

Economic development and growing Nebraska's economy is a common refrain every legislative session and this year is no exception. Economic growth has been cited as a reason to advance legislation related to issues ranging from tax policy changes to raising the tipped minimum wage and expanding access to childcare. Economic development reports dating back to 2010 have universally called for increased state investments in order to achieve this growth, including a [2010 report by Batelle](#), a [2015 report from SRI International](#), a [2018 report from the Center for Regional Economic Competitiveness](#) and, most recently, a [2019 report from Blueprint Nebraska](#). While the reports' specific recommendations varied, there were common themes, including a need for broadband connectivity throughout the state, more support for entrepreneurs and innovators, continued investment in education and increased access to internship and apprenticeship programs. Most of the reports also called for more inclusive policies and cultural offerings and the Blueprint Nebraska report recommends creating opportunities for unemployed and underemployed Nebraskans.

Below we look at some proposals that have been put forth this session that fall in line with recommendations from these studies and that could provide the state a solid return on investment over the long-term.

Expanding broadband helps create opportunities

[LB 388](#) would create the Nebraska Broadband Bridge Act, a broadband grant program targeted to unserved and underserved areas of the state. This grant is to be funded at \$20 million dollars annually and will be administered by the Nebraska Public Service Commission. [Broadband Now](#) ranks Nebraska as the 48th best state for broadband service and access. In an increasingly remote world, LB 388 can help Nebraska attract young families and entrepreneurs to our state by increasing access.

Programs could help with rural and urban growth

A pair of proposed grant programs -- [LB 40](#) and [LB 549](#) -- could foster economic growth in Nebraska's rural and urban areas. LB 40 would create the Nebraska Rural Projects Act, which would provide funding for nonprofit economic development corporations in counties with fewer than 100,000 people to help support economic development projects. LB 549 would create the Aid to Municipalities Act, a grant program that would provide funding for Nebraska cities to help fund the construction, acquisition, or equipping of infrastructure projects or to pay for bonds issued to do so. Infrastructure projects are vital to helping cities and their economies grow.

Business Innovation Act, Intern Nebraska investments help with recruitment and retention

[LB 526](#) would increase funding for the Business Innovation Act (BIA), which provides grant and loan support to innovative startups in Nebraska. All four of the recent

economic reports have recommended the state encourage innovation to help grow Nebraska from within. According to CREC study, the BIA has been found to have a “significantly positive impact on the state’s entrepreneurial ecosystem.” Additional support of the BIA can help Nebraska in its quest to attract and retain young talent.

[LB 632](#) would increase funding for the Job Training Cash Fund to bolster support for Intern Nebraska, a program that helps match college students with internship opportunities in Nebraska. The measure increases the cap on Intern Nebraska to \$3 million from \$1.5 million and provides additional funding for businesses that employ first-generation college students and offer internships to low-income students. The measure also provides financial assistance for childcare and transportation aid for low-income interns, wrap around services for all interns, and legal services for international student interns. This increased investment in internships can help Nebraska retain talented workers by helping connect young adults to opportunities in Nebraska communities.

Early childhood education investments help build our future workforce

Three measures before lawmakers -- [LB 625](#), [LB 640](#) and [LB 342](#) -- would help bolster the state’s investment in early childhood education, which has a proven record of improving local labor markets by helping children develop soft and hard skills needed in school and in the workforce. Dr. Timothy Bartik, Senior Economist of the W.E. Upjohn Institute on Employment Research, said [funding for high quality early childhood education offers a 6 to 1 return on investment for public dollars invested](#). LB 625 would create a surtax for high-income earners and direct the revenue toward early childhood education. LB 640 would make changes to the school finance formula to increase funding for early childhood education and LB 342 would appropriate \$2.5 million to the state’s early childhood education cash fund.

Cultural districts, inclusionary policies help attract and retain young workers

In order to attract and retain workers in the 18–34-year-old demographic, Blueprint Nebraska emphasized the need for the state to embrace inclusionary policies and to increase investment in the arts. Two measures, [LB 120](#) and [LB 264](#), would align with these recommendations. LB 120 would prohibit employer discrimination based upon sexual orientation and gender identity. LB 264 would appropriate funds to support cultural districts created by the Nebraska Arts Council.

UI measures help keep Nebraska’s workforce strong

[LB 171](#), a bill that was the focus of a Business and Labor Committee hearing this week, and [LB 172](#), make changes to Nebraska’s Unemployment Insurance (UI) program that have important ramifications for Nebraska’s workforce. LB 171 adds a dependent credit to state UI equal to a 5% increase for each dependent -- capped at three dependents, while LB 172 assists laid-off employees who take part-time work by increasing the

amount that they can earn from this work while still receiving UI benefits. In addition to supporting unemployed workers while they search for new jobs, UI also provides economic benefits to state and local economies. [A study by the Maine Department of Labor](#) found that \$235 million in unemployment benefits paid during a year of the Great Recession created an economic ripple effect that resulted in 3,200 jobs, \$8 million in earnings, and contributed \$178 million to Maine’s GDP.

Conclusion

Smart state investments in effective policies can offer a good return for the state in terms of growing Nebraska’s economy. By enacting the measures discussed above, policymakers can follow recommendations from multiple economists and other experts who have examined our state’s economy and assessed what kind of economic-development measures would best serve Nebraska and its residents.