

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 12, 2020

STINNER: [RECORDER MALFUNCTION] We ask that when you come up to testify that you first spell your first and last name for the record before you testify. Be concise. It is my request to limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand it to the page for distribution to the committee and staff when you come up to testify. We will need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearing with LB773, Senator Williams.

WILLIAMS: Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Matt Williams, M-a-t-t W-i-l-l-i-a-m-s, and I'm here to do-- introduce LB773, which proposes an additional round of funding for the Rural Workforce Housing Investment Fund. We spend a significant amount of time in this body talking about growing our state, moving our state forward, and providing a better future for the next generation. Oftentimes that discussion involves around tax structure, economic incentives, access to quality education, and health care. We are fortunate to have a nationally recognized business environment, low unemployment, strong work ethic, ethic, and a quality of life that many employees and employers are looking for. One of the factors that is often overlooked in the effort to attract employers and employees is access to quality affordable housing. Ask any of the economic development professionals in your district about the barriers to attracting good jobs and employees, and I'll guarantee you that the lack of housing of one of the great-- is one of the greatest barriers they face. In many communities across Nebraska we have jobs available that go unfilled due to this lack of housing. It is important to understand that workforce housing is different than affordable housing. Communities in need workforce housing are trying to provide homes for workers who don't qualify for our affordable housing programs. Workforce housing projects attempt to close the gap between the cost of housing and what a middle-income wage earner can afford. Middle income for Nebraska in 2017 was \$56,675 and about 57 percent of Nebraskans fell into that middle income class. Between 2014 and 2017, median income in Nebraska increased 8 percent,. But median home prices rose 28 percent during that same time period, from \$133,000 to \$170,000. In addition to rising home values, we are also trying to address the issue of low housing inventory. In Nebraska, the number of households are increasing faster than the number of homes that we build. Please

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review at your convenience the two handouts that I handed out, one talking about LB518 that we passed in 2017 and one just recently done by the Center for Public Affairs Research at the University of Nebraska, Omaha, for the backup statistics for what I just passed on to you. In 2017, this body passed LB518 and created the Rural Workforce Housing Investment Act. This program was designed to help communities fill job openings by expanding the availability of housing options for employees. Specifically, the bill created a grant program to stimulate housing development in rural Nebraska. Under the bill, a nonprofit development organization applied to the Department of Economic Development for funds to develop workforce housing through new construction, rehabbing existing homes, or building rental units. The type of activity that a nonprofit develop organization could engage in included loan guarantees, purchases and rental agreements, and credit enhancements to reduce the cost of workforce housing. To ensure that communities had skin in the game, the bill required a dollar-for-dollar match on all grant funds. The program was an incredible success. LB773 proposes to continue that success and further address the ongoing issue. In 2017, under LB518, the state invested, and I use that term invested, \$7 million from the Affordable Housing Trust Fund, and rural communities added match totaling over \$10 million to fund 14 projects. The \$17 million-plus investment provided 572 housing units with construction costs exceeding \$80 million. Now, I call that a big bang for the \$7 million investment that the state put into that program. Today you will hear specific testimony about the success of LB518 in 2017 and about the need to continue this program. In closing, I leave you with these three facts. Middle-income class wage earners are priced out of the affordable homes in Nebraska, housing prices are rising faster than incomes, and income of homes is not on pace with our household growth. I'm asking for our state to step up, step up and commit additional dollars to address this issue. Our overarching economic development goal is to attract good-paying jobs to our state. We only undermine that goal if people can't find suitable homes and housing in communities to fill those jobs. Thank you for your time and attention, and I would be happy to address any questions that I can. But we do have several experts in this area sitting behind me that would like to share their knowledge also.

STINNER: Thank you, Senator. Questions? Seeing none, thank you. You'll stay for closing, won't you? OK. I would tell you this, that we are broadcasting this in my office. If you're waiting to testify on a bill that might come up a way, way, way from now, you might want to go to

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my office and watch it. We're just limited in seating, sorry. This is, this is the Batcave. Do we have proponents? Good afternoon.

DAVE RIPPE: Good afternoon, Chairman Stinner and members of the Appropriations Committee. It's so nice to be here today. My name is Dave Rippe, D-a-v-e R-i-p-p-e, and I'm the owner of Queen City Development Company in Hastings, Nebraska. I'm here today in support of LB773. My objective today is not to convince you that state participation in the funding of housing is more important than any of the other calls for funding that you are charged with considering. I know that your considerations are many. What I would like to do is to discuss the role that state funding assistance for housing development plays across our state, particularly in our rural areas, and why it should be considered as an ongoing component of our overall strategy to strengthen our state for all Nebraskans. On May 1st, 2018, the Nebraska Department of Economic Development announced 14 recipients of \$7,009,000 in rural workforce housing funds as a result of LB518, a bill which was approved unanimously by many of you in 2017. As with nearly every housing fund the state administers, be it through the Nebraska Department of Economic Development or the Nebraska Investment Finance Authority, demand for these funds far outpace supply. Our state does indeed face a housing shortage and the implication of this housing shortage are far-reaching. It impacts the ability of our communities to attract talented people and quality businesses, it impacts the ability of our employers to recruit new employees. And affordability has a direct correlation with entrepreneurial activity. And the addition of new tax base in our rural communities has a direct impact on our ability to broaden our property tax base and ultimately address our state's critical property tax issue. The factors that contribute to this shortage, particularly in rural areas, are many. In some areas, it is the capacity to actually develop housing. In others, it is the availability of builders or appetite for risk or the actual rate of return associated with any given project. In all instances, the Rural Workforce Housing Fund helps to address the lack of development activity and ultimately the resulting unhealthy lack of supply. By creating an incentive for developers to look outside of their own backyards, you spread housing intelligence throughout the state, developers pull with them builders and ultimately constructed and rented or sold units prove concept and pay property taxes every year like an annuity. Under the Rural Workforce Housing Program, developers from Central City are building homes in Schuyler, York, Columbus, Hastings, Holdrege, and more, developers from Omaha and Lincoln are building units in communities like Fremont and Hastings,

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and builders from Norfolk and Wayne are at work in communities across our state. The concept is being proven and property taxes will be paid every year like an annuity. Under the 2017 edition of the Rural Workforce Housing Program, \$7 million in state funds are matched dollar-for-dollar with more than \$7 million in local funds. Ultimately, when all of these dollars are invested for the first time, they will help finance nearly \$100 million in projects. Note the words "finance" and "for the first time." In all but one case, these funds are being used as patient and or attractively priced debt, which means they will go to work again when they are repaid, potentially doubling or even better their impact. At a statewide levy approaching too for the communities and municipalities where homes are being constructed, \$100 million in projects will ultimately generate better than \$2 million per year in property taxes every year. Housing is strengthening our communities, it is helping our employers, and it is directly addressing the sickness of our state's property tax issue as opposed to simply treating the symptoms. Thank you for your time today. I sincerely appreciate the work that you do and I'm grateful for your willingness to consider LB773 as an investment into our state and its communities. If you have any questions, I'm happy to answer them.

STINNER: Thank you and welcome back, by the way.

DAVE RIPPE: Thank you.

STINNER: Questions? Senator Bolz.

BOLZ: Hi. Is it OK if I ask you some questions about your experience with the program when you were the director of economic development?

DAVE RIPPE: I am happy to answer questions today.

BOLZ: OK. I know that the initial program was very well-received. Do you recall or can you provide any color commentary on how many people were interested, how much demand there was? I just-- can you help me justify an additional request based on previous experience?

DAVE RIPPE: All right. So my recollection is that we approved ultimately 14 applications. There were 21 applications, my recollection, that met threshold 2 that-- 2 that didn't quite meet the requirements. But 23 applications, and I believe that we had funding for more than \$20 million worth of projects. And so even ultimately the funds that were awarded were the lesser amount than what was

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requested in order to spread as much money out across the state as we could to ultimately prove concept.

BOLZ: And then all-- to your recollection, all of those applications met the criteria and were, were worthy, reasonable projects. They weren't--

DAVE RIPPE: Yes. So the 21 that were-- ultimately there were 21 the met criteria and then were then competitively weighted against each other. Yes.

BOLZ: Thank you.

STINNER: Additional questions? Senator Dorn.

DORN: Thank you for being here. I guess these funds will come back in, and as they're paid back in, it will be reallocated out current, the current program?

DAVE RIPPE: Correct.

DORN: Correct. Are we at that stage already? Have some come back in or do you know where we're at on that aspect of it?

DAVE RIPPE: So the way that Rural Workforce Housing Program works is that the \$7 million went out across the state to establish funds in various communities. And for a period at least five years, those funds have a-- are required to stay in housing-related activities in that community with the intent that they stay in there in perpetuity. In many of the communities that I'm familiar with, they've been used as, as long-term financing or even financing through the first five years to get a developer to a refinance period. You might have seen some of the first payments start to come back into communities depending how their particular fund was structured. But, but ultimately, these funds will rest at the community level and the intent is that they will be used in perpetuity for housing-related projects.

DORN: And those in the, in the same community or same concept--

DAVE RIPPE: The same community.

DORN: --as the original award was granted for?

DAVE RIPPE: Under the same type of plan. Yes.

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STINNER: OK, additional questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Mr. Rippe. And back to the revolving or the debt part of this, as far as this going to work again, who received the loan award? Is that in each individual homeowner or a developer?

DAVE RIPPE: So again, every program functions differently across our state. And so every community or development district has likely set up their program a little bit differently. In my hometown of Hastings, there were two awards made initially to developers that are, that are financing arrangements. And one of those developers is here today, so he can probably speak to their specific experience. But in other areas, I know that there were, were grants or loans made that, that assisted the homeowner directly. And so it's a variety of different utilizations depending on the community or the, the entity that's administering the fund.

CLEMENTS: OK. The state didn't prescribe which way it have to be then?

DAVE RIPPE: No, the state, the state prescribed that, that funds ought to be created and that ought to be done so in a way that was responsible to that community or area.

CLEMENTS: Thank you.

STINNER: Just for clarification purposes, you're saying that after someone receives the fund, an entity does, they determine if it's a grant or a, which would be a forgiveness, or a loan which would be repaid?

DAVE RIPPE: Correct. And, and my recollection is that of the 14 that were awarded in 2018, one, one applicant was using them as grant funds, North Platte, for their "Shot in the Arm Part 2" program, which was a program that was incredibly successful for that region.

STINNER: Do you have, since you were a director at that time, do you have any idea what the total demand for the state would be if we would come up with this gigantic-- if we had unlimited resources, what, what would that look like?

DAVE RIPPE: I think that there have been a number of minds that have worked around that. The number that was established in the Blueprint for Nebraska program by professionals from the housing industry that was prescribed was a number of 20 to 30,000 total units thought-- that

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ought to be constructed in our state by 2030. If you look at a number of 20 to 30,000 total units and you use the same type of leverage that we've seen through rural workforce housing, which is approximately \$10,000 per unit so far, approximately, of state funds, you're looking at \$200 to \$300 million total number. It's certainly why I think that we ought to be looking at different ways to participate in housing. Rural workforce housing has been the best leverage that we've seen from a state-administered fund for housing. What we witness under the Affordable Housing Trust Fund doesn't come close to competing with the leverage that we've seen under rural workforce housing. And so encouraging developers to look at new innovative ways to finance housing will hopefully help us to meet that large demand.

STINNER: OK, additional questions? Thank you very much.

DAVE RIPPE: Thanks for the opportunity. Appreciate it.

STINNER: Additional proponents.

CLIFF MESNER: Chairman Stinner, members of the committee, my name is Cliff Mesner, C-l-i-f-f M-e-s-n-e-r. My wife and I are the owners of Messer Development Company. We are real estate developers that operate across Nebraska and Kansas, mostly Nebraska. I got into housing from the workforce development side because my community's largest employer asked that we get some more housing built in the community because they were having a hard time recruiting employees. Since that time, we've done 50 or 60 projects across Nebraska in various communities. My wife has been appointed to the Nebraska Commission on Housing by three different governors at this point. And last year she served as chair of the housing industry council for the Blueprint Nebraska effort, which, as Dave just pointed out, was ultimately concluded that we needed to build 20 to 30,000 new homes across the state. So we have a lot of time and experience in the area, both professionally and as volunteers. As has been pointed out, we have a problem because the cost of construction has outpaced the wage across the state. And we find ourselves working in larger and larger communities all the time to try and hit the kinds of scale that we needed. Last year we were working in 10 communities across the state, that included four rural workforce housing projects Schuyler, York, Hastings, and Holdrege. Most of the projects that we've done through the years have income restrictions that make them unavailable to our workforce. So what we've often had to do was build affordable housing, move our seniors into that affordable housing, and try and move our workforce into the housing that the seniors just vacated. This program has lots of

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strengths, but one of the first ones is it hits a higher limit, and that allows us to build workforce housing directly for workforce. And we've been able to do that with this program in ways that we can't with any of the other programs that are out there. So that's one of the big advantages of the program. Another big advantage of the program is that it is flexible. In the four communities, the programs don't look the same. We built four, four communities, but the programs were different and the housing was different. This allowed-- this program allows us to build housing for that community's needs. And it looks very different who you're hiring and Schuyler from who you're hiring at Hastings, and the communities understand that better than we do. And this program allows us to mold that to the way the community needs to have it. Another big advantage of this program is that it's allowed us to have patient money. One of the problems that we have across the state is trying to build housing for rental and for renters. If you go in and you're building a home for sale, you can build one, if it works, you build another one. If it doesn't, you quit. But when you are talking about building apartment buildings and rental properties, if somebody has to stay there for 20 years and own that property and manage that property, and it's a very, very different concept. It's very difficult for organizations like ours to go from community to community, community and do that. We have to find investors that are willing to go and put their money in Schuyler and in York. And in order to do that, we need to find ways to reduce their risk. And this program has found a way to do that and has made investors interested in those communities. Senator Williams talked about the leveraging. I think the leveraging on this thing is magnificent. I can't show you any other program that the state has done where you've had that kind of ability to put \$7 million in and get \$80 million in housing built. I mean, that's just, that's amazing. It is an investment. That also has made it a little self, self-directing, self-selecting, I should say, because only communities with the housing problem are gonna show up and raise money locally in order to take the money. So the money has gone to communities where it's gonna be used and it's gonna be used effectively because those communities already understand that they have to raise the money to make it work. In response to your question, Senator Bolz, the, there are more communities lined up there right now that would like to do this. One of the things that happened the last go-around was that a lot of communities got caught a little flat-footed. They didn't have the ability to go out and look at it, they didn't know what to think of it. We are being contacted by communities all the time that want to raise money, want to find ways to make it work and push the program.

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Those were my comments. I thank you for your time. I'd be happy to answer any questions you might have.

STINNER: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Mr. Mesner. Would you give me an example of patient money? That's not a term I'm familiar with.

CLIFF MESNER: Schuyler, for example. We're doing two projects in Schuyler. We built townhomes, which we're building for resale. And that's not patient money because we build them, we sell them, we just keep rotating the money. But we've also put up a 24-unit apartment building and that has to be amortized over a long period of time. And somebody has to leave money there for a long period of time and somebody has to guarantee that money. And what we've done is we've used the rural workforce housing as a soft second loan, because I said the community has said: we will take that risk. And they're leaving it there long-term. So we have it there for 10 years. They're getting paid every month. So there's \$5,600 a month that rolls back that they can use for their other housing projects that they want to do. But it's not just a construction loan, it's long-term money.

CLEMENTS: Thank you.

STINNER: Additional questions? Seeing none. Thank you.

CLIFF MESNER: Thank you.

STINNER: Good afternoon.

