

# COMMITTEE STATEMENT

## LB 1348

HEARING DATE: February 8, 2000

COMMITTEE ON: Agriculture

TITLE: (Wehrbein, Baker, Bromm, Connealy, Coordsen, Dierks, Hudkins, Janssen, Jones, Kremer, Schrock, Stuhr, Wickersham, Dickey) Adopt the Nebraska Agricultural and Rural Opportunities Act

### ROLL CALL VOTE – FINAL COMMITTEE ACTION

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Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

#### Vote Results:

|   |                     |  |
|---|---------------------|--|
| 6 | Yes                 | Senators Chambers, Cudaback, Dierks, Janssen, Schrock, and Vrtiska |
| 0 | No                  |  |
| 1 | Present, not voting | Senator Hilgert  |
| 1 | Absent              | Senator Dickey   |

#### PROPONENTS

Senator Roger Wehrbein  
Senator Matt Connealy  
Jon Bailey  
Steve Cady  
Stan Rosendahl  
Joy Philippi  
Mike Heimes  
Ray Miller  
Alan Moeller  
Diane Fester  
Eugene Severens  
Kris Toman  
Dwayne Hovorka  
John K. Hansen

#### REPRESENTING

Introducer  
Himself  
Center for Rural Affairs  
Nebraska Pork Producers Association  
Nebraska Pork Producers Association  
Nebraska Pork Producers Association  
Himself  
Himself  
University of Nebraska IANR  
New Development Corporation  
Nebraska Microenterprise Partnership Fund  
Heartland Natural Fibers  
Nebraska Sustainable Ag. Society  
Nebraska Farmers Union

#### OPPONENTS

None

#### REPRESENTING

#### NEUTRAL

Greg Ibach  
Craig Schroeder

#### REPRESENTING

Nebraska Department of Agriculture  
Rural Development Commission

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### SUMMARY OF PURPOSE AND/OR CHANGES:

LB 1348 establishes the Nebraska Agricultural and Rural Opportunities Act which creates two new grant programs and changes provisions of the Microenterprise Partnership Program. Section 1 names the act, Section 2 declares legislative findings, and section 3 defines farming and ranching for purposes of the Act. Section 18 states intent of the Legislature to appropriate \$5.5 million to the Agricultural Opportunities Grant Program, \$500 thousand to the Community Opportunities Program, and an additional \$1 million to the Microenterprise Partnership program.

The explanation of the remainder of the bill is broken down by its three major components.

#### 1. Agricultural Opportunities Grant Program --

Sections 4 through 8 create a grant program to be administered by the Department of Agriculture. The purposes of the grant program are listed in section 4 and generally state economic goals and objectives for agriculture and rural communities based on capturing opportunities for increasing the farm share of the food dollar and creating new employment and enterprises in rural areas. The Department of Agriculture is directed to award grants of up to \$150,000 to organizations and entities engaged in activities that promote the purposes of the Act.

Eligible entities include local governments, education institutions, agricultural cooperatives and associations, non-profits, and local economic development entities. Grants may be awarded for various activities as listed in section 5, subsection 2, including research, education and training, market development, business planning assistance, cooperative development, community and multi-community initiatives, retention and transfer of farms and non-farm businesses, and farmer or rancher owned valued added initiatives.

Applicants for grants shall provide a 25% match in money, in-kind, or a combination of both, and specify measurable goals and how the impact of the project will be evaluated.

Grant funds are to be administered by eligible entities and may not be used to replace other funding for the administrative costs of the entity or for project planning. Grant recipients may not receive more than one grant per calendar year for the same project. Grants may be renewable for up to five years. The Department of Agriculture shall develop a system to extend grants beyond five years for programs having statewide application and success.

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The Department shall submit an annual report to the Legislature listing grant recipients, and evaluating the performance of the program based on the stated goals of grant recipients.

### 2. Community Opportunities Grant Program –

Sections 9 through 15 create a grant program to be administered by the Department of Economic Development. The purposes of the grant program are listed in section 10 and generally state goals and objectives to enhance the economic development capabilities of rural communities. The Department of Economic Development is directed to award grants of up to \$50,000 to organizations or entities engaged in activities to promote the purposes of the grant program.

Eligible entities include communities, neighborhood associations, education institutions, nonprofit corporations, and local economic development entities. Grants may be awarded to support various activities as listed in Section 11, subsection 3 of the bill, and include community and neighborhood enterprises, education and training, market development, business planning, community development and leadership initiatives, information technology, research and other approved activities.

Applicants for grants shall demonstrate that grant funds will be used for a multi-area or multi-community project, provide a 50% match in money, in-kind, or a combination of both, and specify measurable goals and how the impact of the project will be evaluated.

Grant funds are to be administered by eligible entities and may not be used to replace other funding for the administrative costs of the entity or for project planning. Grant recipients may not receive more than one grant per calendar year for the same project. Grants may be renewable for up to five years. The Department of Economic Development shall develop a system to extend grants beyond five years for programs having statewide application and success.

The Department of Economic Development shall submit an annual report to the Legislature listing grant recipients, and evaluating the performance of the program based on the stated goals of grant recipients.

### 3. Microenterprise Partnership Program –

LB 1348 changes provisions of the Microenterprise Development Act (81-1295 et. seq.). Currently, Section 81-1299 provides grants of up to \$25,000 may be awarded to microloan delivery organizations for purposes of the act, and that the grant amount can be increased to \$50,000 to applicants deemed to significantly contribute to underserved communities or which help realize the programs goal of establishing a statewide network of microloan delivery. Section 81-12,102 currently provides that microloan delivery organization shall meet certain qualifications, including that the organization will match

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the grant amount dollar-for-dollar. Section 81-12,103 similarly provides that the statewide microlending support organization with which the Department of Economic Development contracts to administer the microloan program shall match state funds dollar-for-dollar.

LB 1348 would amend section 81-1299 by striking the maximum grant amount to microloan delivery organizations and add language stating that the grant selection process shall attempt to assure equitable geographic distribution of the program's benefits. Sections 81-12,102 and 81-12,103 are amended to lower the required match of grant recipients and the contractor to 25% of state funds.

### EXPLANATION OF AMENDMENTS, IF ANY:

The committee amendments strike the original sections and become the bill. The amendment strikes the Community Opportunities Grant program found in the original bill (Sects. 9 – 15) and modifies other portions of the bill.

Sections 1 through 8 of the committee amendments become the Agricultural Opportunities Grant Program found in original sections 4 through 8. The legislative findings and definition of farming and ranching in original sections 2 and 3 remain as applying specifically to the Agricultural Opportunities grant program. The following significant changes to the Agricultural Opportunities grant program are made by the committee amendments.

1. The maximum grant amount is reduced from \$150,000 to \$75,000 annually.
2. Grants are renewable on an annual basis, rather than being renewable for up to five-years.
3. The original bill required that recipients of grants coordinate with other organizations or institutions working on similar activities. The amendments provide that the Department of Agriculture shall coordinate with such organizations and institutions when implementing the program.

Section 10 of the amendment corresponds with original section 18 and states legislative intent to appropriate specific dollar amounts. The amount appropriated for purposes of the Agricultural Opportunities grant program is reduced from \$5.5 million to \$1 million and the amount appropriated to the Microenterprise Partnership Program is reduced from an additional \$1 million annually to \$875,000.

Sections 11 through 13 of the amendments correspond to sections 19 through 21 of the original bill and contain changes to the Microenterprise Partnership Program. The committee amendments increase the match required of the microloan delivery organizations and the microloan support organization from 25% to 50%.

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Senator