin-tech industry must comply with most current regulatory requirements, including capital, privacy, compliance, and cybersecurity reviews. These regulations have created a barrier to entry and will encourage partnerships with traditional service providers. Regulations create competitive advantages for larger financial institutions that will increase the rate of consolidation in smaller rural banks. As the industries consolidate, Nebraska should ensure that it has the business and regulatory environment necessary to attract these consolidated companies to the state.

We propose developing fin-tech, banking, and insure-tech partnerships that will strengthen and diversify the financial services cluster, making Nebraska the Midwest leader in financial innovation. This initiative will require identifying a focus within fin-tech (e.g., reg-tech), attracting emerging companies in the space and fin-tech talent, and creating the right environment for the partnerships to flourish (e.g., collaboration spaces).

More specifically, this initiative will:

- **Select a fin-tech area where Nebraska can win.** Other regions have selected specific areas where they can win (e.g., reg-tech or insure-tech). This effort will require conducting a competitiveness analysis of promising areas of fin-tech and recommending an area where Nebraska should focus its resources.
- **Launch a fin-tech accelerator.** This effort will create a fin-tech accelerator to promote competition among the top fin-tech entrepreneurs. The effort will encourage these entrepreneurs to visit Nebraska and connect them with funders in the space.
- **Launch a fin-tech venture capital fund.** This effort will fund the most promising startups coming out of the fin-tech accelerator and help attract promising fin-tech startups to the region.
- **Foster partnerships.** Trade organizations may provide coordination, an industrywide vetting system, the primary compliance review, and guidance as well as serve as the gateway to state and federal regulators. Companies that are already involved in partnerships can benefit financially from selling products and services to industry participants.
- **Offer collaboration spaces.** This effort will provide collaboration spaces for entrepreneurs working on fin-tech and related technologies and offer large financial companies incentives to partner with innovative fin-tech startups.

Fin-tech is a growing opportunity that saw a 44% increase in annual investment, 2013-2017.¹³⁴ Fin-tech jobs are more productive than other finance jobs and command wages about 20% higher.¹³⁵

SUPPORTING INITIATIVES

In addition to the four high-priority initiatives, we propose five supporting initiatives to grow our most promising industry sectors:

- Promote and brand Nebraska agriculture worldwide to establish the Davos or South by Southwest of agricultural innovation in the state.
- Celebrate frontline manufacturing workers to attract Nebraskans to jobs crucial to growing the state's economy.
- Improve primary care in rural and urban Nebraska, including increasing access to physicians (e.g., telehealth).
- Build public awareness of healthcare to improve quality of life and productivity (e.g., education campaign and data exchange).
- Create an entrepreneurship and innovation index to measure Nebraska's success.