SHARON HUEFTLE: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Sharon Hueftle, S-h-a-r-o-n H-u-e-f-t-l-e, I'm a member of the Nebraska Economic Developers Association, the chair of the Nebraska Regional Officials Council, and executive director of the South Central Economic Development District. Our development district covers 13 counties and we assist municipalities and businesses with economic and community development. And since 2017, we have funded and built rural workforce housing units. I'm here in support of LB773 on behalf of each of those entities, the Nebraska Economic Developers Association, the Nebraska Regional Officials Council, and my own development district, the South Central Economic Development District, or we call it SCEDD. I appreciate Senator Williams for introducing this legislation. The

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South Central Economic Development District was awarded rural workforce housing funds through LB518. We received those funds in the October of 2018. And for us, those funds provide low-interest financing for the construction of workforce housing. And in the absence of private sector, we will actually develop projects. So since receiving funds, we have funded a spec home in Central City, one in St. Paul, a major renovation of a historic home in Holdrege, and we're partnering with the Phelps County Development Corporation to place a spec home on an infill lot that was once the site of two really bad, dilapidated duplexes. We're also partnering with the Blue Hill Community Redevelopment Authority on an infill redevelopment there. The rural workforce housing funds awarded to SCEDD have financed development that would not have otherwise happened. Access to unusually low interest rates has increased the profitability of low, low-margin projects. And so by doing that, we've decreased the risk to private entities. Funding construction loans provides a relatively quick turnaround and the funds revolve repeatedly. Since we cover 13 counties, as these funds revolve they will be reinvested in many communities. We've had inquiries for projects for high school students renovating tired housing stock and contractors who would like to accelerate their rate of building spec homes with access to those low-interest funds. Communities and contractors are planning projects because they know these funds are available, and I know that not all these projects will ultimately use our fund, but I know that these funds are stimulating activity. And that's exciting to me because activity breeds activity. The Rural Workforce Housing Fund is a proven tool that accelerates workforce housing development. The initial \$7 million investment has had great impact already, and certainly we're thankful for that funding. The shortage of workforce housing is documented and it impacts our employees' ability to recruit and retain employees. An additional investment into rural workforce housing will positively impact the health of our employers, our communities, and our state. So I appreciate your consideration of LB773 as a housing, economic, and community development tool for the long-term success of our state. Thank you. And if you have questions, I'd be happy to answer.

STINNER: Thank you. Questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here. When you developed this project and then as you were building the houses, what was the reception as far as builders? I mean, adequate or--

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SHARON HUEFTLE: We could use more builders, definitely. The builders are definitely willing to build for us. We-- our first home, which was a pilot project not funded by this, we used somebody that was already doing workforce housing because he could do it in massive numbers in Grand Island. And so that was our first home in St. Paul. We've, we've had a second one there now. But the builders are, are glad to do it. And we pay them a phase at a time so they don't have the risk. They're not out putting their money on the line. It's low interest. They tell us their phases. We advance phase 1. When they tell us they're about done, we inspect, we advance phase 2. So they've been very happy with it. We do have a problem finding contractors. The further off the interstate we go, the harder time. Yeah. So right now, we're building a vantage point where we're using a modular home to see, to test that out and have some of our communities come in and use that as a showcase so they can see if that's a good fit for their community.

DORN: Thank you.

STINNER: Senator Bolz.

BOLZ: You're representing the Economic Developers Association as well today?

SHARON HUEFTLE: Yes.

BOLZ: This is a little bit of a tough question, but I think you can handle it. If-- one of the things that I struggle with is, you know, we, we have-- over my time in the Appropriations Committee, we've had big asks related to economic development, which is appropriate. But we've had the Building and Site [SIC] Development Fund, the Customized Job Training Program. We, of course, have our tax incentive program on the floor, we have arguments about a more competitive tax environment being what's most important for economic development, we've got the career education and training programs presented to us from an economic development perspective. How do you prioritize those programs and asks? How, help me make a decision about what's most important. Is it in fact work, workforce housing this year?

SHARON HUEFTLE: I don't think I can adequately answer that. That's a tough one. You know, what comes first, the chicken or the egg? We want to grow our state, we want to grow our economy. So we need businesses, so we need that attractive incentive package. But if we don't have workers, we have to recruit workers. And if we don't have places for them to live when we get them here, they won't stay. I've heard

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stories in our rural communities even of teachers that were offered a job and they came. And when the floor was partially nonexistent in the only home available, they said, no thank you, I'm not signing your contract. So it is a vicious cycle and I am not smart enough to solve that. I think that we just have to keep chipping away at all angles as best we can.

BOLZ: Thank you.

STINNER: Thank you for that. Any additional questions? I think what Senator Bolz wanted to demonstrate is we've got a lot of asks.

SHARON HUEFTLE: I get it.

STINNER: And trying to fit those priorities, that's kind of our job. But we always appreciate help.

SHARON HUEFTLE: Thank you.

STINNER: Thank you.

CLEMENTS: Good thing this wasn't LB775. It came close.

STINNER: Good afternoon.

CAITLIN JERABEK: Good afternoon. Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Caitlin Jerabek, C-a-i-t-l-i-n J-e-r-a-b-e-k. I am a small business owner from St. Paul, Nebraska, population 2,300. My business, Beyond Blueprints, designs and builds workforce housing in rural Nebraska. I appear before you in support of LB773 and appreciate Senator Williams for introducing it. Last year I had the privilege of working with South Central Economic Development District, SCEDD, utilizing the LB518 funds that they had received for rural, rural workforce housing. SCEDD created a revolving loan with a lower interest rate for developers to use to create workforce housing in Nebraska. With this loan, I was able to build a house in my community. With a lowered interest rate provided by SCEDD, it makes a lower risk factor favorable to developers like myself who would normally build higher-end homes with more margin for profit. By utilizing SCEDD, I am lowering my risk and freeing up space at my traditional lending bank to build more houses, therefore, getting lower material costs for each house. Having these funds available to developers has made a difference in rural Nebraska's housing crisis. Without these funds, my business would not have been able to provide a family in St. Paul, Nebraska, an

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affordable house to call home. This build also created jobs for the area and funnelled finances throughout our community. This is why I am in favor of LB773. I met Senator Williams when he was speaking at a session for Leadership Nebraska this past fall. He asked me what I do for a living, and I explained to him I work in rural housing and I am in the process of building a house with LB518 funds. Senator Williams told me that was a bill he had introduced and we immediately became friends. Senator Williams told me that was, I'm sorry, Senator-- I had asked the senator to please join us at the ribbon cutting for the build so that he could see the results from all the hard work that had went into creating this bill. I think it's incredibly important for all of you to witness the results of your time and energy spent here. Hopefully, that moment in time gave Senator Williams the inspiration needed to continue this type of funding for rural Nebraska. It is making a difference. Thank you, Chairman Stinner and members. I would love to answer any questions you might have.

STINNER: Any questions? Let me ask you, I presume that you're building houses-- if you were building a custom house that would have a lot of gingerbread. But yours is pretty much, I guess, a stripped-down house or a straightforward house?

CAITLIN JERABEK: It does have a lot of design feature in it because I am a designer by trade.

STINNER: OK, that's, that's good. What per square foot can you build for?

CAITLIN JERABEK: Well, this house happens to be 1,133 on the main floor and it's zero entry. Everything's on the main floor. And I built this house for \$207.

STINNER: OK.

CAITLIN JERABEK: That's, that's--

STINNER: I think Senator Clements will do the math for me. Tell me so.

CLEMENTS: \$207 per square foot?

CAITLIN JERABEK: \$207,000.

CLEMENTS: Thousand dollars for the whole thing.

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CAITLIN JERABEK: Yeah.

CLEMENTS: For the whole thing?

CAITLIN JERABEK: Yeah, full base-- the--

STINNER: Full basement?

CAITLIN JERABEK: It is finished basement, so the full square footage is 2,233.

STINNER: Two-car garage?

CAITLIN JERABEK: Two-car attached garage. Large, extra large for those farm vehicles.

STINNER: Oh, yes. So that gives you an idea of what workforce housing looks like. Any additional questions? Seeing none, thank you very much.

CAITLIN JERABEK: Thank you.

STINNER: And drive safely.

CAITLIN JERABEK: Thank you.

KORBY GILBERTSON: Good afternoon, Chairman Stinner and members of the committee. For the record, my name is Korby Gilbertson, it's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. I'm appearing today as a registered lobbyist on behalf of the Nebraska Realtors Association and the Home Builders Association of Lincoln and Metro Omaha Builders Association Coalition in support of LB773. I know you have a lot more bills in front of you, but I just wanted to say that both the realtors and the homebuilders have been very involved in trying to support anything that can be done for workforce housing because they too see the impact in the communities they work in across the state. And this, in their opinion, is a great re-- has a great return on investment. And I think, Senator Bolz, that might be one of your-- an answer to your question about why this money is an important thing to appropriate. And one thing to consider is the actual return on the money that you're spending. So with that, I'd be happy to answer any questions.

STINNER: Any questions? Seeing none, thank you.

KORBY GILBERTSON: Thank you.

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STINNER: Good afternoon.

ROBERT J. HALLSTROM: Good afternoon, Chairman Stinner, members of the committee. My name is Robert J. Hallstrom, H-a-l-l-s-t-r-o-m, I appear before you today as registered lobbyist for Nebraska Bankers Association in support of LB773. I've also been authorized to sign in on behalf and express the support of the Nebraska Chamber of Commerce and Industry. Back in 2016, the Nebraska Bankers Association put together a working group or a task force that went across the state to identify issues where bankers could make a difference. Loud and clear, the message that they got back was that there was an overwhelming need for workforce housing and affordable workforce housing. As a result, we were able to work with Senator Williams, Senator Stinner on another issue to address the workforce housing needs in Nebraska. And I think Senator Williams has bestowed the virtues of the funding and the programs that have come about because of that legislation. The boots on the ground have recited all of the success stories that have flowed from the passage of LB518 and other legislation. Senator Bolz, in response to your question, I would suggest as you leave the room that all of those issues that you raised are significant to moving the state forward. But I think in a, in a year where you have limited resources and you have a proven significant return on investment, that utilizing those limited resources towards a program like this will reap benefits many times over for the state. With that, I would be happy to address any questions that you may have.

STINNER: Any questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here. I guess, and maybe Senator Williams might be able to answer this too, I guess. How, how does this program help now make affordable housing for those communities? How, how is the bankers also a part, because the bankers have to partner with this or be a part of this? I guess I-- try to connect that once for me, I guess.

ROBERT J. HALLSTROM: Well, and I would probably leave that to Senator Williams. When he started out today, he said he had a couple of experts here. I'm not necessarily one of them. But I think Senator, as, as the witnesses earlier noted, there's a number of different ways that they fashioned and tailored their programs to be able to utilize that funding to provide incentives and the ability for developers to make these houses affordable, not only to buy, but to build. And so I think the way that the, the financing arrangements have been developed have played a key in terms of being able to get those contracts and

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those developers out to areas where they may have otherwise been focusing on building the really high level types of-- there are limitations with regard to the dollar value of the homes that are covered under this, which from our task force group kind of identified as the sweet spot of the dollar value of homes that we really needed, where we had these communities across the state that had significant job openings. They had interested folks to come in, and as one of the witnesses indicated earlier, but, but nowhere to place them. And so I, and again, I defer to Senator Williams maybe will go into more detail on that. But I think that's the, the key is that providing the, the environment in which those contractors can come out and develop and build those homes to fill those needs.

STINNER: Thank you. Additional questions? Seeing none. Thank you very much.

ROBERT J. HALLSTROM: Thank you.

STINNER: Afternoon.

CHRIS LAMBERTY: Good afternoon, Senators. My, my name is Chris Lamberty, C-h-r-i-s L-a-m-b-e-r-t-y, I'm the executive director of the Lincoln Housing Authority, and I'm here representing Nebraska-- the Nebraska association of the National Association of Affordable, Affordable Housing and Redevelopment Authorities. We represent over 100 public housing authorities across the state of Nebraska, mostly in smaller and rural communities. I am not an expert on the rural workforce housing programs. I work here and Lincoln as the director of the Housing Authority. What I, what I and our other member public housing authorities across the state are experts at is that we are-- we have an acute shortage of affordable rental housing in the state in, in a great many communities. And we strongly support additional investments to create more housing in all of our communities, whether it's affordable housing or more modest, modestly priced workforce housing. One thing we have not supported in the past is the transfer from one housing program to another. And so we greatly appreciate Senator Williams and others' efforts to propose investing new money into creating more housing across the state rather than just transferring it from the Affordable Housing Trust Fund, which was how that program was started in the first place. Transfer from one program to another doesn't really move us forward for additional housing investment. So we're very supportive of new housing investment and

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LB773. And I would ask-- I would say, if you have any questions, let me know.

STINNER: I'll ask any questions? Thank you.

CHRIS LAMBERTY: Thank you.

DONALD GROSS: Good afternoon, Chairman Stinner and committee members. My name is Don Gross, that's a D-o-n-a-l-d G-r-o-s-s, I'm the community and academic manager for the Metropolitan Area Planning Agency in Omaha. I'm here simply to support increased funding for the Rural Workforce Housing Fund. The MAPA foundation, which is kind of a sister organization to MAPA as an academic department district, was fortunate to be one of the entities awarded with funding last year. And our focus was the city of Blair. We-- using these funds of about \$350,000 plus, plus or minus, some NIFA funds, city funds, funds from the MAPA foundation, we created a loan pool of \$960,000. We're in the process of implementing that. We have a construction loan out for the construction of five homes in Blair on former Dana campus. Thus far, it's been going well. We have started the construction of the initial five. One has sold, one is under option, and as we sell them, we just add another lot to our loan. So we're starting our sixth project. That's essentially what I, I guess I have to say. I think, you know, we, if you have any questions, I'd be more than happy to answer them.

STINNER: Questions. Saying none, thank you. Any additional proponents? Excuse me, any opponents? Anyone in the neutral capacity? Seeing none, Senator, would you like to close?

WILLIAMS: I certainly would. And again, thank you for listening to our testifiers. And I would like to, in particular, thank Dave Rippe, the former director of the Department of Economic Development, that was very instrumental in the processes that went behind the scenes to award the grants. And also, as Caitlin mentioned, you know, I think when you really see the passion is when you have the opportunity to come and cut the ribbon for the new house and know that that family that's going to be there is an affordable house that meets their needs. The success of the program has actually just been phenomenal. And to go back and touch just on a couple of things, the original requests that came in, as Mr. Rippe testified to, we had over twice the dollars applied for as we had dollars to award: \$7 million and nearly \$20 million of requests for that. So there is clearly a demand out there to continue. One of the real successes of this program, as Mr. Mesner testified to, is the flexibility, that you're not tied to

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doing one thing with these dollars. It's an award granted by the Department of Economic Development, and they looked compared to what different areas and different communities were going to do with the money. And so they had that flexibility. So we've got programs that are all the way from down payment assistance to long-term loan programs to other kind of financial incentives that have helped with this thing. Don't take lightly also that the dollar-for-dollar match shows the commitment of a developer, development district for the application. This isn't just free money. These communities raised slightly over \$10 million to put their own money into these projects. All but one of these projects, as, as was mentioned, has a reuse element to it, which I think is also critical to think that the \$7 million that originally went out and is estimated to build between \$180 million and \$100 million in total project cost continues to grow. As you heard, from Sharon Hueftle of the South Central Economic Development District, once they get one house done and paid for, that money is reused for the next house. Payback for us, the state: \$7 million investment. Mr. Rippe said as-- or yeah, as the property tax is collected, you know, you have the property tax coming back in, you have the sales tax that was created with all the supplies and the inputs into the house. And of course, I hope these developers made a little money and are paying a little Nebraska state income tax. I would remind you of the three things that I pointed out in my original opening that many middle-class earner, middle-class wage earners are priced out of affordable housing in Nebraska. Housing, housing prices continue to rise faster than our incomes and our inventory of homes is not on pace with the increase in the number of households, which was a total surprise to me. And that's in the, the UNO handout that I had. Lots of asks. You are certainly right. And this is one I would hope you would consider to put on that list of lots of asks. This is a, a credible need. Our future depends on our ability to grow. This is clearly not a silver bullet, but I strongly believe this is a step in the right direction. So with that, I thank you for your attention and hope you would advance LB773.

