

A Statewide Proposal for Nebraska's Workers and Businesses Utilizing Funding from the America Rescue Plan



Our Objective: As a result of the COVID-19 pandemic, Nebraska's employers and employees have faced unprecedented economic challenges for over a year. At the same time, we are now presented with an opportunity that comes with a significant in-flow of federal dollars, which widely surpasses all previous federal interventions. Therefore, we feel the time is now to identify and prioritize proposals that, with targeted investments, could lead to generational impacts on Nebraskans going forward.

We have identified four key themes around which we organize our collection of programs:

1. Business Relief & Growth
2. Workforce
3. Diversity, Equity & Inclusion
4. Quality of Place

We feel that investment in these four areas would not only provide immediate assistance to those impacted by the pandemic but also make a significant and lasting difference in advancing Nebraska's attractiveness as a place to live, work, play and compete.

In our analysis we have been thoughtful about structure and function:

- We have attempted to avoid creating new programs and projects that could be hampered by lack of long-term funding.
- We are recommending the utilization of existing program structures with the intention of providing one-time funding boosts to enhance their effectiveness and accelerate the achievement of their goals.
- We have also attempted to highlight legislative bills that are currently pending in the Legislature that concern these issues and could be vehicles for funding going forward.

- Leveraging existing staff and programs will be important for efficient administration; however, adequate resources should be allocated for administering any additional funds.
- Consideration should also be given to establishing different categories within programs to allow the flexibility to direct funds based on need, business size, targeted industries, and demand.
- Finally, these four themes and collection of programs provide an opportunity to provide strategic alignment between programs and make awards to proposals with a preference on those that show how they are meeting this strategic alignment between business relief and growth, quality of place, workforce and diversity, equity & inclusion.

We believe the programs described below collectively offer a comprehensive approach to providing critical relief to workers and businesses while setting the stage for substantial long-term economic growth.

Proposed Programs

Business Relief & Growth Many of Nebraska's businesses took a big hit from the COVID-19 pandemic. We need programs to help them get through the hard times and build back in a way that sets them on a trajectory of renewed growth. We can focus on building capacity and competitiveness in our core industries while nurturing a dynamic ecosystem of innovation and startups.		
<i>Program Description and Rationale</i>	<i>Possible Partners / Related Legislation</i>	<i>Estimated Cost</i>
<p>Infrastructure - Nebraska's accessibility to both coasts and borders, and existing multi-faceted infrastructure keep the state in the race for job creation and investment opportunities. Targeted policies to further invest and develop infrastructure resources will position Nebraska to better compete for high-growth, high-wage sector projects and help create resilient economic opportunities for Nebraskans for generations to come. The Nebraska business community recommends substantial investments in the following programs: Site & Building Development Fund, the Economic Opportunity Program, Mega Site Development, Transloading Facilities, and the Imagine Revolving Loan Fund.</p> <p>Site & Building Development Fund / Economic Opportunity Program - Provide an infusion of at least \$20,000,000 in funds into the Site and Building Development Fund (SBDF) and Economic Opportunity Program (EOP) to assist with lowering the high cost of infrastructure development for site development.</p> <p>The SBDF supports the creation of industry-ready sites, buildings and infrastructure in communities across Nebraska. In doing so, SBDF serves as a tool to attract and accommodate top-notch employers and industries – bringing high-quality investments and good-paying jobs to our state. The SBDF receives approximately \$2,500,000 per year to assist with infrastructure and site development for new and expanding facilities - with \$2.967MM estimated for 2021. Demand is such that NDED often turns away projects or severely limits the award to allow them to support more requests.</p> <p>Current SBDF investments average \$500,000 per project for the standard grants. A minimum 1:1 match is also required. This infusion of funds would be able to support an additional 20-40 projects throughout the state. With the 1:1 match requirement total economic impact could be in the billions of dollars with thousands of new jobs created.</p>	<p>Nebraska Department of Economic Development (NDED)</p> <p>Site and Building Development Fund</p> <p>LB156 - Adopt the Municipal Inland Port Authority Act</p> <p>LB40 - Rural Projects Act</p> <p>Nebraska Department of Transportation (NDOT)</p>	<p>\$195,000,000</p>

The NDOT's rapid response EOP helps attract and sustain economic growth across the State by making local grants for strategic transportation improvements that better connect businesses to Nebraska's statewide, multi-modal transportation network. The primary goal of the program is to attract or retain jobs and private capital investment in the state. Funding is strictly discretionary with awards made by NDOT based on careful review of the merits of each application as it is received, and in consultation with NDED who provides an economic analysis to determine the impacts of each eligible project. Typical awards are below \$500,000. This infusion would allow NDOT to provide an additional 10-20 grants for this type of strategic transportation and infrastructure improvement.

Nebraska is a proven leader in the transportation and logistics sector. Further, with expected GDP growth beginning in 2021 and the opportunities related to creating supply chain resiliency, a targeted investment in the SBDF/EOP will pay dividends. Such investments will be critical to attract reshoring and international foreign direct investment into the state.

Mega-Site Development - Invest \$150,000,000 towards Mega-Site / Port Authority site development.