CHAPTER 7 – OUR PATH FORWARD

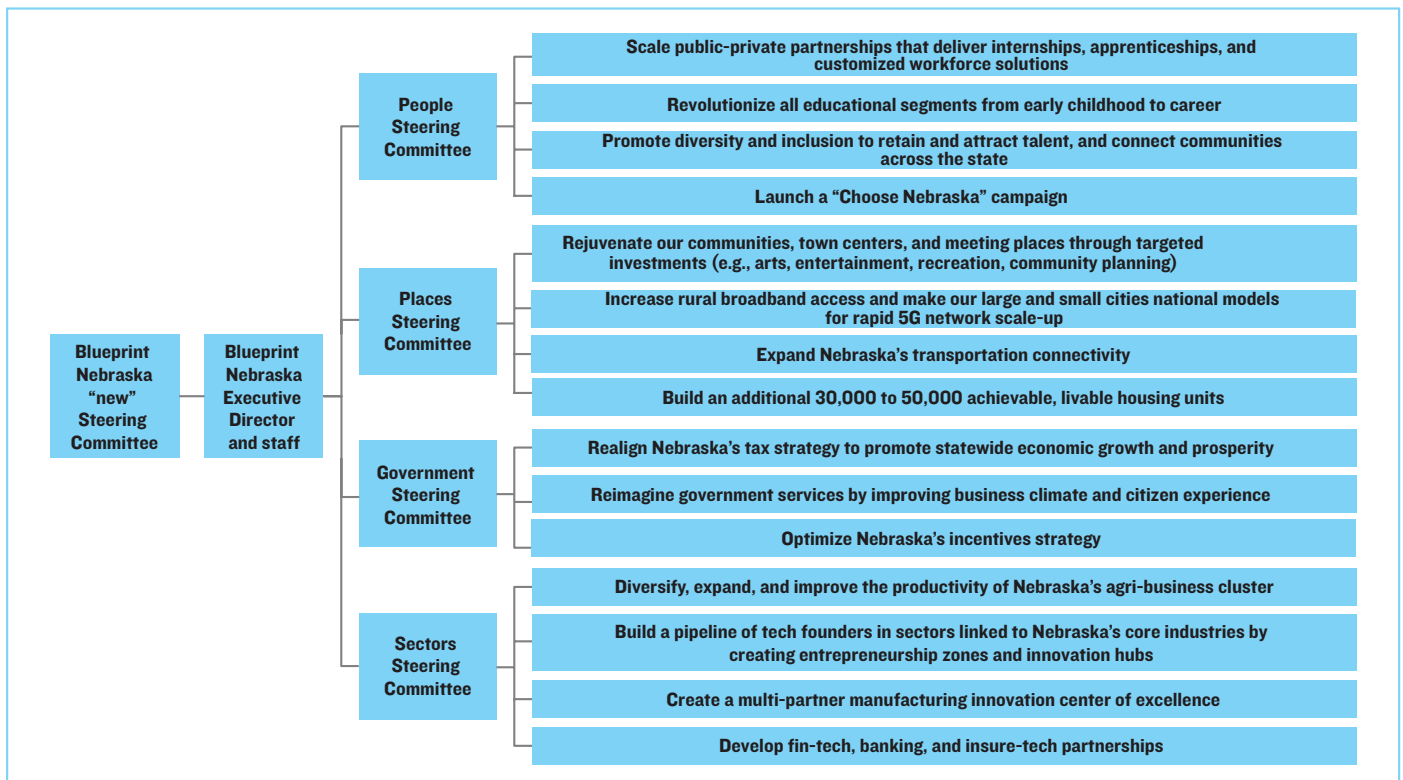
This strategic plan lays the foundation for growing the good life in Nebraska. We have taken a bold path in committing to 15 high-priority initiatives that promise to transform our state by 2030. This commitment reflects cross-sector, cross-industry, cross-party, and cross-community alignment around our collective future.

Blueprint Nebraska was born in response to a widespread and spirited call-to-action: ensure a better tomorrow. Only with continued collective efforts by public- and private-sector leaders can the state capitalize on its strategic assets of people, land, and location to build a brighter future for Nebraskans.

To make our 2030 vision, aspirations, growth themes, and initiatives a reality, we need dedicated teams and detailed implementation plans. We need Nebraska’s leaders committed to, and enthusiastic about, implementing the initiatives outlined in this report to provide the necessary governance, structure, and processes for successful execution.

We will adopt a modified organizational structure to facilitate the shift from planning to delivery based on breakthrough delivery best practices. This new delivery system will include a modified Blueprint Nebraska Steering Committee, the Blueprint Nebraska Executive Director and staff, growth theme steering committees, and initiative owners and initiative teams (Exhibit 31).

Exhibit 31: Blueprint Nebraska delivery system organizational structure



Roles and responsibilities (e.g., growth theme steering committee chair, convener, and member; initiative owner and initiative team member) in the delivery system will require committing significant time and effort to ensure success (Exhibit 32).