STINNER: Do we have questions? Senator Clements

CLEMENTS: Think you, Mr. Chairman. Thank you, Senator Williams. Is this intended to be a one-time appropriation or ongoing?

WILLIAMS: This is structured to be a one-time appropriation at this time, much like we did in 2017 with the \$7 million. The difference at that time for, and many of you were involved with that, was we had

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accumulated what appeared to be some additional funds or excess funds in the Affordable Housing Trust Fund. And we were able to pare \$7 million from that and use that into this case. And we're not asking to do that this time. This would be a general fund appropriation.

CLEMENTS: OK, I see it, it's for the next fiscal year, '21.

WILLIAMS: Yeah.

CLEMENTS: OK, thank you.

STINNER: I do have a question. How far is North Platte from Gothenburg?

WILLIAMS: Thirty-five miles.

STINNER: Thirty-five miles. And I always have said Gothenburg is the middle of the state, right?

WILLIAMS: Well, I think, I think if you really draw the line, it's Main Street in Cozad. But Gothenburg is close enough.

STINNER: We're splitting hairs. That's right. So as I look at the distribution the last time, half the state was, except for North Platte, was almost forgotten. So if we approve this, I expect maybe you'll recognize the rest of the state.

WILLIAMS: If you will remember, Senator Stinner, you and I worked very hard on LB518.

STINNER: Yes, we did.

WILLIAMS: And Dawson County and your county were left out of the application.

STINNER: Yes, I do remember that. Thank you very much. Senator Bolz.

BOLZ: One more.

STINNER: You're over your quota. But that's all right.

BOLZ: I have no quota. Senator Williams, this might be a difficult question to answer. And there may not be a clear answer at this point. But is there a, is there a sweet spot where this should be funded in terms of cash flow? Because you'll have, you'll have money coming in and you're asking for additional resources. Is there a point where you

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think it will sort of level out at a certain level? Is there a point where you expect a future ongoing appropriation? How do you envision the future of it, given the somewhat dynamic nature of what you're working with?

WILLIAMS: I think it is a difficult question to answer. If, if in a perfect world, I would like to see, and going back to Senator Clements' question, this is a one-time request. But if I had a perfect world, it would be somewhere between \$4 and \$5 million per year until all of a sudden we saw application decrease to where if, if it ever got to that point, a long-term commitment. But I, but I think that's more than, than I would certainly be willing to come today and ask for. So we're looking at, at a one-time of the \$10 million.

BOLZ: Um-hum.

WILLIAMS: But even anything, if, if the question was also along the line would something less than that be helpful? Absolutely.

BOLZ: Yeah.

WILLIAMS: Absolutely.

BOLZ: And I won't take any more of that committee's time. I think if there were a goal or a point where we were sort of trying to get to that, that can help us put parameters around a program like this and say, OK, this is a project that we're doing in this period of time and we're going to prioritize it over others.

WILLIAMS: Yeah.

BOLZ: Thank you.

STINNER: I would very much like to identify a permanent funding source for something like this. And hopefully you'll be working on that idea as well. Additional questions? See, seeing none, thank you, Senator.

WILLIAMS: Thank you.

STINNER: That concludes our hearing on LB773. We will now open on L-- oh, excuse me. I have two letters of support: Nebraska Housing Developers Association, Nebraska Commission on Housing and Homelessness are supporters of LB773. We will now open on LB1050, Senator Vargas.

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VARGAS: Good afternoon, Chairman Stinner, fellow members of the Appropriations Committee. My name is Tony Vargas, T-o-n-y V-a-r-g-a-s, and I have the pleasure of representing District 7 in the communities of downtown and south Omaha in the Nebraska Legislature. LB1050 is a pretty straightforward bill. Basically, we would be appropriating an additional \$1.5 million to the Coordinating Commission on Postsecondary Education for the Nebraska Opportunity Grant Program. Now, my goal here is to increase postsecondary education opportunities for more low-income students. What's being passed around to you is a one-pager. There's a little brief synopsis and then also a one-pager from the Coordinating Commission for Postsecondary Education about NOG. So like I said, my, my goal here is to then increase postsecondary education opportunities for low-income students. Currently, NOG is the only state-based aid award for students from low-income families. It is funded through the general fund appropriations, as well as lottery funds. Since 2008, the only increase in NOG funding has come from lottery funds, while general funds have remained stagnant. But what has not remained stagnant is the number of students qualifying for these NOG awards but are not receiving them, which can make a huge difference in each student's ability to pursue opportunities in higher education. Currently, to be eligible for Nebraska Opportunity Grant award, NOG, students must apply for the FAFSA and have an expected family contribution of 110 percent of the maximum expected family contribution to qualify for federal Pell Grant. During the 2018, 2019 school year, and this is very important, roughly 13,000 students were Nebraska Opportunity Grant recipients, but over 22,000 students qualified for this grant and did not receive any support. We have thousands of students that are not receiving this simply because we don't have enough funding. Now here's a little bit of the issue here. Of the 22,000 students who qualify for this grant didn't receive any support because of this gap in funding and eligibility, we have not increased general fund appropriations for more than 10 years. Currently, Nebraska ranks fifth-- 35th in the country for the amount of state-provided need-based financial aid on a per-student basis. Colleagues, if we're about to be serious about our workforce and we've had conversations, I'm not the only person, we've had this conversation in the Economic Development Committee and on the floor of the Legislature, in the Planning Committee, in one-on-one conversations about economic development, we need to make sure we're growing our workforce, readying our economy to meet our future needs and be serious. And one of these ways is making sure that postsecondary education is affordable for our lowest-income individuals in our state. Now, the

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committee is aware another area of interest to me is better targeting where dollars that we do have for NOG, to ensure they're getting to students who have the greatest financial need. Now, I have a bill in the Education Committee, LB1151, which would change eligibility to 100 percent of Pell Grant eligibility rather than 110, which would accomplish that goal. I've been working with Dr. Baumgartner at the Coordinating Commission on that bill, and I'm hopeful we'll also be successful. We are working on some potential amendment language that would address some of the concerns. LB1050 begins to address the funding issue for these students, that's why this is necessary, which often the students who are the first in their families to attend college, who are fighting to break out of a cycle of poverty and really make a difference for themselves, their families, and their communities. Now, I have experienced these feelings for myself. This bill is personal to me. I'm a first-generation American and the first generation in my family to achieve a college degree. That was possible because I received a Pell Grant, I also received state-based financial aid like NOG, and a variety of private scholarships. If it wasn't for this funding, postsecondary education, both my bachelor's and my master's degree would not have been possible for me. That's a fact. I can tell you from my own experience that every dollar makes a difference in achieving these goals, and the more that we can do to potentially increase this award by better targeting the limited dollars and increasing the dollars and the awards, the more impactful it will be for students. I look forward to a conversation, if anybody has any questions, and continue working with you on this bill. And I'm happy, happy to answer any questions on that.

STINNER: Questions? Now, you are aware that we're allocating another million dollars from lottery funds to, and I think it's 20-- next year?

VARGAS: Correct.

STINNER: Senator Bolz.

BOLZ: Senator Vargas, you and I have worked on this issue a fair amount. And if memory serves, we're serving about 36.5 percent of the demand.

VARGAS: Correct.

BOLZ: And we're allocating about \$17 million per year.

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VARGAS: Correct.

BOLZ: So even with the additional million, that's \$18. And so I think that the demand to fully fund the demand would be about \$47.

VARGAS: Correct.

BOLZ: So we've got a bit of a gap.

VARGAS: Yes.

BOLZ: And this is a start on the gap.

VARGAS: Yep. This is a start. And I appreciate, Senator, for both you, Senator Bolz and Senator Stinner, for asking the question and making the statement that we are going to be appropriating more funds out of lottery funds. It's not meeting the need, to answer your question, and I want to remind everybody, we're 35th in the country in terms of need-based state aid to students. And we are creating winners and losers in this. Now, luckily, we're fortunate we have a higher education institutions, both public and private, that are making strong, informed decisions on individuals to make sure the aid is getting out. We put together packages, this is one piece of that puzzle and packages they're putting out. But there's 60 percent-plus kids that are not getting this specific and would be eligible. And it's not because of the people that might be testifying behind me wouldn't want to give more out, it's because they don't have enough to give out. I'm sure, and I can guarantee this, if we increase the funding in this in general funds and also continue to look at increasing the lottery funds to meet the actual need, they're going to make sure it's going to their neediest kids and we're going to have more individuals that can fill that 50,000-plus unfilled jobs across the state who are desperately looking for people to then get to work.

STINNER: So did I understand \$47 million would be forward-- fully-funded, so I would compare the \$47 to that? Now, when you say we're 35th in a country, is that, is that based on the amount of grants of \$1,410, or is that just the total appropriations?

VARGAS: We're, we're 35th in the country for the amount of the state-provided need-based financial aid on a per-student basis.

STINNER: OK.

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VARGAS: So since this is our only program that's providing state-based financial aid, that's, that's where we're lacking.

STINNER: OK. Just wanted to make sure I understood that. Additional questions? Seeing none, thank you. Additional proponents?

MIKE BAUMGARTNER: Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r, I'm the executive director of the Coordinating Commission for Postsecondary Education. I am here today to support LB1050. I want to thank Senator Vargas for his commitment to the Nebraska Opportunity Grant and for his commitment to low-income students in all aspects of their education. The Nebraska Opportunity Grant is the state's only need-based financial aid for Nebraska undergraduates attending Nebraska colleges and universities in pursuit of an undergraduate credential. Although comparatively small, the NOG program is successful and serves Nebraska students across all sectors. Historically, Nebraska has supported higher education better than in many states. Stable support has translated into relatively moderate tuition and fees at Nebraska institutions. But even moderate tuition and fees have grown substantially compared to family income, and tuition and fees are only part of the cost of college. In many cases, tuition and fees are less than half the cost of college, which includes books, supplies, room, board, transportation, childcare, and often forgone income. One area where Nebraska lags in support of higher education is in its state financial aid programs. This is evident in several places. For example, the National Association State Student Grant and Aid Programs 2017-18 report on state-sponsored programs released last fall has Nebraska maintaining its rank of 35th in the country measured on a per undergraduate FTE basis, as Senator Vargas just mentioned, at \$210 per FTE. To get to the national average of \$667 of need-based aid per undergraduate FTE, we would need to triple the NOG program to \$60 million a year. Or that-- to even get to \$1,000 grant for every one of the 35,000 eligible students would require us to nearly double current funding to \$35 million. So the \$47 million, I understand that figure as well. I'm giving you what it would be if we were doing the average at \$667 and what would be just to do \$1,000 apiece which would be suboptimal. The relative underfunding shows up clearly at the institutional level in the commission's biennial tuition fees and affordability report. Almost across the board, fewer full-- first-time, full-time undergraduates in Nebraska's institutions receive state grant compared to their peer institutions, and the amounts they receive are considerably less. For

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example, at UNL in 2016-17, 12 percent of first-time, full-time undergraduates received state grants, compared to 25 percent at their peer institutions. The average awarded UNL was half of the peer average, \$2,233 versus \$4,475. At Chadron State College, it was 12 percent versus 32 percent for the peers at \$300 less per student, and Metro, Metro is 9 percent of first-time, full-time undergraduates getting a NOG award, compared to 20 percent receiving state awards at peer institutions, and it's almost \$1,000 less per student. Family income has a tremendous impact on college going and social mobility. Recent federal Department of Education study following ninth graders over seven years, that is three years after high school graduation. Three years after high school graduation, only 56 percent of the lowest fifth socioeconomic status and 66 percent of the second-lowest fifth had enrolled in postsecondary education, compared to 75 percent the middle fifth, 84, 84 of the second-highest, and 93rd of the highest fifth. This tracks Nebraska's experience very closely. College continuation rate for 2018 public high school graduates in Nebraska with 78 percent for non-low-income graduates and only 59 percent for low-income graduates. If all Nebraska high school graduates continued to college at the same rate that white, non-Hispanic, non-low-income students did in 2017, over 2,000 additional Nebraskans would have enrolled in college immediately after graduation. Greater affordability will get more students into college, but it might also help keep graduates in the state, particularly in rural areas. A study published by the Federal Reserve last January found that individuals with student loan debt are less likely to remain in rural areas than those without it, and that individuals in the highest quartile of outstanding student loan balance are most likely to relieve, leave rural areas to get to the higher salaries that they need to service their debt. Last year, 34,843 Nebraska undergraduates met NOG eligibility, but only 12,753 received awards, averaging \$1,410. As Senator Vargas noted, total spending was \$17.98 million. Thanks to increasing lottery funds, the total appropriation for the NOG program in fiscal year is going to be \$18.95 million and the appropriation for next fiscal year will be \$19.95 million. Appropriations for lottery funds will have increased by \$3.3 million between FY'17 and FY'21. Meanwhile, the NOG general fund appropriations has been stalled for a decade. We greatly appreciate the Appropriations Committee's support over time and responsible allocation of lottery funds, using them to replace general funds when budget cuts were necessary in general funds, and to expand the program as lottery funding has increased. Stability in the program is important to institutions that are packaging financial aid awards before appropriation levels are set,

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and that stability provides some security from potential mid-year or mid-biennium reductions. With changes to lottery distributions for education in LB920, we will likely see very limited growth from that source going forward. I expect none, actually. With responsible spending of the balance and the Nebraska Opportunity Grant Fund, lottery funds will be able to provide stable support of about \$14.6 million per year beginning in FY'22 for probably 7 years. That's a good foundation, but the program needs additional general funds in the future, right now, really, to make gains that affordability the Nebraska needs. LB1050 is a great start. And a current average awards over 1,000 additional students would be funded with that \$1.5 million.

STINNER: Thank you. Questions? I have a question, and I'm sure you've covered it, but my ears are getting older. Thirty-seven percent at University of Nebraska. Is there a funding formula that goes with each institution and type of institution?

MIKE BAUMGARTNER: There is a funding formula that takes the entire amount of eligible students in the state and puts that amount on an FTE basis, multiplies it by tuition capped at UNL's tuition, and then figures out what proportion of that product belongs to each institution. So it's really a function of how many students are eligible, how many FTE are eligible, and where their tuition falls. So community colleges have much lower tuition than UNL, so they get a proportionately smaller share because it's, it's based on that product of tuition times FTE.

STINNER: But our independents might be a lot higher than a university.

MIKE BAUMGARTNER: They're capped. They're capped at UNL tuition. So, yeah, everybody, everybody would be at that level.

STINNER: Any additional questions? Seeing none, thank you.

SEAN KELLEY: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Sean Kelley, S-e-a-n K-e-l-l-e-y, appearing today as a registered lobbyist for Creighton University. First off, I'd like to thank Senator Vargas for introducing LB1050. Creighton is always a proponent of any additional funding that goes into the Nebraska Opportunity Grant Program. Right on point with the state up-- the statewide average, Creighton has 221 NOG-eligible students, but only 83 of those are funded. So we're right at 35 percent, 138 of our students that are NOG-eligible do, do not receive any dollars out of this program. Last, I would just add that, and

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encourage the committee to consider independent colleges and universities as you deliberate over career and talent scholarships this session. Independent colleges and universities are responsible for 35 percent of four-year degrees in Nebraska. So we'd sure appreciate your consideration if you have a desire to use any more scholarship dollars in a different program. So with that, I'm happy to answer any questions you may have.