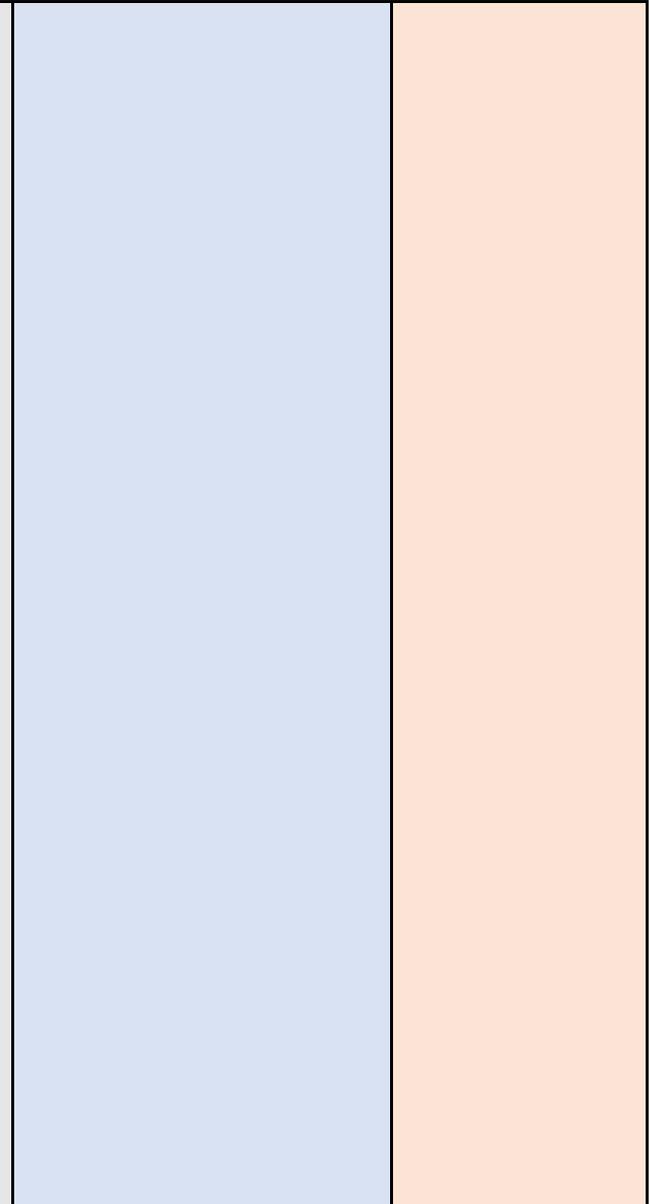
The creation of a fully-controlled and infrastructure supported mega-site in Nebraska is absolutely necessary for our state to be successful in attracting these transformational economic development projects. Site selection for a business comes down to risk management and it quickly becomes a process of elimination. Over the past two years alone, four of these mega-sized projects have inquired about site options available in Nebraska but due to uncertainty about land control and availability and the length of time needed to extend infrastructure to a site, our state has been eliminated from consideration either immediately or after initial due diligence highlighted these deficiencies.

These four mega-projects which came to Nebraska's doorstep over the last 24 months ranged from \$1.1 billion to \$3.5 billion in capital investment per project and would create between 700 and 5,000+ jobs each. Any one of these projects would have had a transformational impact on Nebraska's economy. A 2014 study conducted by the University of South Carolina on the BMW project which Nebraska lost to that state in 1992 showed that the BMW automotive plant creates more than \$16 billion in economic impact annually to the

State of South Carolina and supports over 30,000 jobs across the state. The BMW project has been transformational for South Carolina in focusing on workforce development, including creating apprenticeships, enhancing K-12 initiatives and investing in R&D at the university. The project itself created a ripple effect of a large supplier network and has also been key in attracting other major employers, including Boeing. The Toyota/Mazda assembly plant that considered Nebraska 5 years ago would have had similar economic impacts and was another opportunity lost for Nebraska. Since then, Nebraska continues to swing and miss in bringing these mega projects to the state, which has equated to more than \$11B lost investment and more than 11,000 high wage positions going to other states in the last two years alone. The silver lining is we have learned a lot from these projects, including automotive and battery manufacturing, and their needs and how we stack up against the competition - and we know these industries will have continuing needs for identifying site locations over the next several years. The time is now to change this trajectory of lost opportunities and invest in a vision to attract an innovative employer and catalyst in transforming our state.

Typically, these mega-site locations have a much higher cost of development due to their distance from existing infrastructure. This is because a large contiguous parcel of land (hundreds - 1,000+ acres) must be assembled. Mega-site funding gives Nebraska the ability to be competitive in attracting these economic engines. Our neighboring states, who have already completed or are in the process of securing mega-sites, are ahead of Nebraska. Many states across the nation have invested in mega-sites, as an example Tennessee, where the state dedicated more than \$175M to a mega-site over several years and just landed a \$5.6B Ford assembly plant, supplier park and battery manufacturing plant. Strategically and thoughtfully planning a mega-site in Nebraska will take more than \$150M which would include land acquisition and infrastructure development - but the return on investment could be in the tens of billions of dollars. Without State support for the acquisition of land and development of infrastructure we will continue to miss out on these projects as history has shown local governments do not have the capacity to participate financially at this level.

To effectively compete for these transformational projects, Nebraska needs to support mega-sites through the ARPA funds. This is a once in a lifetime opportunity to dedicate the amount of funds necessary to secure a mega-site location and invest in its infrastructure needs. We recommend placing these funds into a dedicated separate account within the



existing SBDF through the Department of Economic Development. NDED can then work with local governments and other State agencies to allocate the funds to the most competitive sites with a goal of securing a major eastern Nebraska site located within close proximity to the population centers of Lincoln and Omaha which can support large employment projects--and a greater Nebraska site that would be competitive for large, yet less workforce intensive projects. This dual statewide strategy would have the ability to provide transformational economic growth opportunities for the entire state. If we are serious about growth and prosperity for Nebraska and its people, we need to invest in a mega-site to send a signal to site selectors and major employers everywhere that we are ready and open for business. The economic development and business community is ready to put this funding to work and attract a transformational, once in a lifetime opportunity to Nebraska.