Exhibit 32: Delivery system roles and responsibilities

Delivery system teams	Roles	Responsibility	Potential composition
New Steering Committee	<ul style="list-style-type: none"> Steering Committee members 	<ul style="list-style-type: none"> Oversee overall implementation delivery Advise on key problem-solving questions when critical incl. facilitating key introductions Resolve elevated risks/concerns 	<ul style="list-style-type: none"> ~10-15 people
Blueprint Nebraska team	<ul style="list-style-type: none"> Executive Director Staff 	<ul style="list-style-type: none"> Responsible for overall outcomes and ongoing implementation Enables and encourages cross-growth-theme and cross-initiative collaboration and coordination Problem-solves trouble-spots across Growth Themes and initiatives Monitors key risks and potential challenges Deploys staff to troubleshoot initiative-specific problems 	<ul style="list-style-type: none"> ~4-6 people
Growth Theme Steering Committee	<ul style="list-style-type: none"> Growth Theme members 	<ul style="list-style-type: none"> Oversee overall Growth Theme delivery Advise on key Growth Theme problem-solving questions when critical incl. facilitating key introductions Resolve elevated risks/concerns 	<ul style="list-style-type: none"> ~10 people per Growth Theme
Initiative teams	<ul style="list-style-type: none"> Initiative Owner Initiative team members 	<ul style="list-style-type: none"> Accountable for the day-to-day implementation and success of initiative Problem solve day-to-day difficulties as they arise 	<ul style="list-style-type: none"> ~4-6 people per initiative

We see four critical next steps to move from blueprint to reality:

- Establish and empower a “delivery unit,” a dedicated implementation team, to enable fast decision-making, foster collaboration across stakeholders, manage performance, resolve bottlenecks, and take corrective actions to get lagging performance back on track.
- Track and measure outcomes against detailed business cases, work plans and initiative-level key performance indicators (KPIs) to ensure the progress and success of our high-priority initiatives.
- Build the capabilities of key stakeholders and partners so they can assume key roles in implementation and lend their expertise to growing the good life in Nebraska.
- Communicate progress and impact to the business community and the broader public to create and sustain wide stakeholder engagement and enthusiasm.

First steps toward establishing and empowering a delivery unit include:

- Defining meeting objectives and agendas.** Blueprint Nebraska will set specific meeting objectives and agendas to enable the delivery unit to interact efficiently.
- Establishing a meeting cadence.** Blueprint Nebraska will set delivery unit meetings at a regular cadence suitable to the interaction.
- Building meeting templates.** Blueprint Nebraska initiative owners will complete a template before each problem-solving session (e.g., quarterly cross-team meeting).

First steps toward establishing effective performance management include:

- **Developing detailed action plans.** Blueprint Nebraska initiative owners will develop detailed action plans based on the Blueprint Nebraska report to guide the implementation teams.
- **Creating a dashboard.** To monitor progress, Blueprint Nebraska will launch a dashboard that specifies metrics for different groups to track.
- **Aligning on KPIs.** Blueprint Nebraska initiative owners will align on initiative-level KPIs to track and measure outcomes and operational KPIs to demonstrate progress across initiatives.

First steps toward building capacity include:

- **Creating a curriculum.** Blueprint Nebraska will build delivery system capabilities (e.g., Blueprint Nebraska staff and initiative owners) through modules that address specific training needs.
- **Developing and implementing a rollout plan.** Blueprint Nebraska will combine “field” (e.g., hands-on) and “forum” (e.g., classroom-style) approaches in weekly capability-building modules that will begin soon after the Blueprint Nebraska plan launches.

First steps toward communicating effectively include:

- **Setting a communications strategy.** Blueprint Nebraska will set a communications strategy that addresses messages, audiences, media, and tracking.
- **Developing and implementing a rollout plan.** Blueprint Nebraska will develop a steady stream of communications that utilize various media (e.g., press releases, op-eds, and tweets).
- We will sequence the rollout of our initiatives in three waves, beginning in Q4 2019, and will launch approximately five initiatives per quarter. We will sequence the 15 initiatives according to the following guiding principles:
- **Highlight the boldness of the plan.** We will prioritize high-impact initiatives that will radically improve Nebraska’s performance across the key aspirations articulated in the plan.
- **Inspire all Nebraskans.** We will prioritize initiatives that will have impact on all communities and address what matters most to all Nebraskans (e.g., 2018 Community Survey) to generate support and enthusiasm.
- **Look for quick wins.** We will prioritize initiatives that promise early success (e.g., ongoing efforts across the state) and/or allow rapid scaling (e.g., existing agreements and resources) because they build on Nebraska’s unique infrastructure.