STINNER: Is there questions? Seeing none. Thank you.

SEAN KELLEY: Thank you.

STINNER: Additional proponents? Any opponents? Anyone in the neutral capacity? Seeing none, Senator, would you like to close?

VARGAS: I just want to thank the committee. I know we've had this conversation at least about NOG, and I hope I'm providing a little bit more education on the unmet need that we're seeing. I think it's incumbent upon us to make, to make higher education more affordable. The costs for higher education aren't changing all that much. We're seeing more efficiencies in higher education, but there's still cost. We need to ensure that we're not creating more barriers for individuals. In the meantime, our state can continue to then expand programs that we know are working, that we know are documented, have oversight. And I think that expanding NOG in the general funds while still increasing lottery funds is the right thing for Nebraska. Thank you.

STINNER: Thank you. Questions? Seeing none, thank you. We have letters of support from the University in Nebraska, the Nebraska Community Colleges, and the Nebraska Chamber of Commerce in support of LB1050. That concludes our hearing on LB1050. We'll now open our hearing on LB1098.

McDONNELL: Thank you, Chairman Stinner and members of the Appropriations Committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l, I represent Legislative District 5, south Omaha. I'm here today introducing LB1098, a bill that aims to appropriate \$230,000 from the General Fund for FY '20-21 and \$230,000 from the General Fund for FY '21-22 to the Department of Economic Development to fund development districts. The bill was brought to me by the Nebraska Regional Officials Council, or NROC. This extraordinary group focuses their efforts on helping cities, businesses, and other community leaders grow and develop. NROC districts achieve a multitude

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of goals by providing blight studies, urban renewal planning, disaster assistance, and business counseling. The funds appropriated in the bill will help the eight NROC districts continue to cultivate success in our state. Let me begin by providing the community-- the committee with some insight on why I brought forth this bill and this amount. Last year we provided, and the Legislature approved, funding at the level of \$670,000 in the current fiscal year and \$470,000 for the next. The amount that was in the Governor's preliminary recommendation was a level of \$470,000 per year, which I rep-- represented a \$30,000, which represented a \$30,000 reduction from the previous budget cycle. I am asking the committee to restore the \$30,000 cut that was originally included in the Governor's, along with an additional \$200,000 to mirror the increase we provided for in the current fiscal year. The funding appropriated to the eight NROC districts by the Legislature since 2015, \$500,000 in the initial fiscal year, see-- there's a handout that you should be able to reference, has produced countless opportunities that the communities have taken advantage of. We were all reminded of the importance of planning last year because of the intense flooding that the state experienced. NROC has taken the challenge to prevent and protect against the kind of damage. NROC's efforts regarding disaster recovery and resiliency and integral to the success of communities across the state. NROC has taken steps to ensure the stability of our communities when natural disaster happens. For instance, the Southeast Nebraska Development District has meticulously worked with 13 counties for potential US Economic Development Administration disaster supplemental applications. The district has assisted the city of Fairbury with the Federal Emergency Management Agency flood buyouts. More on that in a minute. It is also notable that the NROC has helped communities plan for natural disasters, but the NROC has also been effective in helping communities grow. For example, the Panhandle Area Development District has assisted the City of Bayard with the writing and submission of planning grants to develop a downtown improvement planning for the downtown of Bayard. My home economic development district, Metropolitan Area Planning Agency, has assisted on a downtown project in the city of Gretna. It was a successful project that did include providing a blueprint for a downtown overlay district for a main street area, and it led to the construction project that included concrete curb and gutter construction, concrete sidewalk and driveways construction, ADA pedestrian access, fencing, water main replacement, and storm sewer construction. These changes make life and planning easier, even for one of the fastest-growing communities in the state. One thing that has impressed me since last year has been the role that

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many of the economic development districts have played in flooding and disaster recovery. A few of these examples include the Northeast Nebraska Economic Development District is assisting its affected communities in a long-term disaster recovery efforts, which included disaster planning, disaster housing grants, and other efforts. The South Central Economic Development District, whom will, you will hear from today, is working with Wood River, the Nebraska Affordable Housing Trust Fund disaster grant was written in awarded for \$500,000 to assist with owner-occupied rehab of flood-damaged homes. An emergent threat Community Development Block Grant of \$485,000 was written and awarded for drainage issues and they are pursuing an EDA disaster funds for additional drain, drainage issues. And the Southeast Nebraska Economic Development District is assisting Fairbury improve flood buyouts by working with the Nebraska Emergency Management Agency to buy out nearly 50 properties. Project costs are anticipated to exceed \$4.5 million. Again, these are only a few of the examples of how economic development districts stepped up to the plate in the last year to assist their communities with disaster recovery. What I'm trying to convey is, is this, the eight development districts in the NRC-- NROC have been successful in helping develop the state. Taxpayer money is efficiently making its way back into the community to support and uplift them. Thus, continuing to appropriate funds to the Department of Economic Development to fund development districts is the, is in the interest of the state. I will be followed today by representatives of the Nebraska Regional Officials Council, who will be able to give a more thorough and my method-- methodical explanation as why LB1098 is important. Sharon Hueftle, the president of the Nebraska Regional Officials Council and executive director of the South Central Economic Development District, and Don Gross, representing the Metropolitan Area Planning Agency, can speak directly on the benefits provided to the Nebraska's great communities. I'd be happy to try to answer any of your questions.

STINNER: Questions. Seeing none, thank you.

McDONNELL: Thank you.

STINNER: Welcome back.

SHARON HUEFTLE: Thank you. Good afternoon, once again, Chairman Stinner and members of the Appropriations Committee. My name is Sharon Hueftle, S-h-a-r-o-n H-u-e-f-t-l-e, and I am the executive director of the South Central Economic Development District or SCEDD. And I appear before you today on behalf of Nebraska Economic Developers

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Association, SCEDD, my own development district, and as president of the Nebraska Regional Officials Council, or I call it NROC. SCEDD is one of eight development districts in the state. We serve 13 counties in south-central Nebraska. NROC is a statewide association that represents all eight of Nebraska's economic development districts. And we are most appreciative of the efforts that the Appropriations Committee and the Legislature in providing the \$670,000 of funding for this current year and \$470,000 for next year. Today we offer our support and our appreciation to Senator McDonnell for his introduction of LB1098 to increase general funds in the upcoming year. Since the beginning of our state funding, SCEDD has received just over \$307,000 and we've completed an enormous amount of work with that funding, including the development of a Rural Workforce Housing Program, which I talked to about a few minutes ago, which is-- has developed step, spec homes in Central City, St. Paul, and Holdrege. We have assembled the Joint Housing Economic Development Initiative, or JHEDI, as they call themselves, which has become an ad hoc think tank of housing professionals across Nebraska. We've created the statewide HomeNE Learning Network. And in my previous testimony you got a newsletter about that network. The HomeNE Learning Network seeks to increase community housing intelligence and housing activity across Nebraska. We have also continued to provide assistance to communities across our district with project facilitation, grant applications, grant administration, community needs assessments, housing studies, and nuisance abatement contracts just to name a few, and we've assisted over 60 businesses with technical assistance. I mentioned earlier to a group of us that were visiting, I said I feel like we're kind of the guardian ad litem for communities. Because of such high turnover in our clerks, we've had, you know, women that have been there 30 years that have decided to retire at-- and we're getting new, new people in, and the council members don't know. And so we really do a lot of handholding for those communities. So if the committee were to move forward with granting this additional \$230,000 SCEDD would receive just shy of \$30,000 additional, and I can tell you precisely what we would be doing with these dollars. First, we would assume the responsibility of convening the Nebraska-- the Central Nebraska Manufacturing Partnership. And that's a role that's previously been the responsibility of the Department of Economic Development. But that staff member has been removed from that position because they will be devoted 100 percent to disaster funding. We would continue to serve as the disaster recovery and resilience business that we're in now by assisting communities affected by flooding, including Wood River. And finally, we would explore means to provide community coaching for

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housing development and investigate the best model for sustainability of the statewide HomeNE Learning Network. Each development district would use the funds to respond to the specific needs of their district. But as a whole, NROC would begin to look in earnest at prison-built housing, which has been successful in providing modular housing and prisoner workforce training in other, other states. This funding would also provide capacity for NROC to build a stronger partnership with the Nebraska Emergency Management Agency, as well as position us to address items outlined in Blueprint Nebraska, specifically the housing issues that were highlighted. So thank you, Chairman Stinner and members for your consideration for increasing the funding for the development districts as opposed to-- as proposed in LB1098. And I would be glad to answer any questions.

STINNER: Questions? Seeing none, thank you.

SHARON HUEFTLE: Thank you.

DONALD GROSS: Good afternoon, again.

STINNER: Good afternoon.

DONALD GROSS: Chairman Stinner, members of the Appropriations Committee, I'm Don Gross, D-o-n-a-l-d G-r-o-s-s, I'm the community economic development manager for the Metropolitan Planning Agency or MAPA. MAPA is a council of governments that serves six counties. For Nebraska: Cass, Douglas, Sarpy, and Washington Counties. Two in Nebraska-- Iowa: Mills and Pottawattamie County. And we are one of the eight districts that make up NROC. I'm here to speak in support of LB1098 an express MAPA's appreciation for Senator McDonnell's introduction of the bill. Through the funding that would be available with the adoption of LB1098, MAPA would receive assistance which supports local jurisdictions with a variety of planning, housing, community development, economic development efforts. As a development district, MAPA serves as an extension of essentially local staff to provide technical assistance and to cooperate between many parties to address issues, identify solutions, secure resources, and administer funding after receiving it, to ensure communities are in compliance with policies and regulations. Essentially, to build capacity of our smaller jurisdictions. Presently, we are engaged in a housing rehabilitation project in Valley and Waterloo, workforce housing development in Blair, which I touched on earlier, the adaptive reuse of a former dorm on the Dana campus. Each one of these projects-- I'll back up. Assisting Blair, Louisville, Plattsmouth on the repurposing

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of some CDBG reuse funds through program income, trying to determine what eligible projects and how they can remain in compliance with DED. Each one of these projects takes time. The build up to, for example, the Blair workforce housing development included a lot of meetings with the city of Blair, housing committees defining community priorities relative to housing, and to develop a strategy that actually had the support of the community. The other thing that we're engaged in right now is a lot of flood recovery activities. Although much of our work has been in Iowa, where flood damage was extensive, especially in Mills County, we have had discussions with many jurisdictions, specifically with Plattsmouth, which experienced significant damage to its water treatment plant, to its sewer treatment plant, and some property loss along the river. Plattsmouth is a perfect example of a community that has good veteran leadership, knows what it needs to do when it comes to its water treatment facilities and needs, knows what to do with their sanitary sewer system and has a game plan. They're just trying to figure out what's the right funding mixture. And if we can be of assistance in that regard, to submit an EDA application for one of those projects or a CDBG disaster application, that's what we will do. We also have talked with them significantly about renovation of a former school, which has been an issue with the city of Plattsmouth for many, many years. And actually, I've submitted a, you know, an application for buyouts of properties that were damaged along the Missouri River. Finally, MAPA does use the assistance that we receive to enhance our collaboration with the individual organizations that make up the Greater Omaha Partnership, specifically Gateway Development in Washington County and the Cass County Economic Development Office. My goal with these organizations, they are out in these communities much more than I am. They are my kind of foot on the ground, they're economic development people. There is a natural handoff for those individuals relative to housing projects, community development projects, infrastructure projects, so that they can concentrate more on what their true mission is. And that is economic development of those counties and those communities. So these are just a few examples of the assistance that we can provide. Having additional funding will allow MAPA and all of the other economic development districts in Nebraska increase their assistance to local communities. With that, I'd be happy to answer any questions. You may have.

STINNER: Questions? Seeing none, thank you.

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MADONNA MOGUL: Good afternoon.

STINNER: Good afternoon.

MADONNA MOGUL: My name is Madonna Mogul, M-a-d-o-n-n-a M-o-g-u-l. I am testifying on behalf of the York Chamber of Commerce in support of LB1098, funding the development districts. As a member of a community, the Southeast Nebraska Development District, York sees tremendous value in the services they provide. Recently, SENDD has assisted in securing over \$1.5 million of federal funds to assist homeowners, downtown businesses, and industries. In addition, SENDD assisted with preparing the proposal that secured the only opportunity zone in rural southeast Nebraska. SENDD has helped with numerous projects in the community, and I would like to highlight two of them today. York's Purchase/Rehab/Resale program has assisted three homebuyers with purchasing quality, safe, and affordable homes. All three purchasers were single female heads of household. A fourth home has been rehabilitated and is available for purchase. The program has not only satisfied the need for development of entry level housing, it has also created a revolving fund to continue this program, for which the city of York and SENDD were nationally recognized. The other is York's downtown revitalization program. The program provides financial assistance to business owners for facade improvement, as well as alleviating structural issues and code violations. The initial phase was fund-- has funded 10 projects that completely exhausted the resources. With SENDD's assistance, the city received additional funding to continue the program. To date, there are eight applications in various stages of the process. The effects of the program were felt immediately. Property owners saw increased foot traffic through their doors. The DTR program has been key to the future prosperity, redevelopment, and growth of York's central business district. These and all the projects SENDD assists, assists with are very important to the growth and sustainability of our rural community. Projects such as these would likely not be obtained without the assistance of the district. York Chamber of Commerce strongly supports your consideration of increasing funding for the development districts as proposed in LB1098 to allow them to continue helping the rural communities across Nebraska prosper. If you had any questions for me.

STINNER: Thank you. Questions? Seeing none, thank you.

MADONNA MOGUL: Thank you.

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JOE KOHOUT: Chairman Stinner, members of the Appropriations Committee, my name is Joe Kohout, K-o-h-o-u-t. I understand there was somebody here a couple days ago impersonating me in front of the committee, Brennen Miller claimed to be Joe Kohout.

STINNER: That is true.

JOE KOHOUT: That's unfortunate. No, I kid. But I am passing out to the members of the committee a few things. First, Jeff Kelley, who is the executive director of the Panhandle Area Development District, could not join you today, but did prepare testimony, which I am passing out for the committee's review. In addition, there are four letters from four of the districts who could not be here with you today. So I would just ask that those be made part of the record, and then I will try to stand for any questions that you might have.

STINNER: OK. Any questions?

JOE KOHOUT: Thank you.

STINNER: Seeing none, thank you. Any additional proponents? Any opponents? Anyone in the neutral capacity? Seeing none, Senator, would you like to close?

McDONNELL: Yes, briefly. Thank you. We know all economic development districts are doing great work. We have a past history. Also, I apologize. There is a report that was put together in December about all those great projects they've worked on over the last year. And when you start reading that, and I'll make sure every member gets a copy of that, you start thinking about with that small amount of money that we've invested from the taxpayers, what a difference it's made, made in our state. And so today I'm not asking you to look at appropriating money on something that might work. We know this works. And the idea of how much we've spent in the past, and you have a handout on that, I would appreciate you considering the \$230,000. I think it's going to make a great impact. As we know, it's already, the money that we've spent in the past, already has in our, in our great state. I'll answer any questions.

STINNER: Questions?

McDONNELL: Thank you.

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STINNER: Seeing none, thank you. And that concludes our hearings on LB1098. We'll now open on LB1069, Senator Bolz.