Transloading Facilities - Make an additional \$10,000,000 in funding available to the matching fund created in the LB40 - Rural Projects Act. The LB40 - Rural Projects Act establishes a matching fund to provide grants to nonprofit economic development corporations to support manufacturing, processing, distribution or transloading businesses with: site acquisition and preparation, utility extensions, rail spur construction for the development of a new industrial rail access business park, and other eligible expenses.

Nebraska has natural competitive advantages including strong, resilient agricultural, manufacturing, transportation and financial technical sectors and a top goal for the state should be to develop one of the nation's leading inland logistics and industrial hubs. Developing and expanding these types of industrial sites helps leverage these advantages in rural Nebraska to grow the economy. An economic impact analysis of the development of a site with multiple rail spurs with a rail-truck transload facility in greater Nebraska showed an estimated annual impact of \$640 million in total economic output and approximately 1,800 jobs. Projects of this type typically require a commitment from state funds in the range of \$500,000 to \$2,000,000. This infusion would support 10-20 projects throughout Nebraska.

ImagiNE Nebraska Revolving Loan Fund - Provide \$15,000,000 into the ImagiNE Revolving Loan Fund (RLF) to provide an impactful one-time infusion to the program.

The ImagiNE Nebraska Act created a RLF within the program to be administered by NDED. These funds can be utilized for workforce training and infrastructure development.

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<p>Companies can borrow from this loan fund against their future tax credits and refunds, expediting the value of those credits and focusing the resources on key business needs during a critical timeframe for businesses. The loan fund has received a \$5,000,000 per year appropriation for the next two years, but ideally this loan fund could offer much more.</p> <p>Such an uptick would allow more companies to engage in needed workforce training and offset the burden on infrastructure development placed on companies to extend utilities, street extensions, and industrial rail track spurs.</p>		
<p>Innovation - Nebraska has a long history of innovation and entrepreneurship; however, our state has not kept pace with our peers based on the 2019 Blueprint Nebraska report. Accelerating the adoption of technology across industries and unlocking innovation in processes allows companies to produce more with the same number of workers. The Nebraska business community recommends substantial investments in Modernization and Technology Grants, and the Business Innovation Act.</p> <p>Research & Development, Automation, Digitization, Modernization and Technology Grants - Establish a \$100,000,000 one-time business grant program based on the concept of the Nebraska Asset Modernization Initiative. That program was designed to accelerate investment in modernization of assets and done in collaboration with the Nebraska Investment Finance Authority (NIFA). The goal for this program would be to assist business and industry across Nebraska emerge and recover from the pandemic by prioritizing innovation. Data from McKinsey & Company show more than 85% of businesses are very cognizant that the pandemic has fundamentally changed how they do business and the expectations of their customers.¹ The McKinsey data also shows more than 75% of businesses agree this crisis will create significant new opportunities for growth. However, less than 25% believe they have the expertise and resources available to pursue this new growth.</p> <p>Nebraska ranks well behind its peers and only 27th nationally in terms of productivity and 36th in research and development (R&D) spending, according to the Blueprint Nebraska report. That report also tells us innovative industries are 2.7% more productive with a direct/indirect job creation rate of 3-5 times higher.</p>	<p>Nebraska Investment Finance Authority (NIFA)</p> <p>NDED</p>	<p>\$120,000,000</p>

¹ <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/innovation-in-a-crisis-why-it-is-more-critical-than-ever>.

There has never been a more important time for Nebraska to transform its R&D and innovation potential with the investment of one-time funds. The vision for this grant program would be to provide 1:1 matching grants directly to businesses to supplement their R&D efforts and support the adoption of technology and investment in innovation. These grants will accelerate the return on investment and tax benefits for these activities, thereby encouraging businesses to locate and expand research and development in Nebraska and boosting productivity in every sector and industry by increasing innovation and wages.

Eligible activities would include traditional research and development activities, but also support the capital needs to adopt emerging technology, the necessary administrative costs to audit, analyze and plan for these investments, and the capital needed for implementation and engineering services.

It is estimated the administrative cost to audit, analyze and plan for these investments would be approximately \$30,000 per business. The capital needs to adopt and deploy these R&D, technology and innovation investments are likely to vary by business size and could range between \$500,000 for a single project to \$20 million for a multi-year automation or technology enhancement proposal.

If necessary, different priorities could be established with flexibility to direct funds based on business size, targeted industries, those with complimentary worker training components and demand. A per project cap could also be implemented. This program should also allow for the ability to contract with a statewide organization to operate as an intermediary to facilitate this grant program and provide resources to support the administration and marketing of these grants across the state.

Expected outcomes of this program would be increased GDP. It has been shown a 1% increase in R&D, provides a 2.2% increase in GDP.² Based on data compiled by Blueprint Nebraska we can also expect these investments will increase talent migration into the state, increase production without increasing labor needs, reduce the number of low skilled positions, increase the number of available workers by equipping them with technology, and increase employee retention. Finally, these grants will lead to greater long term success of

² Svetlana Sokolov-Mladenović, Slobodan Cvetanović & Igor Mladenović (2016) R&D expenditure and economic growth: EU28 evidence for the period 2002–2012, Economic Research-Ekonomska Istraživanja, 29:1, 1005-1020.

businesses, which is especially critical in greater Nebraska where entire communities rely on one to two businesses to drive their local economy. Similar USDA value-added grants in agricultural innovation have shown an 89% higher business survival rate as the result of this type of support.

Business Innovation Act - Invest \$20,000,000 in additional funds toward the Business Innovation Act.