Everyone at Blueprint Nebraska is committed to achieving our vision and our aspirations. We recognize how lofty our goals are, and we know that dedication and collaboration will be critical. Together, we can build an even greater Nebraska.

CLOSING STATEMENTS FROM THE FOUNDERS

Fellow Nebraskans,

Thank you for taking the time to review the findings of “Blueprint Nebraska: Growing the Good Life.”

About a year ago, Blueprint Nebraska launched as a citizen-led initiative to help build a roadmap to growing our state.

Over the course of the last year, a steering committee, industry councils, and thousands of Nebraskans provided input with the help of a team of facilitators and augmented with outside research. They represented a wide variety of Nebraskans ranging from business and agriculture to higher education and the veterans community. I want to extend my sincere thanks to each and every one of the people who has devoted their time along the way.

This report contains a wide variety of initiatives. As you review the report’s findings, I hope you will thoughtfully weigh the merit of each proposal. Many of these ideas are presented at a conceptual level, and Blueprint will work through how to implement their priorities as they move forward. These proposals will form the basis for dialogue and debate for how we move our state forward.

As Blueprint sets its course for the future, I’m excited to work with them specifically in the areas of controlling spending to achieve property tax relief and helping connect more Nebraskans to the great careers in manufacturing and information technology in our state.

Once again, thank you for taking the time to read this report, and best wishes to Blueprint on its next steps.

Sincerely,

A handwritten signature in black ink that reads "Pete Ricketts". The signature is written in a cursive, flowing style.

Pete Ricketts
Governor

When I arrived in Nebraska in 2015, I knew immediately this was a special place.

The people here were as hard-working, talented and innovative as any I've known. They welcomed my family and me as their own. And they were bound together by a love of their state and common goals for the future: fulfilling and well-paying jobs, high-quality education, accessible health care, vibrant communities, a rich quality of life.

Nebraska possesses many of these things already. But we also know we can and must do more to build the future our children and grandchildren deserve. At a time when Nebraska is part of a 50-state competition for workforce, it's not enough to hope the best and brightest talent will be drawn to The Good Life without intentional, forward-thinking action on our part.

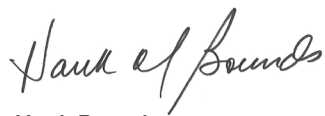
Nebraska can be the hunted, or we can be the hunters. We choose to be hunters – and our work starts now.

With Blueprint Nebraska, we have robust and exciting opportunities for action.

Since the beginning, Blueprint has been about engaging Nebraskans to find out where we're good, where we can be great, and where we can invest to make our state the best it can be. We can't be the best at everything, nor can we compete with every state in every sector. But we can lead in attracting and nurturing diverse talent, in building the workforce of the future, and in offering a quality of life that makes our communities the top choice for living, working and raising a family. Blueprint Nebraska offers us a path forward in achieving those goals.

I'm proud that a number of my colleagues at the University of Nebraska and in higher education have been part of this effort. Education is a vital part of the solution – not just to fill the 34,000 annual openings we'll soon have in high-demand, high-skill, high-wage jobs, but also to transform the lives of young people who dream of a better future for themselves and their families.

I thank Lance Fritz and Owen Palm for their leadership, Gov. Pete Ricketts for his partnership, and the countless Nebraskans who have shared their thoughts throughout this process. Thanks to each of you, Nebraska's best days are ahead.



Hank Bounds
President, University of Nebraska

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¹⁵⁸ *Asterix denotes Board of Directors*

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