BOLZ: Good afternoon, Senator Stinner, members of the Appropriations Committee. My name is Kate Bolz, that's K-a-t-e B-o-l-z, and I'm here today to introduce LB1069, which creates a statewide partnership committed to reducing violence in Nebraska by utilizing the expertise of UNMC and the University of Nebraska Omaha School of Criminology and Criminal Justice to apply the scientific method to violence in a coordinated statewide manner. The point of bringing these institutions together is to combine the expertise and research, intervention, and practice to create an evidence-based and scientific approach that builds from a criminological, medical, and public health perspective to identify and address underlying causes of crime and violence in Nebraska. The Violence Prevention Collaborative would focus on the causes of violence in Nebraska by performing community-based research in communities experiencing violence to identify causes and solutions, then can address these issues. Using this information and data, we can establish why violence is occurring in our communities and create effective prevention and intervention strategies. LB1069 would bring in the medical expertise of doctors at UNMC and criminologists at UNO to analyze statewide violence data. This may sound like a very comprehensive program, and it is only made possible by the bill's requirement of a 50/50 private sector match. Proponents of the program will discuss their partnerships and conversations with the philanthropic community. In 2018, the American Medical Association concluded that recognition and treatment of violence as a health crisis is long overdue. In Nebraska, we're fortunate to have strong partners in this area and opportunities to partner with world-class institutions, medical and academic doctors who want to apply their highly technical expertise to improving our community. As an eight-year member of this committee, I know how important it is for us to be responsible with our taxpayer dollars. However, I would also argue that prevention is often a strategy that we aren't able to prioritize in this committee. I think that the amount of funding requests that have come in front of this committee in the last eight years related to juvenile justice, prison overcrowding, serving families, and serving local communities with criminal justice challenges, make a strong argument for why we need to be more preventative and more thoughtful in our approach to violence and crime in our state. You have a number of testifiers who will be here today talking about the model that the program would like to use their success in community-based partnerships and the importance of violence

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prevention as it affects families and individuals in our communities. So I'll leave it there and see if the committee has any questions for me.

STINNER: Questions? Seeing none. Thank you.

BOLZ: Oh, Senator, may I--

STINNER: Yes.

BOLZ: May I add one thing? I just wanted to point out that we did pass around an amendment that provides some additional specificity regarding how the funds could be used. This is, this is for the committee's consideration. Sometimes the committee wants to offer a higher education institution or a partner flexibility. And sometimes you want specificity. So we did want to provide that information for your, for your consideration.

STINNER: Thank you.

BOLZ: Thank you.

CHARITY EVANS: Chairman Stinner and members of the Appropriations Committee, my name is Charity Evans, that's C-h-a-r-i-t-y E-v-a-n-s, and I am a trauma surgeon at Nebraska Medicine. I am also a faculty member at the University of Nebraska Medical Center within the Department of Surgery. My testimony today does not represent the official position of the University of Nebraska. I'd like to thank the Appropriations Committee for hosting me here today. And thank you for considering this very exciting bill. Last month, I cared for a young man in our emergency department. He was in a car with a close friend. His friend was shot once in the head through the window and died in front of his own eyes. Police took him down to the station for questioning, and when he took off his coat, they all noted blood dripping down from his arm. He was transported to Nebraska Medicine, where we found that a bullet had passed through his elbow. There was a small fracture, one that couldn't be repaired. As I washed out his wound, I asked him, are you OK? He said, yeah. And I said, no, really? Are you OK? You just watch your best, best friend be shot and killed. He said to me, these things happen. This is my life. The young man had been shot in the arm, and yet the grief and shock of witnessing his friend die in front of him left him numb to his own circumstances. Violence has been normalized in the lives of so many Americans. Violence is by far the largest driver of homicides in America. Black

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and Latino young men living in urban neighborhoods are disproportionately impacted by this tragic violence. Almost 75 percent of America's nearly 15,000 gun homicide victims in 2017 were either black or Latino, near-- nearly 85 percent of them were male. And Nebraska, unfortunately, is not immune from this data. In recent years, Nebraska has experienced an average of 45 gun-related homicides, 115 gun-related suicides, 173 nonfatal interpersonal shootings, and hundreds of stabbings and assaults. For every homicide, it is estimated that there are at least 10 secondary victims or people who witnessed or aware of the homicide and experienced significant emotional distress. These individuals rarely, rarely receive support services to recover from their post-traumatic stress. The 520 shootings that occur each year in Nebraska are a serious strain on the state's economy, costing Nebraska taxpayers an estimated \$61 million per year. Included in your packet is the breakdown of how that \$61 million is spent. In order to adequately address this public health crisis, we need programs which address the root causes of community violence. LB1069 will provide Nebraska Medicine with \$475,000 a year to achieve three tasks. The first is to continue current programming, which already exists and has been shown to be successful, such as Dusk to Dawn and Strengthening Families Program. Two is to establish a hospital-based violence intervention program or an HBVIP at the University of Nebraska Medical Center and Nebraska Medicine. And three, to develop a new and exciting collaborative between Nebraska Medicine, UNMC College of Medicine, College of Public Health, and the University of Nebraska Omaha School of Criminology and Criminal Justice. This collaborative is unique as it brings together medicine and patient care with public health and community-based research with criminology and a critical view of the causes of crime and the methods used for prevention. Since its inception in April of 2017, Dusk to Dawn at UNMC Nebraska Medicine has served over 700 youth. This program works. Exposing youth to the devastation of violence coupled with a lengthy discussion of risk and protective factors and conflict resolution skills changes youth attitudes towards the use of violence, as our data has clearly demonstrated. Adding an HBVIP at UNMC Nebraska Medicine will serve the 175 victims of violence we admit every year and includes their families. An HBVIP is based on cultural-competent peer specialists approaching victims of interpersonal violence at bedside in a teachable moment, which occurs just after injury when a person is more likely to be receptive to change and offers them intensive case-- outpatient case management, connecting them to mental health, job training, education, and legal services. The key to the HBVIP is starting the conversation with victims of violence at the

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time of their injury and as part of their physical recovery. And we know that these programs work. Studies from across the nation showed a 50 percent decrease in reinjury rates and are significantly-- individuals are significantly more likely to use program services and an increase in the overall quality of life. To decrease violence in our state, it is imperative that we identify the root causes, determine why and who is at risk so that it can be prevented. Universities and hospitals, state governments are teaming up across the nation. For example, District of Columbia awarded \$1.2 million to fund hospital-based violence intervention programs. State of New Jersey, \$2 million to create a Center for Violence Prevention. And in May of '19, Virginia governor approach-- apportioned \$2.4 million in grant funds to implement HBVIPs at seven Virginia hospitals. Up to 50 percent of gunshot victims have symptoms of post-traumatic stress disorder at six months, and I can nearly guarantee you that the young man I cared for last month will be a number in that statistic given the level of shock and disassociation he was experiencing that night. He has a 20 percent chance of being shot again and his third shot will likely be deadly. Without intervention, we are risking the lives of Nebraskans to violence. The bill under consideration today will improve the lives of victims of violence by providing a mechanism for ongoing violence programming, in addition of a comprehensive HBVIP and violence research in Nebraska. LB1069 will be appropriated with a one-to-one match from private philanthropy. We are in discussions with private foundations who are aware of our work and have worked with members of this collaborative before. We are confident that a match commitment will be in place before this bill is appropriated. We're extremely grateful for this opportunity to serve our state, and I thank you for your consideration. And I'm happy to take any questions.

STINNER: Questions? Seeing none, thank you.

CHARITY EVANS: Thank you.

RAQUEL SALINAS: Chairperson Stinner and members of the committee, good afternoon. I am Raquel Salinas, R-a-q-u-e-l S-a-l-i-n-a-s, and I live in Omaha, Nebraska. I have two sons and two daughters. My son, Roberto Alonzo Gonzalez, was viciously murdered by a single bullet that punctured his lung, liver, and his heart on January 22nd, 2015. That day has changed my life forever, and everyone who knew him. It's been a hard and a long journey, not the one I imagined to have. Not a single day or a minute of my life goes by I thinking of his-- the ifs, whys, should have, or could have. But cruel reality tells me that

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Roberto is not in our lives anymore. He would have been 25 years, 8 months, and two weeks as of today. I still miss his goofy laughs, his warm hugs, and his: I love you, Mommy. All of him. Sorry. What kind of impact has my son Roberto's left-- death left? A cruel and unfair reality. It's extremely hard to believe that it's been more than five years. It feels like, just like yesterday. I'm still heartbroken. I still cry, and I still have many breakdowns. Sometimes when I'm driving, and at times it just happens randomly. We are Seventh-Day Adventists, we are Christians. If that wasn't the case, they would have buried two people, not just one. My son's passing took a piece of my heart, and I don't ever wish this upon anyone on this earth. When you lose your parents, you're called an orphan. When you lose a husband, you're called a widow. But there are no words to describe when you lose a child. Why? We're not supposed to bury them. Our children are supposed to bury their parents, us. In the beginning of 2017, I got a call from Deputy Chief Ken Kanger. I didn't know what was really happening. Somehow Deputy Chief Kanger got ahold of my address and personal phone number. You know how easy it is for them to track you down. I asked myself, I wonder what Roberto did. Why now? Don't they know that he's gone, never to be seen again? Don't they know that I'm still mourning his death? I was still in a chronically state of depression. When I got home, my husband told me that a detective was looking for me. Something about Robertito. That's what I called him before, little one. I just didn't want to reopen unhealed wounds. Of course, I prognosticated a few days and I prayed about the situation and said, God, if it is your will, please, I beg you, give me a sign. And sure enough, the next day, Deputy Chief Kanger called and left me a message. We need to talk about your son, Roberto. It's nothing bad. Just hear me out. All we want is your blessing for this program. I knew then that God had answered my prayer. With little warning, and some hesitation because English is not my first language, and I was never a good orator, I was asked to speak. And now here I am. Deputy Chief Kanger was, has a heart of gold. Soon after I met the creator of Dusk to Dawn, Dr. Charity Evans, a beautiful, remarkable, and amazing person and the rest of the crew. The day of January 22nd, 2015, I felt all alone. I didn't want to leave the hospital without my son. Some close family and friends didn't want to leave the hospital either until we were asked to leave. I was in and out of notion, even after we got-- we gave holy burial to my beloved son, Roberto. The same day, almost everyone left us to keep on living their normal lives. But what about my children? We didn't know how or even where to start. When, where, or when do we begin? I tried Ted E. Bear Hollow counseling, but I believe I got worse than before. I eventually tried

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individual therapy, but it was extremely expensive and I could not afford it until I started participating in Dusk to Dawn. And amazingly, I began to the process of healing. Whenever I see all those kids and I hear about their hopes and dreams, they are so similar to my son, Roberto. I see in each and every one of them my son. They have a chance at this life. But what happens if they don't have the support that they need to succeed in this life? If this bill passes, it will be a true blessing, not just for them, but for all of us. They are our future to our community and our country. Statistics are true and cruel. If you're here today, there are no guarantees for tomorrow. What legacy are we leaving behind? In a blink of an eye, everything can change. Thank you for the opportunity to be here today, and thank you for your consideration of LB1069. I'm happy to answer any questions.

STINNER: Thank you. Questions? We're sorry for your loss.

RAQUEL SALINAS: Thank you.

MARK FOXALL: Good afternoon, Senators.

STINNER: Good afternoon.

MARK FOXALL: My name is Mark Foxall, M-a-r-k F-o-x-a-l-l. I do not represent the University of Nebraska, nor does my testimony here today represent the official position of the University of Nebraska. In 1979, I began my career in criminal justice as a young clerk in the FBI. Over the course of the next 40 years, I worked for the Omaha Police Department, back to the FBI, the United States Attorney's Office, Douglas County Department of Corrections, and the University of Nebraska School of Criminology and Criminal Justice, where I received my PhD in criminal justice. My lineage has been intertwined with law enforcement in Omaha for the past 90 years. My great uncle came on the police department in 1938, followed by my father in 1953, and my brother in 1983. Those three collaborative, collectively, logged approximately 50 years of work in the homicide unit. In the twilight of my career, I was the director of the Douglas County Department of Corrections, the largest mental health facility in the state of Nebraska, and the second-largest homeless shelter in the state of Nebraska. I've been around criminal justice my whole life in one way or the other, and have heard about or seen how violent offending and victimization can wreak havoc on individuals, their families, and the community. People often think that the solution to the problem of violence is to institutionalize the violent offenders

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in mass. My family has been putting people in jail since 1938. We have seen the members of the same families fall victim to generational violence and incarceration. More jails and more prisons will not bring an end to the seemingly endless cycle of generational violent offending and victimization. My experience tells me that some people need to go to prison. The optimal word being some. In the 21st century, we must be able to look beyond the simple solution of incarceration and incapacitation to solve the complex problems of violence in our community. In 1979, the year I started out in this criminal justice business, the violent crime rate in Nebraska was 225.9 per 100,000 inhabitants. In 2018, the violent crime rate in Nebraska was 284.8 per 100,000 inhabitants. Aggravated assault in 1979, 122.8 per 100,000 and 179.4 per 100,000 in 2018. Not surprisingly, quite a bit has changed in the past 40 years. During my seven years as director of corrections, I had daily opportunities to walk the secure housing units and speak to a number of inmates who were young, male, disproportionately people of color. Many were victims and perpetrators of violence at very young ages. Every passing year it seemed that the age of these individuals was getting younger. Equally as alarming was the number of individuals who suffer from some type of mental illness, anxiety disorder, PTSD, schizoaffective, schizophrenia, bipolar disorder to name but a few. Many were undiagnosed and certainly not treated until they landed in my jail. A little more than three years ago, I had the opportunity to meet Dr. Charity Evans. Dr. Evans attended a meeting that I was present in to present her work on a program called Dusk to Dawn. Dusk to Dawn is a hospital-based violence intervention prevention program at the Nebraska Med-- at Nebraska Medicine that exposes youth to the physical and emotional consequences of violence as a catalyst for the discussion about values, emotions, problem-solving and risk and protective factors. This is an amazing program, and I encourage all of you to see it in action if you have occasion to be in Omaha. But what also intrigued me was that the impetus for this unique program came from a most unlikely source, a trauma surgeon. During my 40 years in the business, I've never come across a trauma surgeon so involved in the work of trying to prevent violence in our community. While there are those who say doctors like Charity should stay in their lane, I say this is their lane. The solution to this problem warrants a collaborative of a wide array of subject matter experts. The solution to this problem requires more than the expertise of the police who have traditionally been left to deal with this issue alone. Armed interventionists are going to do what they do best. While their skills are needed, so are the skill sets of many other disciplines. So when

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Dr. Evans approached me about a program to address the root causes of community violence, I was eager to learn as much as I could about this effort and participate in any way I could. I've seen many monolithic back-end efforts intended to interdict violence in the community. Sadly, these initiatives were enforcement-oriented, leading to higher rates of incarceration that are not economically sustainable over time. Not to mention the impact that mass incarceration has on the future, excuse me, has on the nuclear family unit and the dysfunction that it creates in the community. This LB1069, is an opportunity to provide financial support for the establishment of a rare collaborative between the University of Nebraska Medical Center, College of Medicine, College of Public Health, and UNL School Criminology and Criminal Justice. Support for this legislative bill will also help the Dusk to Dawn program and a hospital-based violence intervention program. Dr. Evans has already spoken to the details that these efforts to draw upon a plethora of services to assist young men and women from further involvement in violent offending and victimization. There is also a real opportunity with this collaborative and these programs to interdict the cycle of generational violent offending and victimization. This is an opportunity to look beyond arrest, jail, and prison. This is an opportunity to bring disparate partners together to combat this scourge in our communities that affects us all. The indirect negative effects of community violence are manifold socially and economically. I support this legislative bill and the diverse plan to address the problem. I'd like to entertain any questions.

STINNER: Questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here today. On some of your comments here earlier, you made a comment about many, the victims and perpetrators of violence are in our-- they're getting younger.

MARK FOXALL: Yes, sir.

DORN: What, what-- explain a little bit, I guess. Or what's--

MARK FOXALL: Sure.

DORN: What's happening?