A 2015 study of publicly listed companies found that venture-backed companies represented 43% of all publicly listed companies since 1979, 57% of market capitalization, 38% of total employees, and 82% of R&D expenditures.³ Nebraska needs more high-growth, tech-based startups that are able to identify a national or global market niche, introduce a new tech-based product or services, and increase their sales to the point that they grow to 100-plus employee companies. Creating the conditions necessary to support more technology-based startups and more venture-backed companies in Nebraska will be critical to the state's technology-based economic development.

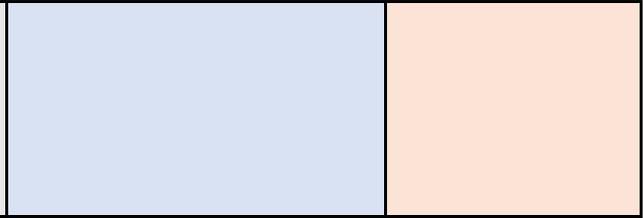
The business community recommends providing an additional \$20,000,000 in one-time funding to the Business Innovation Act (BIA) for the program concepts under its umbrella. With these funds we would recommend providing flexibility to NDED to direct funds based on need, business size, targeted industries, and demand. For example, placing additional emphasis and awards in the areas of AgTech, Bioscience, and Advanced Manufacturing which support the findings of Blueprint Nebraska as important growth areas for our state.

The return on investment (ROI) through the BIA is remarkable. According to the 2020 BIA Economic Impact Analysis (authored by the UNL Bureau of Business Research), businesses that provided data for the study reported receiving \$30.4 million in funding through BIA programs from the programs' inception in July 2012 to June 2020. These firms reported raising \$174.7 million in capital after receiving BIA support. This equals to \$5.75 in capital for every \$1 of state BIA funding. These businesses have added 2,343 new jobs in the state since the initial BIA funding with annual wages of \$74.3 million which translates to an average wage of \$59,710 which is higher than the state average of \$47,000 for the same

³ Strbulae, Ilya A. and Will Gornall (2015). "How Much Does Venture Capital Drive the U.S. Economy," Insights by Stanford Business School, October 21, 2015.

year. When considering the multiplier impact, the total annual economic impact to Nebraska was \$517.1 million from the \$30.4 million of BIA funding.

An increase of \$20 million to BIA programs could generate an additional \$115,000,000 of private direct investment and a total economic impact to Nebraska of \$340,000,000 based on the demonstrated ROI of 5.75:1.



Workforce

Our economy is only as strong as our people. There are many programs that can help Nebraska residents build their skills and realize their potential.

<i>Program Description and Rationale</i>	<i>Possible Partners / Related Legislation</i>	<i>Estimated Cost</i>
<p>Talent Pipeline - Nebraska needs a people strategy. With an emphasis on personal exposure, experiences and conversion to jobs Nebraska can build a workforce pipeline that is resilient and meets business and current and future employees where they need it.</p> <p>Career Experiences and Resources - Personal experience drives career selection and Nebraska should focus on building out its capability to provide comprehensive programming around career experiences with high quality internships and apprenticeships. Furthermore, career readiness does not end at the schoolhouse doors and for many individuals the need to access the education and training required to obtain good paying jobs and improve their lives could arise at any point in their career. The COVID-19 pandemic has shown this to be true for countless industry sectors and for all ages from high school students to those with decades of employment under their belts.</p> <p>COVID's impact on business closures, remote work environments, and school closures made this an especially challenging time for high school and college students looking to obtain workplace experiences and skills. The Nebraska business community recommends significant expansion and investment in internships, apprenticeships, training and upskilling to meet this workforce need.</p> <p><u>Internships and Internship Program Development</u> - Provide \$30,000,000 to expand the impact of InternNE by establishing a strong public/private partnership model. Internships create lasting connections between students, business, and regions. The InternNE program provides reimbursable grants to businesses for a portion of wages paid for new internships in Nebraska for 11th grade, 12th grade, or students enrolled in post-secondary institutions.</p> <p>This expanded program should allow NDED to contract with a statewide organization to operate as a workforce development intermediary to facilitate a co-curricular internship program that directly connects students to employers and reduces redundant workforce development efforts.</p>	<p>NDED</p> <p>NDOL</p> <p>Nebraska Community Colleges</p> <p>Chambers of Commerce</p> <p>Economic Development Organizations</p> <p>Non Profit Organizations</p>	<p>\$60,000,000</p>

This expanded program should continue to offer grants directly to businesses that supplement internship wages; however, funds should be allowed for consulting, developing, implementation and assessment of internship programs within businesses. In addition, funds should be allowed for purchasing equipment, tools, simulators, instructional materials, curriculum, or other necessary items to expand or create internship programs. Additional resources provided could be put toward targeted industries and include a preference for internships that provide educational credits for participation. We would recommend limiting the reimbursement of internship wages to only those companies with 100 or fewer employees.

Ideally, this initiative would have a goal to provide capacity building for the Handshake platform to all post-secondary institutions, their students, and participating employers for 5 years. And similar efforts should be made to facilitate the availability of a one stop career experience technology platform for K-12 institutions. Handshake is an online career management system for students, alumni, employers, and staff. It is a resource that allows employers and staff to list all types of internships, apprenticeships, and jobs, and access a database of student and alumni resumes which is a critical component in an integrated career learning system.

The National Association of Colleges and Employers reports that approximately 55% of internships convert into full-time entry level hires, with up to 80% choosing to stay in the region where they interned. In 2020 InternNE awarded \$329,000 to establish a total of 127 internships, at an approximate reimbursement rate of \$2,590 in wages per internship. Estimates from InternOmaha, which operates a co-curricular internship model, markets its program, and supports employers and students throughout the experience estimates its costs of administration at approximately \$2,500 to \$3,000 per student. InternOmaha does require internships be fully paid by participating employers.

It is recommended this expanded InternNE program offer a maximum benefit per internship per participating company, i.e. maximum of \$5,000. This benefit could be used to offset the internship wages, administrative costs or reimburse tuition for credit earning internships. In addition to full-time post-secondary students, the program should allow part-time community college students to participate due to the fact that 60% of community college students in Nebraska are non-traditional and part-time.

With an investment of \$30 million, with a maximum per internship reimbursement of \$5,000, an estimated 2,700 to 4,000 internships could be created with this infusion. Additional limitations on reimbursement for internships wages for employers with more than 100 employees could significantly expand the potential impact of this program.

Training, Upskilling, Apprenticeships and Apprenticeship Program Development - Provide \$20,000,000 in flexible funding for training, upskilling, apprenticeships and apprenticeship program development. This hybrid concept could incorporate aspects of the successful Customized Job Training Fund, Worker Training Grants, and the ImagiNE Revolving Loan and would expand the impact of these potential programs to businesses outside of the traditional incentive programs.

This vision for this one-time program would be to utilize the Worker Training Board structure through the Nebraska Department of Labor to facilitate a grant process to award these funds to businesses, economic development or workforce organizations, nonprofits and education partners to support training, upskilling, apprenticeships and apprenticeship program development proposals. Awards of at least up to \$50,000 per project are recommended.

The goal would be to support high skill and high wage jobs and industries, retain and expand the Nebraska workforce by increasing the pool of highly skilled workers, support programs that train, retrain or upgrade work skills of for-profit businesses. Preferences can be made to prioritize proposals in targeted industries, that work with unemployed or underemployed workers, or those that move individuals into higher skill, higher pay positions. Preferences could be made for targeting students and young people who experienced not only school, but workplace learning loss due to the lack of opportunities available during COVID.

Grants could also support scholarships or be used to offset tuition or fees at community colleges or with training providers. And funds should also be allowed to be used for purchasing equipment, tools, simulators, instructional materials, curriculum, marketing the training or apprenticeship programs or other necessary items to expand or create apprenticeship programs.

Funds for these training and upskilling grants should be flexible, allowing for the training of existing or potential employees, and allowing employers to work with a multitude of training providers or design a training program internally. This will create highly responsive training programs to disburse funds for retraining/upskilling of workers. Funds should be allowed to cover the wages of employees to participate in the program, provide a stipend to participate in the training, or cover others costs that might be barriers to participation such as transportation, childcare and meals.

Federally registered apprenticeship programs are excellent, but there is also a need for more adaptable apprenticeship programs like the German apprenticeship model that position companies to embrace technical advances, keep pace with market demands and harness growth. Scaling up investments in apprenticeships could be done through grants to businesses to engage in consulting, developing, implementation and assessment for all types of apprenticeship programs.

Data from the U.S. Department of Labor indicates job-driven apprenticeships are among the surest pathway to provide skills and knowledge needed to acquire good paying jobs and grow the economy, given that:

- 87% of apprentices are employed after completing their programs;
- The average starting wage for apprentices is above \$50,000; and
- For every \$1.00 spent on an apprenticeship there is a \$1.47 return in increased productivity.

The Future Ready Iowa Employer Innovation fund is an example of a grant opportunity for creative solutions that address local workforce issues. It encourages employers, community leaders, and others to lead in developing regional workforce talent pools. Employers can promote credit and non-credit education and training opportunities in high-demand jobs.

Depending on the type of federally registered apprenticeship programs can cost \$25,000 to \$250,000 per apprentice; the German apprenticeship system \$25,000 to \$80,000. Data from the Customized Job Training Program indicates a current per job award of \$2,900 to \$4,100. Grants under the Future Ready Iowa program that address additional needs vary from \$5,000 to \$50,000 per project. With a recommended award of at least \$50,000 per project it is

<p>expected up to 400 businesses could benefit from these flexible training and apprenticeship program funds.</p> <p>Talent Development - Investment in training and talent development have a quality return on investment. Recent estimates from McKinsey show a 6-12% worker productivity increase due to reskilling or upskilling. The Bersin by Deloitte Talent Management Maturity Model indicates that a mature and well-developed talent management strategy makes it 1.5 to 4 times more likely that both the business and employee will be in the top quartile of performance as compared to their peers.</p> <p><u>Talent Development Grants</u> - Allocate \$10,000,000 for grants to businesses supporting talent development initiatives, people focused incentives.</p> <p>The vision for this one-time program would be to utilize NDED to facilitate a 1:1 matching business grant process to award talent development proposals (i.e. tuition or student loan payments, childcare expenses, development of on-site childcare, housing assistance, transportation, etc.). Grants should be flexible enough to allow businesses to develop locally driven solutions that will assist businesses to recruit and retain a talented workforce. Proposals should show direct benefits to employees and strong conversion to job metrics.</p> <p>A focus area of the Future Ready Iowa program is a childcare challenge fund that supports regional and community projects to establish childcare facilities and increase the availability of quality, affordable childcare for working Iowans. These challenge funds are often leveraged with existing state childcare grant and support dollars to maximize their impact. Awards can range from \$5,000 to \$100,000 depending on the application. An infusion of \$10,000,000 toward these types of programs could create 100 to 2,000 locally driven and designed talent development solutions.</p>		
<p>Talent Attraction - Nebraska has a lot to offer and while anecdotal, employers and communities consistently report that once an individual has experienced Nebraska the ability to compete for that talent expands exponentially. The business community recommends creating a recruitment and marketing campaign that appeals to the 18-34 age group helping them understand the benefits of living and working in Nebraska.</p>	NDED	\$50,000,000

<p>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. 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. Focus on developing authentic stories to pitch to earned media to show opportunities for entrepreneurship and building something new in Nebraska.</p> <p>Strong multi-year marketing investment campaigns can cost tens of millions of dollars per year. An investment of \$50,000,000 would allow Nebraska to facilitate a multi-year, unified, national marketing campaign in target markets for 3-5 years.</p>		
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Diversity, Equity & Inclusion

While the concepts of diversity, equity, and inclusion ought to suffuse the entirety of the relief/stimulus package, there are several programs that will directly address inequities throughout Nebraska. With the announcement of Governor Ricketts's new Economic Development Field Office in North Omaha, there is an opportunity to provide greater focus on promoting economic growth in North Omaha and other parts of the state with large populations of Black people, Indigenous people, and other people of color.