MARK FOXALL: Sure For the past 40 years, we saw incidents of violence occurring, you know, in a range that was beyond the 16, 18, 14, 15,

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16, 18 years that we're beginning to see now. I would see gunshot victims that are 24, 25, 26, 30s, but now you're seeing 14, 15, 16 in that early adult, early adolescence. And this is from my experience of 40 years in the business. And it seems, as I said, every passing year that age gets to be younger and younger. We know that the high crime-prone years are approximately 15 to 24, but traditionally that has been other types of crime: property types of crime, vandalism, theft, just things like that. When you begin to see that minimum age begin to [INAUDIBLE] and those individuals are victims and/or perpetrators involved in violent offending, such as a significant assaults with or without guns, then it's pause-- it's time to take note of, OK, what's going on here? Why is that demographic getting younger?

DORN: Thank you.

MARK FOXALL: Yes, sir.

STINNER: So as you've said, you've been on the ground 40 years doing this. What do you hope to get out of a study like this? Being aware that we're overcrowding the prisons situation is obviously on our mind as, as a committee. But I don't want to lead you into anything.

MARK FOXALL: Well, I think the unique piece of this is that you have a lot of different skill sets to bring to bear on the problem. It's not just the police involved, this is more than a police problem. You have University of Nebraska in Omaha, gets you, get you the research piece that you need in order to direct the operations. You've got pub-- College of Public Health involved and their expertise. You have the College of Medicine, people like Dr. Evans, Charity Evans involved who can identify the trauma that's coming through the facility. My involvement with law enforcement and corrections, I can get us into the youth center and into adult corrections, and not just in Omaha. This is a statewide issue that we have to look at. And then you can try to identify individuals that are in need of our assistance in the correctional facilities, because we miss a lot of people that they come through the hospital and are released before any assistance can be provided. But if we can cover those grounds and corrections and provide wraparound services, these young men and women need housing, education, employment, mental health treatment, therapy, some of those things to interdict that generational cycle of offending. I think that's why it's so important to have multiple skill sets to bring to bear on this problem, as opposed to just one skill set to bring to bear on this problem. I can't emphasize enough the issues related to,

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to mental health, the PTSD that these young men and women have coming into the facility from the violence that they are subject to in their neighborhoods.

STINNER: Do you have an opinion about early childhood education? If that would be one of the silver bullets you're looking at or--

MARK FOXALL: That's one of them. Absolutely, sir. Absolutely. Early childhood education is important. And the earlier, the better. If you wait until they're in high school, if you wait until they graduate from high school, you're too late. If you wait until they hit middle school, you're too late. Early education needs to start, I would say, from the cradle. And you need to stay with it through their matriculation, secondary, postsecondary education.

STINNER: Now our early childhood education is really zero from cradle to year eight, and that's our definition of early childhood, just for your own information. But thank you for, for your testimony today. Any additional questions, Seeing none, thank you.

MARK FOXALL: Thank you, Senators.

STINNER: Afternoon.

KEN KANGER: Good afternoon, Senators. Thanks for your time, your attention, your consideration regarding this bill. Bear with me, I got a little bit of a cold. I'll do the best I can. I'm Deputy Chief Kent Kanger with the Omaha Police Department. I've been there for 23 years. I spent four years with the Douglas County Sheriff's Department. A little bit about my background is the majority of my career I've been, I spent in homicide, cold case investigations, criminal investigations, and the last 10 years or so overseeing our gang unit. I got a vast amount of experience about gang and gun violence. And things have changed since when I first started, obviously. And a lot of that's been talked about early today, and there's been some success within the Omaha Police Department I'd like to share with you a little bit. Some of our crime numbers. In 2015, we hit one of our highest homicide rates that we'd seen in years at 50. Since then, our numbers have went down, 29 to 30, 22, and 23 last year. So we've seen some success. Lowest amongst our comparable cities when we compare across the country. Nonfatal shootings, consistently around the 200, 150 mark from 2015 and prior. Since then, especially the last three years, we've been under 100. So we've seen some success. But ask Raquel, who is a family member of somebody who died as a result of a homicide.

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Twenty-three is still too many. One hundred shootings is still way too many. There's too many families involved. And you've heard the other folks within the families in the community that are also involved when those things take place. But I did talk a little bit about our success, and what do we attribute that success to? A lot of it, Dr. Mark Foxall talked about. When I first got involved in the gang unit and some of these activities, it was all enforcement. A lot of folks believe that we could arrest ourselves out of a situation and lower our crime by simply putting individuals in jail. But if you look at the Omaha Police Department, the Omaha community, and around the state of Nebraska, the work that's been done on the intervention and prevention side is a huge piece, and those collaborative efforts with all of our partners is a huge piece of why we've seen some success and some of those reductions. Some of those programs you've heard about today. It's important for us to look at the pro-- the problem in its entirety, look at each case individually to find out what exactly is occurring and find a, find a solution for those type of things. When we're talking about intervention and prevention, many of you folks defer to the Pace program and the 5,800 kids last year that were either coached, mentored, in athletic events by Omaha police officers, community members almost year-round now, from baseball, flag football, CrossFit, afterschool programs. Important piece when we're talking about intervention and prevention. Those programs weren't around when I started. Gang specialist, early Intervention, early education. You know, years ago, Office of Violence Prevention provided us money to start a gang specialist program. We realized, again, that we can't arrest ourselves out of this situation. So we put a gang specialist in the schools, in homes, in the youth center to try and educate kids. Somebody outside of the badge that we thought could influence these kids. The program has been so successful, and we've had so much support from the school system and other places that want to have this gang specialist in their, in their areas, we've increased it to four now. We have a female gang specialist and we hired, recently, a South Sudanese individual that's working with our refugee problem because we looked at the problem, we saw an increased number of refugees getting involved in gang activity, gun activity, violence, and we needed to address that situation. Enforcement always is going to be a piece. There's going to be a situation where we have to enforce, we have to take people off the streets that are dangerous. But this is no time to be complacent. Just because we've seen our numbers reduced, like I talked about, one homicide is way too many. You saw, again, what Raquel and her family has went through. This is a time that we need to work even harder to get lower in our numbers and to continue the

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success. Because if we don't, we're going to see an uptick and it affects everybody. It affects the entire state economically and in a lot of different ways. We need to continue to improve, we need to continue to evolve. You heard a lot about the Dusk to Dawn program. So I was approached in 2017 by Dr. Char-- Charity Evans and Ashley, now Ashley Farrens with Nebraska medicine. And they brought this program to us. We incorporated our gang specialist program, our relationship with the Boys and Girls Club. And we were entertained by this, obviously, because it was a program we didn't have. It was something different. Everything doesn't work for every kid. Pace doesn't work for every kid, right? Some of the other employment programs and things isn't gonna work for everybody. We got to find ways to reach these kids in these families in any way that we can. It was unique, it was different, and it was new to Omaha. So we involved with a Dusk to Dawn program. And Dr. Evans talked about the success and the things that we've had. Many of you heard about the Step Up program that came out of the Empowerment Network. We know how important employment is to reducing violent crime. And the reason I mention that is because part of that Step Up program, the kids go through a mock legislative session at the Legislative Chamber, chambers during the summer, during the summer. And they're asked to come up with solutions to a variety of different events. And one of the solutions they had to come up with, these kids for the Boys and Girls Club, was how do we lower gang and gun violence. And a couple of those kids mentioned the Dusk to Dawn program, increasing funding and doing more with a Dusk to Dawn program, program. That tells me it resonated. That tell, tells me the program worked. And we see those kids' eyes in the ER, in a different venue, in a different setting. It's a way that we, I think we really resonate and we really touched home. We've got a lot of community partners, a lot of collaborative efforts, and we need to tap into every single one of them. I heard Dr. Foxall talk about Dr. Charity Evans staying in her lane. Violent crime is everybody's lane. Violent crime is everybody's lane. We're all, we all should be working towards reducing violent crime, not just law enforcement. Many think that's the case. And that's why we open our arms and we partnered with anybody that's going to bring a fantastic program to the community, to the state to try and lower violent crime. Obviously, this program and LB1069 is one that we don't have in Omaha that we think we could see some substantial continued success. So in 2015, I went to a home with one of our gang specialists and sat inside the house because there was a young man that had been involved in a ton of different gang violence. We're trying to get him out of that lifestyle. So we're working with our gang specialists, identifying education, what he

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wanted to do with his life. He wanted to be involved in real estate. We're gonna move him out of the state, get him away from the violence, get him in touch with the GED program. Got a little contentious in the house. The youth had been involved in some violence. Little did we know his house was shot up and he was shot right before we arrived at the house. The youth got upset and went to the front door. And when he reached the front door, rival Blood gang members shot him while we were in the house. He lay in the front yard with a gunshot wound to his leg, eyes as big as saucers. Reality set in. He'd been involved in all this. He was untouchable, invincible. And now he was laying in his front yard. He wasn't gonna die. I'm not a trauma surgeon like Dr. Evans, but I didn't think he was gonna die. But when we talk about this hospital-based intervention program and teachable moments, this was it, right? This was the opportunity to reach this young man. Now, we did what we could. We went to the hospital and we talked to him, but we didn't have the resources that are proposed in LB1069. It had been a fantastic opportunity. His two brothers were at that same house.

STINNER: You have the red light so--

KEN KANGER: Pardon me?

STINNER: I said, I've let you go through the red light.

KEN KANGER: I apologize. Well, I'll wrap up. --ll I can tell you.

STINNER: I enjoy your passion and enthusiasm.

KEN KANGER: I apologize. I'm not paying attention to any light, so I apologize, Senator. But the bottom line is that individual went into the federal prisons because he didn't turn his life around. His other brother was a fantastic high school athlete, had a college opportunity. He got involved in a gang-related murder two years ago and spent a majority of his time, and he has spent the majority of his time in prison. His little brother is in the same house. The house has been shot up six more times in the last year. If we could have reached that young man in this, with this type of program, we could have changed the entire dynamic for that entire family. We've got another young man that's been shot six times in the last year and a half. We've got of our two homicides from 2019 had been shot three times before that. I appreciate all your time and attention. I know it's

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late in the afternoon. I apologize for breaking the rules, but if I can answer any questions--

STINNER: That's fine.

KEN KANGER: --I'm happy to do so.

STINNER: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, sir. Could you spell your name? I didn't catch it.

KEN KANGER: It's Deputy Chief Ken Kanger, K-a-n-g-e-r.

CLEMENTS: And this is going to benefit Omaha. Will there be any benefits outside of Omaha that you see?

KEN KANGER: Absolutely. The tax money that goes to paying for the medical care when individuals go to hospitals with gunshot wounds, fatalities, the law enforcement resources wrapped around, and taxpayer dollars and things. Absolutely, I think there's a benefit to the entire state.

CLEMENTS: Thank you.

STINNER: Additional questions? Seeing none, thank you.

KEN KANGER: Thank you.

STINNER: And thank you for your good work.

KEN KANGER: Thank you.

STINNER: Any additional proponents. Hopefully there is no opponents. Not with the police chief here. Seeing none, anybody in the neutral capacity? Seeing none, Senator, would you like to close?

BOLZ: Thank you, Senator Stinner. I do want to take this opportunity just, just to close the loop. To, to articulate again what the proposal is. I for one, as an Appropriations Committee member, I'm tired of funding prisons. I'm tired of funding jails. I'm tired of funding the Supreme Court. And I think that we need to be more thoughtful and strategic about how we prevent violence in the first place. What this is proposing is a, a best practice center housed at UNMC with a partnership with UNO to do several things. First, look at data. And to your question, Senator Clements, statewide data, identify

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trends, identify hotspots, identify areas that are experiencing more violence than other areas of the state. Learning from that data, identifying interventions that work, identifying evidence-based practices that turn the dial, whether it's gang prevention or family violence prevention, or any other kind of violence prevention, the strategies that make a difference to keep people out of prison. And the third thing that we'll, we'll do here is leverage philanthropic dollars to keep these interventions going and seed them out to other communities. So if, if a program has been identified to work in the Omaha area to prevent gang violence, and we've identified a hotspot for gang violence in Lexington or North Platte or Lincoln, we can use those same intervention strategies to turn the dial in those other communities. And so I just wanted to take the opportunity to clarify exactly what we're trying to achieve here: to prevent violence in the first place, to use best practices, to identify problems, and to use the expertise that we have in the university system to prevent more people from dying from violence. Thank you.

STINNER: Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you. And I, I-- help me understand, I guess, the fiscal note here a little bit. I understand on the front page where we have the expenditures each year, but on the back page there, it's revenue. And I am, I'm not-- I kind of understand where we're coming with the revenue part, but I just want to make sure I understand that it's not an offset.

BOLZ: It's matching dollars.

DORN: Yes.

BOLZ: So it's predicated on philanthropic dollars matching the state dollars that we appropriate. So it's not a go unless the philanthropic, the philanthropic interests are--

DORN: But it's not that amount of money coming in and we use that amount of money to fund this. That's not what that is.

BOLZ: Right. Yeah.

STINNER: Additional questions? Senator Clements.

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CLEMENTS: Thank you, Mr. Chairman. Thank you, Senator Bolz. I was going to ask, but I see 50 percent match in there, and I wasn't sure that meant-- and it really means it's dollar-for-dollar, I see.

BOLZ: Yeah. I can get you a breakdown of the budget proposed so that you can, you can see exactly what is expected from the philanthropic community and what those expenditures will be. I'd be happy to do that.

CLEMENTS: And when I first looked at this, I thought it was going to be a research and a report, a one-time deal. But it looks like it's ongoing rather than one-time. Is that right?

BOLZ: That's right. The idea is that we develop this best practice center or collaborative to identify best practices, to monitor the data, and to continue to seed those out as, as they find things that work.

CLEMENTS: The researchers would have a starting point, and then yearly analyze each yearly additionally data?

BOLZ: And, and be able to provide proof of concept. You know, the most famous example is the DARE program, right? The, the-- some of that program, after doing some evidence-based analysis, has come into question about as to how effective it is versus other programs like the Dusk to Dawn program that you heard about today, which has been found to make a difference. And so let's not waste money on things that don't work. But let's strategically invest money in things that do work.

CLEMENTS: Do you know how long Dusk to Dawn has been in effect?

BOLZ: You know, I don't. I, I know what they do, but I don't know precisely when they started, Senator.

CLEMENTS: All right. Thank you.

BOLZ: Thank you.

STINNER: Additional questions? Seeing none. Thank you.

BOLZ: Thank you.

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STINNER: That concludes our hearing on LB1069. We will now open on LB1026, Senator Bolz.

BOLZ: I'm back, Senator Stinner.

STINNER: You are up again.

BOLZ: Thank you, Senator Stinner. My name is still Kate Bolz, that's K-a-t-e B-o-l-z. This afternoon, I'm also here to introduce LB1026, which leverages state support to increase the work that the Daugherty Water for Food Global Institute at the University of Nebraska does in helping increase water sustainability and improve agricultural yields in Nebraska. This bill grew out of our work on LR209, which was heard by this committee in November. At that hearing, we heard how having this program in Nebraska is bringing globally state-of-the-art technology to Nebraska farmers. Having this research capacity and water for food fellows that can go into communities and implement best practices means that Nebraska is on the front lines of new high-productivity, irrigated agriculture methods that will make future droughts more manageable and allow us to do more with less water. In 2010, the institute was selected, the, the Robert B. Daugherty Foundation selected the University of Nebraska to host an institute focused on ensuring water and food security. Nebraska was chosen because of our prosperous and modern agricultural economy and the research capabilities of the University of Nebraska. Water sustainability is one of the most urgent global issues of our time. And Nebraska, with our diverse ecological climate zones and direct reliance on the waters, on water sustainability for agriculture is the perfect place for cutting edge work being done for water for food institutes. This partnership has been mutually beneficial with more than 100 faculty and global fellows creating a number of new innovative practices that are implemented in communities across our state and across the world. Agriculture is our number one industry, and this bill is a part of the investment we must continue to make if we are to stay globally competitive, especially during the lean years where we have to mitigate and adapt the natural cycle periodic droughts. Simply put, as an agriculture state, water is the foundation of our state's economy. And this bill is crucial to ensuring that we continue to have secure access to water in Nebraska. One thing that I wanted to share with you, because I find it incredible, is that Nebraska now uses less water than 30 years ago despite higher agricultural productivity. This bill is a part of ensuring that that momentum continues, that we can keep Nebraska's agriculture economy

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strong into the future. We have a number of testifiers here to talk. I do want to just provide a very brief couple of personal notes. You know that I tend to bring Health and Human Services-related bills to this committee. And this one is a little bit different for me. But as a person who is becoming increasingly involved in her family farm, and as a person who's roots and political work started with understanding the food stamp program, I wanted to share with you how much I believe in the Water for Food Institute and how much it means to me. So this is a very important bill to me, and I appreciate your consideration.