<i>Program Description and Rationale</i>	<i>Possible Partners / Related Legislation</i>	<i>Estimated Cost</i>
<p>Supplier Diversity</p> <p>Entrepreneur Business Acumen Training - Support small and disadvantaged Nebraska-based entrepreneurs with programs to provide immediate access to basic skills training, and entrepreneurship skill development and training. An existing and proven comprehensive capacity-building program, REACH, for contractors, suppliers and vendors is available that has a multi-faceted approach which leverages the power of Nebraska's private sector. The 10 week program is a partnership between private industry, chambers of commerce and community colleges. The purpose of the program is to increase the number of Nebraska-based suppliers, vendors and contractors with the interest and capacity to do work for the State of Nebraska and entities within the state.</p> <p>Methodology includes: 1-on-1 technical assistance and consultation, group trainings, mentoring programs, and a program of financial literacy that enables access to capital. Program modules include borrowing basics and cash flow, accounting and bookkeeping, employment law, construction law, insurance and bonding, marketing, print and specification review, scope identification, job cost history/estimating and safety.</p> <p>SupplierFIT - Create an online platform that is a tool for the identification of small and diverse suppliers, vendors and contractors in the state. The platform would aggregate lists from multiple Nebraska institutional entities. It will provide screening filters for procurement entities to search firms based on certifications, licenses, NAICS Codes and both allows and encourages procurement entities to provide experiential ratings based on ten objective performance factors.</p> <p>The platform would allow the State to be more efficient and effective with its messaging regarding procurement opportunities and the resources it provides to assist suppliers and</p>	<p>NDED</p> <p>Community Colleges</p>	<p>\$20,000,000</p>

vendors. It will have the ability to communicate procurement opportunities targeted specifically to those small businesses with the corresponding skillsets and capacities. The State, and all participating entities will benefit from the collective experiences of all other procurement entities. The beta version of the product has been created by the Greater Omaha Chamber and it is being used for the construction industry in Nebraska.

Financial Literacy Training & Credit Remediation Services - Provide a comprehensive continuum of financial-related training and services that increase the financial capacities of Nebraska-based businesses to increase revenues, increase employment and make investments in Nebraska. Credit remediation, loan packaging, lender referrals, and a variety of courses such as cash flow management can be offered. These offerings not only prepare entrepreneurs for starting businesses with a greater chance to succeed, they are designed to provide existing entrepreneurs with immediately implementable knowledge to enhance the effectiveness of their business and boost long-term viability. Participating firms should be able to significantly increase their efficiency as their cost of money reduces. Services can be targeted to those entrepreneurs in underserved areas (areas of the state with high unemployment and high poverty) whose businesses have been negatively affected by Covid-19 and whose credit has been negatively impacted due to the financial burdens of Covid-19 on their businesses.

Pandemic-induced poor credit can increase the cost of insurance, prevent the leasing of less expensive office/shop space, and cause the need for security deposits (or increased security deposits), which can rob the entrepreneur of much needed liquid capital. Interest rates increase in such a way as to force debt service payments into ranges that are unpayable. Alternative sources of funding, such as Kabbage, have interest rates that range from a low of 24% to a high of 99%. Entering such predatory arrangements due to credit scores have a high probability of ending the viability of businesses. Additionally, poor credit can prevent the obtainment of working capital through the securing of secondary employment with employers that utilize credit scores in the employment screening process.

Entrepreneurs with "good credit" primarily utilize local traditional lenders. The majority of the alternative funding sources are outside of the State of Nebraska. Entrepreneurs having poor credit deprives the state by causing the earnings of Nebraska entrepreneurs to be sent to out-of-state predatory lenders.

Quality of Place

Part of building a strong economy is investing in place. That means ensuring we have the infrastructure necessary to serve current and future businesses, meeting people’s housing needs, and offering lifestyle options that help attract and retain talent.

At the heart of quality of place are the localized and complex issues of Nebraska communities. Addressing these issues require strategic partnerships with aligned organizations to scale up successful initiatives. These private sector, nonprofit, and public partnerships will foster collaboration and joint problem-solving.

Our organizations are supportive of numerous proposals that would substantially build a strong quality of place across the state of Nebraska that meets the needs of existing and future Nebraskans.