STINNER: Thank you, Senator Bolz. Questions? Seeing none. Thank you.

BOLZ: Thank you, Senator Stinner.

STINNER: Chancellor Green, we're honored to have you. Good afternoon.

RONNIE GREEN: Good afternoon. I'm bringing to you also a letter from the Nebraska Farm Bureau that you will receive here along with the testimony. Chairman Stinner and members of the Appropriations Committee, good afternoon. My name is Ronnie Green, R-o-n-n-i-e G-r-e-e-n, and I have the pleasure and privilege of serving as the chancellor of the University of Nebraska at Lincoln. On behalf of the entire University of Nebraska, all of our campuses, our faculty, staff, and our 51,000 students, I'm here today in strong support of LB1026, a bill to provide funding to support the water and agricultural research and implementation of best practices in water conservation that is being led by the Daugherty Water for Food Global Institute at the University of Nebraska. I want to thank Senator Bolz for introducing this proposal and for her leadership as an advocate for water and agricultural research. Nebraska's farm lands and native grasslands comprise one of the most productive agroecosystems in the world. But it is our wealth of water resources, including nearly 80,000 miles of rivers and streams, the most of any state in the US, and the 3.25 billion acre feet of water in the High Plains or Ogallala aquifer, one of the largest aquifers in the world, that sets us apart. These water resources enable our irrigated crop production, placing Nebraska first in the US in irrigated crop acres and third in total agricultural production, and truly making us a global epicenter for production of red meat, corn, soybeans, wheat, ethanol, sugar beets, northern beans, and more. What also distinguishes Nebraska is that even as we irrigate the most acres in the country, and have areas where the aquifer has certainly lowered, in large areas groundwater levels have actually risen since the first recordings by the UNL Conservation Survey Division in the 1950s. Those are the large

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blue areas on the map of the aquifer that you just received. This is a huge accomplishment, especially compared to the large yellow and red areas in other states that are part of the aquifer where water levels have declined, sometimes drastically. Our healthy aquifer is made possible in large part by our statewide dedication to adopting innovative policies, to manage and conserve both surface and groundwater resources. And as importantly, by investing in the research that fuels innovation and resource management. Thanks to policymakers, like you and your predecessors. As you know, the University of Nebraska was founded as a land-grant university in 1869. In fact, this week we are celebrating our 151st anniversary. And since that beginning, UNL has been an international leader in research on water, agriculture, and the management of critical natural resources. That's why in 2008, four visionary native Nebraskans: Bob Daugherty, J.B. Milliken, Harvey Perlman, and Jeff Raikes decided our university would commit to making an impact on one of, if not the greatest challenge of the 21st century: How to grow more food for a growing world population with less water. The Daugherty Water for Food Global Institute was founded on this vision and it was backed by the \$11.8 million in faculty hires, equipment, and other resources UNL was able to invest from 2003 to 2010. This included \$4.5 million to support programming, staff, and cutting edge equipment for the nationally prominent Nebraska Water Sciences Laboratory. This lab provides analysis services to state, federal, and private entities through the Nebraska Water Center, one of 54 water resources research institutes established by the federal mandate in 1964. The Water Center has been a major contributor to UNL's strength in water research, teaching, extension and outreach, and is now a critical part of the Daugherty Water for Food Global Institute. These timely and strategic investments grew our strength and breadth not only in water research but in collaborative work focused on the important intersection of water and food issues. Early successes led to grant-funded research on major cereal crops in 55 countries around the world and stressed watersheds with a major focus on the Platte River Basin here in Nebraska. The Platte Basin project includes supporting the research of more than 50 doctoral students from different disciplines, the future leaders who will develop innovations in managing and conserving our food and water. The university's history of partnerships with our state's farmers, ranchers, municipalities, and others in the public and private sectors has been pivotally important in protecting our ability to help feed the world. Today, these partnerships are even more important, which is why we're in such strong support of LB1026. This critical state investment in research strengthens our state's

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focus on innovative water resource management that protects water quantity, and I should say also quality, and ensures of sustainable future for Nebraska. The Daugherty Water for Food Global Institute is vital to building, supporting, and growing the water and agricultural research partnerships we continue in our life-changing work through those efforts. Thank you again for the opportunity to be with you today. And I would be happy to answer any questions you may have.

STINNER: Questions? Senator Clements.

CLEMENTS: Thank you, Chairman Stinner. Thank you, Chancellor Green, for being here. The-- I was curious about what effect will this have on the Water for Food Institute? What's their current budget? How much will \$2.5 million add to it?

RONNIE GREEN: So we currently, if you look at all water research and education across the university, much through the Daugherty Water for Food Global Institute, we're-- it's about roughly 10 percent of our research expenditures at the University of Nebraska-Lincoln, so about \$30 million annually. That includes leveraged support of about \$16 million annually this past year, \$16 million was leveraged. So it will be important synergy dollars to that effort.

CLEMENTS: And do you expect that this would be used to-- for matching funds to get additional grants?

RONNIE GREEN: Absolutely. And I think you will hear that from our Director McCornick, when he, he talks to you in the next section.

CLEMENTS: One other question I had. I see we're directing this to the Board of Regents. Does the Legislature have authority to restrict this to that particular use?

RONNIE GREEN: I believe that you do. If it's appropriated in that way.

CLEMENTS: Thank you.

STINNER: Senator Hilkemann.

RONNIE GREEN: Senator Hilkemann.

HILKEMANN: Thank you, Chancellor. Former President Bounds always said that we need to be best in the world in some areas. He said Nebraska needs to be best in the world in water. Where do we stand on that?

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RONNIE GREEN: Well, I would, I would measure that in a number of ways, Senator. So if you look at our agriculture and food programs across the university, including water, which water is a major portion of that effort, we rank in the top 50 programs in the world in that area, across all of the globe in water efforts. I think we are looked at internationally as a leader. Have been historically and continue to, to be as a leader internationally. So this definitely is an area of international strength where we are looked at as a global leader. Much of what I talked about earlier about the progress that has been made in Nebraska that hasn't been made outside the aquifer comparison I was using earlier is the result of that, of that leadership.

HILKEMANN: Thank you.

STINNER: Additional questions? Senator Wishart.

WISHART: Thank you, Chancellor, for being here today. In your presentation, you spoke about quantity, water quantity. What are we doing in terms of quality? My understanding is that there are communities in the state who are facing significant, probably, infrastructure investments to manage the nitrate levels in their water. What are we doing as an institute to look at the quality of water in our state?

RONNIE GREEN: And again, I'm not trying to defer everything to Peter, but I know he is going to speak to that in his, in his testimony. But we do have active work, including in a number of the communities in the state of Nebraska that are dealing with that issue, particularly in northeast Nebraska. So I, I know you're gonna hear about it from Peter, but we are making investments in that area.

STINNER: Additional questions? Seeing none. Thank you.

RONNIE GREEN: Thank you.

STINNER: Afternoon.

PETER McCORNICK: Afternoon. Thank you for inviting me here. Chairman Stinner, members of the Appropriations Committee, my name is Peter McCornick, that's P-e-t-e-r M-c-C-o-r-n-i-c-k, and I'm the executive director of the Daugherty Water for Food Global Institute of the University of Nebraska, which we call DWFI for short. We appreciate the work of Senator Kate Bolz in sponsoring LB1026, which provides for, would provide funds to the institute to support water and

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agricultural research and implement best practices in water conservation. Chancellor Green has provided a valuable overview of the university's leadership role and deep expertise in water and agricultural research. DWFII was founded with a generous 15-year gift from the Daugherty Foundation in 2010 to find solutions to ensure water and food security for Nebraskans and as well as people around the world. By 2050, global food production needs to double to feed and est-- an expected population of 10 billion, while at the same time we contend with the challenges of floods and droughts, water and soil degradation, changing diets and demands, competition for water resources, and ensuring clean water. The institute tackles these challenges head-on through collaborative research, education, policy advice, and communication. We are conducting groundbreaking research into water use by crops and livestock systems. This has already demonstrated that Nebraska is a global leader in improving water use and identified areas where we can or should be doing more. With the use of technology such as satellites, drones, other cut-- cutting-edge tools, we are generating the information needed to support information decisions at the farm, natural resource district, and state level. We are now working with farmers to integrate this information into their decisions and ultimately automate the systems directly, ensuring crops get the water precisely where it when it's needed. The information from these same tools also improves the accuracy of the regional water balance assessments and plans and the capacity for integrated water management. For example, recently we started collaborating with the Department of Natural Resources to provide the most accurate data to review the critical agreement with Wyoming on the North Platte River. Groundwater and soil contamination from fertilizer leech below the crop roots remains a chronic issue, especially in sandy parts of the state. Nitrates, which can take decades to pass through the groundwater, have negative health implications and, as recent research has found, actually can cause things like uranium to mobilize in the, in the groundwater. DWFII is working with many Nebraska stakeholders, including the cities and the communities, to improve groundwater quality and secure drinking water. This includes improving the use of fertilizer. We are currently engaged in water quality research and outreach with partners in the Bazile Groundwater Management Areas in north, northeast Nebraska. With additional funding, we will expand and accelerate our progress through these innovative education and collaboration processes. We are partnering with the agricultural enterprises to validate business models for new technologies and services and provide strategic insights to start-ups, venture capital funds, and accelerators serving the needs of Nebraska's growers and

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natural resources managers, as well as helping grow the economy. Through our program we're develop-- developing a community of young professionals pursuing water and agricultural-focused careers. Working with growers and organizations in Nebraska to advising federal and international agencies-- agencies, our alums will continue to be placed in roles that strengthen Nebraska. DWFI has put Nebraska at the leadership table for global change through our conferences and events and research. The Nebraska Water Conference and annual Nebraska Water Tour draw experts from the state and through the Midwest to explore creative solutions for the issues. With our flagship Water for Food Global Conference, over the past decades we've welcomed more than 4,000 stakeholders to share cutting-edge and practical innovations in water and food security solutions. Our partners, including the World Bank and USAID, have told us these conferences have impacted their approaches to programming and projects. Funding through LB1026 will enable the institute to intensify and expand research in ways to increase crop and livestock production, while conserving inputs in our natural resources. These improvements will help our communities and farmers achieve greater prosperity and support food security, the environment, and public health. This is a critical juncture where the state's partnership would make a tremendous positive impact in Nebraska's future and leverage our other resources. I encourage Nebraska senators to support LB1026 and ensure water security for our state. Thank you for your attention.

STINNER: Thank you. Questions? Senator Wishart.

WISHART: Thank you for being here and for your work. My understanding in talking with community members across the state is that there are some communities in this state that are at a critical point in terms of nitrate levels, where they're now looking at whether they have to invest in very expensive infrastructure for their city and municipal water. And then you've got other members of the community that rely on well water who are kind of out of luck in some ways. With this investment, can you walk me through what we would-- and I understand the benefits of research, but there's also we're weighing budgets, with the tight budgets, just the ability to do some stuff to help these communities. Can you walk me through what are some of the actions that would be worked on to help these communities navigate what is going to be a really critical period in the next few years?

PETER McCORNICK: You know, the example I cited there was that Bazile Groundwater Management Area, where that's one of the areas where there

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is a hot spot of nitrates for a variety of reasons. And there is some science around what is actually happening there and what could be done, what needs to be done. Part of the challenge is actually getting the various stakeholders, whether it's the communities and the farmers, to really look at how they can improve their practices to, A, address the nitrates, but then understand it's going to take time. Even if we stop the nitrates reaching the groundwater, it's going to take decades to actually improve the groundwater that's already in the system as it gets through the system. So also working with the cities around what their options are. Like, I think it's Concordia was one of the first cities to adopt-- having had to adopt reverse osmosis to take out the nitrates. And the costs for that are quite high for a small community looking at their options, but also understanding what the nature of their contamination is. We can, through this water sciences lab, through the science, we can inform that community as to what their options might be and what other things they could do. At the same time, work through the extension service and with the other partners there to help to manage the landscape to reduce the amount of nitrates going into the system. And some of these other issues like at Hastings, the issue there is that the nitrates, and the science is showing that this, the nitrates are interacting with the naturally occurring uranium in the geology. Now the impact of that is, is unclear, but it's know the nitrate-- the uranium is mobilizing through the groundwater and it's near the well fields to Hastings. So Hastings is there-- they need to address, that is also a very expensive physical infrastructure in the way of reverse osmosis.

WISHART: OK.

STINNER: I'm going to ask a little bit of a question similar to what Senator Clements asked. It sounds like in the response that Chancellor Green said, that the institute runs on about \$30 million dollars of funding. Is that accurate?

PETER McCORNICK: No, the university-- I think Chancellor Green's number is the university as a whole is about \$30 million in terms of water research and extension and water and agriculture. The institute's core budget, our direct budget that we actually influence is, is about \$10, \$10 million. Part of that is coming from the university as a match. Part that's coming from the get from the Daugherty Foundation. And a part of that is from grants and gifts that we directly raise within the institute. We also help other faculty members and work with other faculty members, so the institute has a

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direct budget of about \$10 million, but has influence and direct-- indirectly up to \$16 million worth we have influence over.

STINNER: So this \$2.5 million doesn't necessarily go to the University of Nebraska Daugherty Water for Food Institute or does it?

PETER McCORNICK: It would go to the institute, but then support things like one of the ways we work with the faculty is to support their specific research into places like the Bazile and get them to focus on, on the-- an integrated manner, look at the issues there, work with the local community, and provide student support to, to the faculty to, both to get students engaged, but also so they can raise other funds to focus on these issues. So we, we use it to basically directly fund people, but also encourage others to, to work with us on these issues. And until we, we-- these are complicated, wicked issues that we need to look at and how do you get the different parties actually working on these things together?

STINNER: The question I'm trying to get to is, is also to look at the revenue streams that you're on today. How stable they are, how sustainable are they, those types of things? That how much in grants that may go away or is that grants for five years?

PETER McCORNICK: Yeah.

STINNER: I got to get a feel for what--

PETER McCORNICK: So the, the--

STINNER: How stable and how much? That's--

PETER McCORNICK: The support from the university is relative-- is stable or relatively stable. The challenge we have is the gift is actually one that will, is winding down. So it's the one that we know that in the short-term to medium-term will start declining. In terms of grants and external, we have the capacity within the institute to now we've actually been increasing that now, so it's, it's growing at a modest pace.

STINNER: Do you also get some funding from NRDs or--

PETER McCORNICK: We get some.

STINNER: I know you do a lot of work with the NRDs.

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PETER McCORNICK: We do a lot of work with the NRDs, we work with them on, on in-kind contributions. There's-- and then we have the, through the university and the Water Center with the NRDs and Bazile, it's the university and the NRDs are paying for one person to work on the, on the management practices and behavior change with the farmers.