<i>Program Description and Rationale</i>		
<p>Housing - Homes are where jobs sleep, and without sufficient affordable housing stock Nebraska communities cannot attract a skilled, robust workforce. In 2019 Blueprint Nebraska articulated Nebraska needed to construct 30,000 to 50,000 more housing units. Nebraska employers routinely report being unable to expand their businesses because of housing shortages that prevent recruiting employees. The issues include availability, affordability and quality of housing stock.</p> <p>The Nebraska business community recommends investing in successful funding mechanisms that make affordable workforce housing projects possible through additional investments in the Nebraska Affordable Housing Trust Fund, Middle Income Workforce Housing Investment Fund (MWHF) and Rural Workforce Housing Fund (RWHF). Efforts should also be made to further develop housing through the Low-Income Housing Tax Credit program.</p> <p>The MWHF and RWHF provide matching grants to non-profit development organizations administering local workforce housing investment funds to increase supply and reduce the cost of workforce housing. These funds serve both rural and urban Nebraska. The RWHF has shown great success in leveraging local support to expand housing across Nebraska; however, funds have generally been depleted quickly. The MWHF was established in 2020 and has received its first appropriation for which there is great interest and it is also expected to quickly run out.</p>		

<p>An initial investment of \$7,000,000 in the RWHF from the state generated 620 housing units in 18 communities and leveraged \$79,500,000 in public/private collaborative investments at the local level in 2019. Both funds have received an additional appropriation of \$10,000,000. With increased construction costs, construction workforce shortages these investments will be limited in their reach and impact without significant new investment and will fall far short of the 30,000 - 50,000 housing units needed in our state.</p>		
<p>Community Vitality - In a world where people increasingly live and work where they wish; our people, resources, and quality-of-life advantages put Nebraska in a better position to compete and win for talent, jobs, and economic opportunity. But to be successful the Nebraska business community recommends investments in public space enhancements to build vibrant communities.</p> <p>The Nebraska business community recommends providing matching funds for the enhancement of public spaces throughout the state through a program similar to the Civic and Community Center Financing Fund (CCCFF). Through CCCFF state investment can support communities as they carryout local projects that preserve, develop or improve the local quality of life. The pandemic has illustrated the value of outdoor public spaces where people can engage in recreation, gather to eat, or spend time. Multi-use trails are popular projects in all parts of the state, and trail use has skyrocketed during the pandemic. Public libraries provide a critical resource for many people seeking to improve their lives through education or access to jobs. And with the proliferation of new technologies there is a need for libraries to reimagine the services they provide to become less of a book repository and more of tech hub.</p> <p>These public spaces and others will be valuable during the remainder of the pandemic and remain useful long after. Many communities across Nebraska would benefit from investment in such public spaces. This program would put engineers and contractors to work while providing quality-of-life benefits to local communities. And many of these are uniquely beneficial among infrastructure projects since they can be constructed quickly and by smaller contractors looking to gain experience with public sector work.</p> <p>New capital projects, renovation, reconstruction, or deferred maintenance would be eligible, as would projects to better meet the needs of 21st-century patrons through technology modernization. Again, different categories with such a program, i.e. public spaces, multi-use</p>		

<p>trails, library modernization, could be established to allow the flexibility to direct funds based on need, economic impact, and demand.</p> <p>In FY 2019-2022, NDED awarded \$5.4 million in CCCFF funds to 22 communities and leveraged more than \$20 million in matching local investments. With an average award of approximately \$250,000 per community an infusion of \$55,000,000 could expect to support 220 community vitality projects across Nebraska.</p>		
<p>Childcare - Affordable, available and quality childcare is directly linked to workforce participation. The sheer number of individuals leaving the workforce to care for children during the COVID-19 pandemic proves it. Childcare is essential for working parents to enter, reenter and stay in the workforce as our economy recovers. Childcare programs also open opportunities for families to improve their financial situations with two incomes. Research also shows availability of childcare increases workplace productivity and local economic activity. Additionally, childcare options are among the top considerations for families looking to relocate to Nebraska communities. Yet, a recent study showed 91% of Nebraska counties have insufficient childcare resources to meet the need.</p> <p>The Nebraska business community supports initiatives that will deliver high-quality early childhood care and education statewide, help working families achieve greater financial security, increase affordable childcare options, stabilize childcare facilities struggling through the pandemic and avoid further closures and encourage greater private partnerships and support for early childcare services, in early childcare.</p> <p>Childcare services took some of the toughest blows from the pandemic. Many were forced to shut down and suffered operating losses which could have fatal or long-term consequences. Yet, it is these same businesses that are relied upon to truly keep Nebraska working and growing as they serve both our existing and future workforce at the same time. Stabilization grants for childcare businesses that demonstrate need and revenue loss would be an appropriate investment as they attempt to emerge from the pandemic. Existing initiatives that support the early childhood workforce should also be prioritized. These include WAGE\$ and T.E.A.C.H. Workforce strategies centered around locally driven solutions to recruitment, retention and training could also be extended to this targeted workforce population.</p>		

<p>Efforts should also be made to increase childcare supply. A concept previously proposed by the Nebraska Department of Health and Human Services would have supported grants to encourage business/child care partnerships for on-site or nearby childcare centers that would serve their employees. Another barrier is the need for local community infrastructure to support childcare capacity. Grants could similarly support the planning, development and implementation of building out childcare capacity in areas of the state with high need by supporting business, school, community or even in-home providers.</p> <p>Finally, state assistance programs help address the affordability of childcare for low-income families. However, career advancement and higher wages can impact eligibility for nutrition and childcare programs. In some cases, this creates a reluctance or inability to accept new opportunities and an artificial barrier to improving quality of life and family finances. Funds could be put toward the Nebraska legislature’s recent expansion of the childcare subsidy which helps families transition off the childcare subsidy at an income level where they can afford childcare. Greater financial stability among Nebraskans also increases economic activity and reduces the need for state assistance.</p>		
<p>Healthcare - If the COVID-19 pandemic has taught us anything it is the necessity of a strong and resilient healthcare system. Yet, the pandemic continues to pose challenges to this sector across Nebraska. As a result of COVID-19 it has become evident the great need for investments in infrastructure, programs and healthcare workforce to meet the needs of Nebraskans moving forward.</p> <p>The business community is supportive of initiatives to invest in our state’s healthcare infrastructure needs, mental and behavioral health needs, and workforce development, among other initiatives. Not only will these investments support this vital sector today but will bolster Nebraska’s economic growth moving forward. Healthcare is resilient economically, with demand being less impacted by market downturns. Aging populations and rising incomes also increase demand for healthcare and healthcare is a proven innovative sector with significant amounts of R&D investment year over year.</p>		
<p>Statewide Large Scale Recreational Investments - Nebraska’s abundant natural resources have the potential to provide amenity driven economic growth by improving quality of life, attracting population, and diversifying our rural economies. In terms of transformational investments such an effort would provide dividends for our state.</p>		