STINNER: Very good. Additional questions? Seeing none, thank you.

PETER McCORNICK: Thank you.

STINNER: Additional proponent? Good afternoon, all the way from North Platte.

RORIC PAULMAN: Sutherland, Senator.

STINNER: Oh, sorry. Sorry about that. Just a long way away. Let's put it that way.

RORIC PAULMAN: Senator Stinner, thank you for the opportunity today, and the committee. I actually left at 5:00 this morning to load three popcorn trucks before I left to come here. So I got a little work in after I'd been gone for 10 days. I'm Roric Paulman, I own and operate Paulman Farms, I'm in the 42nd District. We farm about 10,000 acres, of which 80 percent is groundwater irrigated center pivot and 20 percent rainfed. We're in the Middle, the Upper and the Twin Platte NRDs. I currently serve on a USDA CAP grant which looks at the entire Ogallala aquifer. There's nine land grant universities that are across from Texas, New Mexico, Colorado, Oklahoma, Kansas, and Nebraska that has been about \$10 million dollars a year that is looking at the strategy of how to manage the Ogallala aquifer. And the issues that we're talking about today are what I consider to be the mortar between the bricks. What you've heard prior in testimony here truly is that. And this morning when I left, my grandson, I'm third-generation, my son, fourth generation, he is the tech savvy guy, 29 years old, that's taking over the operation of the farm. And my 4-year-old grandson, he calls me every morning because his mother is taking him to daycare and he, he thinks that he's better served to come with "crampa," because he can't say grandpa. And I told him this morning, I said, I'm going to the Capitol. Where's that? I said it's, it's, it's down where they, they make laws and they do the business of the state. And he says, well, who's going to take care of the farm? And I said, you are. And he said, OK. How do I get there? And so anyway, the, the long and short of that is, is, is where we are today is, is thinking in terms of what next generationally, what those relationships need to look at

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or that mortar between the bricks. I helped co-chair LB1098, Senator Carlson's bill to put together the Water Sustainability Fund. I'm an advocate for Nebraska's agriculture growth and our water quality and sustainability. I've been a part of and chaired that, not only the Platte River Integrated Management planning process from its beginning to the end, but also the Twin Platte NRD IMP, as well as the Senator Lathrop's bill on the sustainability of the Republican Basin over the next, now less-- something less than 30 years. But I've been a part of those conversations for nearly, for over 15 years. In that time, I worked very closely with the university faculty, and it was a relationship that, that I had to learn. I had to understand how to get there and, and figure out how our farm fits in that data. And everything that was, that was very moving very fast. That this whole piece of what you hear, big data in agriculture, what does that mean to us? So with that, I started a group called the Nebraska Water Balance Alliance. It's a grassroots effort that, that brings together innovative ideas and, and people and the university and, and OEMs, original equipment manufacturers, and put them in place that they could start to put tools and ideas and concepts in front of producers to make them better and facilitate practical innovation. It helped along the way to, to fully understand where the university was going and where, what we had to do to, to integrate ourselves into that process because it wasn't traditional research. It wasn't, it wasn't something that I was normally involved with. It comes off the farm from that single acre. So working with the university, one of those projects is TAPS, it's called Testing Ag Performance Solutions. That is, it is, it is groundbreaking. It has allowed the faculty to reach out and work directly with producers that, in a, in a very honest, unencumbered environment, allows them to test new ideas. But conversely, we put the university in place to ask the questions, to be on the front side instead of taking the data and evaluate it and say, well, we could have done this differently. It's on the other side of it, the faculty is now, going: Holy smokes. This is what they're working on, there's an opportunity. Maybe this is something we need to run down. So along this route, working with, with the Daugherty Water for Food, it improved these kinds of projects as well. In the 10 years that I've worked with them, it's made a tremendous impact. It's, it's helped us mitigate and improve areas of contamination. Water quality is a huge thing with me. I also am on the, on the nitrate task force for the state. One of two producers. And so we are growing, the university is growing and putting in place the next generation of tech savvy producers. And I'll even insist that in agribusiness tech savvy. I think that, that we, we focus on a producer, but truly, this is a

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systems approach. This process involves much, much more. And it allows the Daugherty and the university to really put in place and be a leader in this process. This is a pivotal opportunity. That's why I'm here in support of, as myself and our farm and my family and the legacy of our operation in stewardship and conservation. And I'm here to support LB1026. So with that, I would entertain any questions. And I sort of stuck to the script. I ad-libbed, but I had three hours of driving to think about what I should have said.

STINNER: I appreciate you being here. It is a long way, but it's only halfway from where I come from. I just wanted to add that. Technology, you've been involved in heavily into this technology, and could you talk about profitability, rate of return? Because that is what's going to drive that technology to get into the farming side of things. So if you could talk a little bit about that.

RORIC PAULMAN: Absolutely.

STINNER: And how the university plugs into that whole thing.

RORIC PAULMAN: Let me-- I just attended the Farm Futures business summit in Iowa City all over the Midwest. And they had a financial bootcamp the day before, and then two days of looking at stewardship and natural resource management and, and profitability. And, and a takeaway for me was they had a group of Brazilians sat on a panel on one of the evening sessions. And, and 10 years ago, we were about 4 to 1 to their production. A couple of years ago, we were still even to maybe slightly ahead in their production. And this year they are now exceeding us in their production. And it, the takeaway for me was that, that, that they're growing in volume, but we're growing in, in precision and with a load of expectations. And those expectations are resource management, it is about HR. It's about how we intersect with, with all of the encumbrances, I believe, that, that we've, we've assumed are with agriculture, the regulatory framework. So the technologies that, that exist today, I'm working on a project with Valmont Industries that is site-specific irrigation. It will download a new prescription based off of the plant growth and, and I have no way of validating that without working closely with the faculty and with, with the Daugherty Water for Food is, is there intersection across the globe brings those kind of, of a level of come for us to make that kind of behavioral change or that decision? That's one of them. And so when you think about where we are turning a row crop into protein, is, is we have-- that, that is our mantra. We have to get better. We have to be more efficient. But in the bigger picture is

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soil health, climate change, stewardship, conservation. There's a higher level of expectation, but we're able to model that. There's, there is a lot of nitrogen models out there today that we now work with the Cortevas, the DuPont's directly and, and provide us with where the plant is in its growth stage, what its demands are for nitrates or nitrogen in that specific timing. And then as that plant reacts, is it truly-- do you have to, do you really have to be in a place that, that you have a comfort level that you're gonna have an economic return? I believe American agriculture is going to be more of an ROI-based, a return on investment in natural resources in, in capital, and in equipment. I think all of those things are going to channel us to a different way, as if proposed to just, just producing to fix the problem. And so without, without the support of what has historically been the research and the helpfulness on the backside of evaluating those decisions, we're providing data in such huge accumulations that it now precludes us to say, hey, have access to this data in real time. Help us to make quicker and quicker, real-time decisions that influence those outcomes, that, that put us in a better place for profitability and also for sustainability. I think it's a clear, clear choice. The consumer is insisting on it. Absolutely insisting on it. I now, with a, with a load of popcorn that left today, I certify that from, from the time that that seed goes in the ground and the process that it all goes through. We sanitize the truck. We have to certify it, wash it out, and then as we load it and when it's delivered. I mean, those were-- that didn't happen three years ago, that didn't happen two years ago. And so what does that mean? They don't want to a load of soybeans before we load popcorn because of the residue. Well, what's wrong with soy oil? Well, they don't, because it's a dry mill product, they don't want that residue off of soybeans in that load of popcorn. They can't, they can't wash it off. So it's just been a progression and an understanding of the data and ultimately what the consumer wants. We can't do that now in our world of making decisions on our farm without the backbone of, of understanding the natural resource piece and what the university provides. We can't do it.

STINNER: Any additional questions? Senator Dorn.

DORN: Thank you.

STINNER: He's my farmer in the group.

DORN: Thank you, Chairman Stinner. Thank you. I know you were here this summer, too, when we had her in his fall. And you've been, I guess,

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involved in a lot of water issues, water programs that we've had. Update us a little bit on our, I guess, our improvement in water quality and, I guess, maybe even, even lay out something about where we need to get or-- we never will be caught. I mean, we never will have finished our what we need to do. But just visit a little bit about that.

RORIC PAULMAN: Absolutely. We're paying for sins of the past. We, our families came here 100 years ago, and where did we all settle? Next to rivers, streams, lakes, because that was a-- clearly the ground was available. You could get some water, you could do things that, that provided for us. So then feedlots started there and hogs and chickens and everything, our families. That's what I grew up on. And understanding the immensity of that, and transitionally the demands that we started putting on water really brought that to a, to a place that it finally had an investment. We were not investing in this part. What you heard earlier is that, again, the mortar between the bricks, that investment that we have to have to be able to clearly articulate what that's going to take, because we're talking about a big engine that drives this state. And so how do we do that? And when I served on LB1098, we toured the whole state for over a year. We sat in Hastings and listened to the challenges they had. We were in Bayard, Nebraska, and listened to them. We were in the northeast part. And each one of those collaborations and conversations about what was occurring, they were different, but they were the same. And yet what we hadn't done was rallied around what, what was available. Nitrogen management today looks nothing like it did two years ago. Nothing like it. And even three, four years ago, you were ramping it up to a point that that how you delivered it, the pumps-- you can, you can now set a pump on one acre, 43,560 square feet, and you can apply 1.12 gallons to that, to that, to that area. And you can do it with a high level of confidence. So understanding how that moves through the soil, how that plant inter-- interfaces with that, and what kind of production opportunities can be created as a result of that has come through the re-- research on the backside or the validation of the activities of the producers. We're all different. You and I farm differently, there is no doubt. And that's OK. And yet, we're being asked now, now, carbon sequestration and looking at your soil health index and, and but nobody knows what that is. What better place to have it than in the university to start to define that? Take-- get on the front side instead of sitting on there going, OK, we'll take your data and then we'll, then we'll figure out where to go next. To me, where we are today, what we provide from agriculture, you and I, we're providing

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that venue to be able to capture that, to actually set the tone and be able to help articulate what, what, what could really help change those water quality issues. We know we have them. There is, there's no doubt about it. Can we fix them? I believe so. I think there's crops. But when you go to everybody says, another crop that will fix it. Well, I grew food-grade milo two years ago and I grew 10,000 bushels. And gosh, we were supposed to have this great market, double the price of regular milo. We got it in the bin. I sat on it for two and a half years and took the same price as regular milo. Because what happened was five other producers produced 10,000 bushel and for-- 50,000 bushel for a 20,000 bushel market. It was, it ended up just taking it to the elevator. Those are solutions that everyone is working on. And I believe that over the long haul, as we, as we take these silos of data and providers, and I'll even pick on the OEMs, they all have their own process about how they do it. The university can't even, can't even ask those people to get that data in here until recently, until they finally coming to the table and going, you know, we want to help influence behavior. We want to help change. But until Walmart asks for it and General Mills and, and all the other big food companies, it didn't happen. They continued in those silos.

DORN: Thank you.

STINNER: Senator Wishart.

WISHART: Thank you, Roric, for being here. You're always inspiring. You make me want to be a farmer. Because, because I really, I, I can sense your passion for wanting to be contemporary and scientifically based in your decision making and to really push the dial on, on using all the resources that we have from the university and beyond. Are most-- so are most of the farmers in our state, do they have the same mentality as you? What I'm trying to get at is, if we put all this money into researching the cutting-edge, and this is-- these are all the things that you've adopted and more, are we going to get pushback from producers for not wanting to implement this? Or how do we get buy-in?

RORIC PAULMAN: There's, there's several ways to slice that pie and I'll try and keep Senator Stinner from missing supper.

STINNER: That's all right. I'll text my wife.

RORIC PAULMAN: There is, there's already been some work done in 1986 that through this CAP grant, through this USDA grant that I'm a part

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of, that showed 1986, the adoption of technologies ranged in the neighborhood of 10 to 20 percent adoption level. The innovation was, was obviously off the charts, but the actual adoption was very low. And when I first started into this 15 years ago, I thought it was a no-brainer that, that it was easy to move the needle. Hence the Water Balance Alliance, our-- hence the partnership of the University is how do we change that mentality? And it's about behavioral change. A farmer in their, in their, on their best day is wearing a lot of hats. And I've got a, I've got a whole six-slide power presentation that I show across the United States because NGOs and everyone are trying to insert themselves into a farmer's life and say, this is the right thing to do. And then they don't have the resources to go and ask, is this the right thing to do? What does this mean to my operation? And so over this time frame, that's what, that's what actually really put in play the TAPS project, is we asked the participants in that to be peers. And then that peer network then had two, had two roles, two very definite roles that they were asked. But obviously there's a whole bunch that could be. But one of them was to help in-- interface with the university and, and their faculty to think about what the next steps are and how do we make something easier. And then the other part was to talk about and, and reach out to other, other, other like producers and expand this conversation. So this is at the beginning of this whole food revolution, the sustainability, stewardship, sustained-- Land O'Lakes is good piece in the dairy industry. Matt Carstens has led that. I've been part of several other big ones within Walmart and General Mills that, that they're finally understanding the language as well, too. So is the Environmental Defense Fund and World Wildlife Federation. And, and a farmer's fear is it was gonna punitive and regulatory. And, and so our language, we were not meeting them where they are, seeing it through their lenses. And that was even hard for me because it was again, it was a model that made sense. It is-- when we, when we make a bricks and mortar investment in our own operation, it now has stewardship and conservation first. And we have to figure that before we look at what our next steps are. And that, that is really a flip to probably where a lot of producers are. We're also in a significant turnover in, in the leadership of farms, in the age-- I'm in my 35th crop this year, and typically 35 to 40 is about where, that's where about what a producer does. So my son is in his fifth and my grandson is, is, if you ask him, he's probably had 35 crops, even though he's only 4. But there is, there is a, there is a, there's a transitional period here that we're taking advantage of that I think we're on the, really, the tipping edges is, is, is where climate change, where soil health, where water and quantity, quality,

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and timing, we don't talk much about water timing, because if you don't have the water in the right place at the right time, doesn't matter about the other two. So you have to have timing in there as well. So when you look at as a systems approach, and that's my bottom last note here, is, is that system, we have to be able to reach across all of that. And that's why when I talk about university, that expansion of that, those single pieces, so bioengineering and robotics, and that's playing a huge role in how that transformation or how that opportunity exists to change that behavior. It's gonna be slow. I would like it to move faster, but I liken it to a rowboat trying to turn a supertanker. But it, it, it has to be done. It has to be.

STINNER: I'm going to ask you one thing. Could you spell your name for the record?

RORIC PAULMAN: R-o-r-i-c P-a-u-l-m-a-n.

STINNER: OK. That makes her happy.

RORIC PAULMAN: Sorry.

STINNER: Anyhow, thank you very much. Appreciate you coming in. Drive safely. Thank you for your input.

RORIC PAULMAN: Thank you.

STINNER: Any additional proponents? Seeing none, any opponents? Anyone in the neutral capacity? Seeing none, Senator Bolz, would you like to finish?

BOLZ: I would love to waive, but I do want to answer your question, Senator Stinner. The numbers I have regarding the current funding allocations are 40 percent from the Daugherty Foundation; 36 percent, UNL and Kind; 13 percent, external grant funding; 10 percent, Daugherty Foundation encumbered; and 1 percent, conference revenue. I, I want to say, in answer to your question, Senator Clements, from my perspective, the, the point here is that as state appropriators, if we provide sustainable, ongoing foundation of funding for this institute, that gives them the flexibility and the security can-- to continue their good work.

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STINNER: Thank you for that. We have 17 letters in support of LB1026. And that concludes our hearing of LB1026. We will now open with Agency 72, Department of Economic Development.