<p>The Statewide Tourism and Recreational Water Access and Resource Sustainability (STAR WARS) Special Committee of the Legislature is conducting a comprehensive study of geographic areas around the state of Nebraska to identify potential projects and opportunities to enhance the value of those areas to the citizens of Nebraska including, but not limited to, opportunities for economic development, tourism and recreation, flood control, and water sustainability.</p> <p>Tourism is Nebraska’s third largest industry and generates \$3.4 billion of economic impact for the state currently. For every \$1 spent on tourism in Nebraska an additional \$1.70 is created in business and income based on 2006 data. Nebraska has its own, distinctive style of amenities potentially capable of generating significant opportunities: rivers and reservoirs; agricultural, undeveloped landscapes, fishing, hunting, wildlife, trails, and state parks. The economic forces underlying amenity-driven growth are powerful and could exert a powerful influence on Nebraska’s economy with the appropriate investment.</p>		
<p>Electric Vehicle Direct-Current Fast Charging (DCFC) Infrastructure Fund - Public-private partnerships are well suited to serve Nebraska in development of a statewide network of DCFC infrastructure for electric vehicles. An investment of \$40,000,000 toward a grant program to facilitate this infrastructure is needed to adequately incentivize private companies to procure hardware, install, operate, and maintain a skeleton network of DCFC every 50 miles across the Nebraska. If the bipartisan Infrastructure Investment and Jobs Act is successfully enacted into law by Congress Nebraska could receive up to \$30,000,000 that could also support this initiative leaving at least a \$10,000,000 gap. Nebraska should support the shift toward EVs, thereby capturing the tremendous economic development and rural revitalization opportunities it offers.</p> <p>Deployment of the Infrastructure Investment and Jobs Act funds may take several years and seeding or kickstarting this infrastructure investment with state ARPA funds would be an advantageous beginning toward these goals.</p> <p>Doing so will benefit Nebraska residents and business in several ways. First, the lack of EV infrastructure is a leading impediment to EV adoption because of “range anxiety.” Ford, GM, and other auto manufacturers have already made the decision to switch a significant portion of their models from gas to all-electric vehicles. Investment in infrastructure will give car buyers permission to purchase those EVs and, in turn, realize the myriad benefits of EV</p>		

<p>ownership. Second, EV infrastructure is readily becoming imperative for states seeking to attract auto manufacturers and other EV-related industries. Third, EV infrastructure is essential to facilitate interstate commerce and to attract tourists. Rather than force EV drivers to avoid Nebraska because they have no ability to charge along its roadways, the state has an opportunity to be at the forefront as the transportation sector becomes electrified.</p> <p>The DCFC Infrastructure Fund would be administered by the Nebraska Department of Transportation through a competitive grant program, allowing private companies to vie for state resources. Those private companies would partner with site hosts - municipalities, grocery stores, gas stations, hotels, and the like - to install stations throughout all communities in Nebraska. Importantly, the grant program should include parameters which ensure that rural and underserved communities are not left behind. Because all-in costs for DCFC range from \$100,000 - \$500,000, private companies simply will not build fast chargers absent a sizable public investment. An eventual infusion of at least \$40,000,000 would be able to generate private development of 62 total charging stations across Nebraska, at least 5 ultra sites with the capability of serving 8-20 vehicles at one time, at least 10 premium sites that can serve 4-10, at least 24 urban sites targeted in infrastructure limited areas and can serve 2 vehicles at one time, and finally at least 23 destination sites that could serve 8-20 vehicles.</p>		
<p>Broadband:</p> <p>Urban Public Wi-Fi - Even in parts of the state where broadband access is theoretically available, there remain pockets of communities where people are unable to afford broadband or where providers have not yet installed the necessary infrastructure to reach all people. An investment of \$15,000,000 in funding for neighborhood-scale free broadband access would help address this critical need.</p> <p>This program would offer funds for community partners to develop neighborhood-wide access to broadband in areas of concentrated poverty or other public spaces (like parks or town squares) at no cost to the consumers. The specific method of deployment could remain flexible, but the ability to quickly deploy the service should be a significant consideration when awarding grants. Funding could cover initial infrastructure construction and five years of service. This program supplements the FCC's Emergency Broadband Benefit Program.</p>		

Broadband: Rural Communities - The most recent data available from the Federal Communications Commission states only 63% of rural Nebraskans have access to fixed broadband availability of 25 Mbps down/3Mbps up and only 56% of rural Nebraskans have access to mobile broadband of 10Mbps down/3Mbps up. While the significant investment in rural broadband through CARES Act dollars improved many residents' access, significant work remains to ensure all Nebraskans have an affordable opportunity to access high-speed internet.

LB388 was introduced in the 2021 Nebraska legislative session by Senator Curt Friesen and prioritized by Speaker Hilgers. The bill creates the Nebraska Broadband Bridge Act within the Public Service Commission (PSC). The bill provides \$20 million in grants annually to increase access to high-speed broadband across the state (100Mbps down/100Mbps up), mandates speeds that must be provided for these grant projects and creates accountability measures.

An additional \$60 million would raise this effort from \$40 million over the next two years to \$100 million making a significant impact in deploying broadband across Nebraska.

