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Government, Military and Veterans Affairs Committee  
February 14, 2007

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[LB196 LB232 LB300 LB497]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. Wednesday, February 14, 2007, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB196, LB300, LB497, and LB232. Senators present: Ray Aguilar, Chairperson; Greg Adams; Bill Avery; Mike Friend; Russ Karpisek; Rich Pahls; and Kent Rogert. Senators absent: Mick Mines, Vice Chairperson.

SENATOR AGUILAR: Good afternoon and welcome to the Government, Military and Veterans Affairs Committee. My name is Ray Aguilar, I represent District 35 in Grand Island. I'll introduce the committee members that are here and the others as they come in. On my far right is Senator Kent Rogert of Tekamah, Nebraska; to my immediate right is committee clerk...legal counsel, I'm sorry, Christy Abraham; and then Sherry Shaffer the committee clerk, give you your job back; Senator Mike Friend from Omaha; Senator Rich Pahls from Omaha; Senator Greg Adams from York. The bills will be taken up in the order they are posted on the wall: LB196, LB300, LB497, and LB232. Sign-in sheets are at both entrances. Sign in only if you're going to testify and put the sheet in the box at the front table up here. If you're not going to testify, but would like to be on the record either as a proponent or opponent of the bill, there's another sheet that you can fill out as well. Print your name and indicate who you are representing. Before testifying please spell your name for the record. Introducers will make initial statements, followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. Listen carefully and try not to be repetitive. If you have a prepared statement or exhibit, give it to the page and he will distribute it or make copies as you need. Please turn off all your cell phones and pagers. Speaking of pages, our pages for today are Adam Morfeld of Sioux Falls, South Dakota; and Bri McLarty of San Antonio, Texas. We are now being joined by Senator Russ Karpisek from Wilber.

SENATOR KARPISEK: Sorry, I had a Retirement hearing. Thank you.

SENATOR AGUILAR: No problem. Okay. We are ready to open on LB196. Senator Schimek, if you will, please. Welcome.

SENATOR SCHIMEK: Thank you. Thank you. Mr. Chairman and members of the Government, Military and Veterans Affairs Committee, for the record, my name is DiAnna Schimek. LB196 is a bill that was brought to me by the Nebraska Military Department, and I think it's a fairly straightforward bill. It amends Sections 55-133 of the Nebraska Revised Statutes, and those are the statutes that specifically address the Attorney General's duties...Adjutant General's duties, sorry, when it comes to the assignment of National Guard armories and equipment. As drafted, the Adjutant General may designate any vehicle of the National Guard as an emergency vehicle. When authorized as such, these vehicles would only be operated when responding to a public disaster, war, riot, invasion, insurrection, resistance of process or in the case of

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eminent danger of the occurrence of any such events. There is a specific group of vehicles this bill would apply to, those assigned to the Civil Support Team and the CREEP (sic) unit, which is the chemical, biological, radiological, nuclear and high-yield explosive-enhanced response force package. The Adjutant General would develop and enforce operating procedures for these military vehicles so that it would not be as though National Guardsmen and women would be able to operate these vehicles at their leisure or any time they chose. Procedures will be established that will be followed. And I do have two people from the National Guard who are here to testify as well. [LB196]

SENATOR AGUILAR: Thank you. Questions for Senator Schimek? I see none. I have one. I understand what an invasion is. What's an insurrection? [LB196]

SENATOR SCHIMEK: Well, an insurrection would be something that originates here in Nebraska. [LB196]

SENATOR AGUILAR: Got it. Thank you. [LB196]

SENATOR SCHIMEK: Or, perhaps I believe, they can correct me if I'm wrong, but I believe they can also respond to other states at other state's requests. So it can be an insurrection in another state as well. [LB196]

SENATOR AGUILAR: Very good, thank you. [LB196]

SENATOR SCHIMEK: Thank you. [LB196]

SENATOR AGUILAR: We're now ready for the first proponent of LB196. [LB196]

ANITA CURINGTON: (Exhibit 1) Good afternoon, ladies and gentlemen. I'm Lieutenant Colonel Anita Curington, C-u-r-i-n-g-t-o-n. I am the commander of the 72nd Civil Support Team, the organization that the Senator spoke about. Today I'm representing Major General Roger P. Lempke. He could not be here today, the Adjutant General and Director of the Military Department, responsible for the National Guard and the Nebraska Emergency Management Agency. I'm testifying in support of LB196 which, if enacted, would permit the Military Department to designate certain vehicles as emergency response vehicles when responding to public disasters. This legislation also corrects a minor irregularity in the special lighting required for military convoy operations. The main reason for this legislation is to permit the use of emergency flashing lights on certain vehicles owned by the Military Department, specifically our Civil Support Team and the chemical, biological...the biological, radiological, nuclear, and high-yield explosive-enhanced response package, which is known as the CERFP. Both of these units are available to be called forward to disasters through coordination with the Nebraska Emergency Management Agency after an emergency declaration by

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the Governor. Attached to that testimony are pictures of our vehicles. You will notice that they are not your typical military vehicles. They are civilian vehicles and there's no real designation that they are military vehicles, other than the license plate. They are already equipped with the red, white and blue lights, because we do respond nationwide, as the Senator said, to other states, and we have used the lights before in Louisiana. Both of these capabilities are needed during the early stages of a disaster, especially when there's a lot of confusion and likely some traffic congestion. Operating the emergency lights will permit the law enforcement and the traffic management officials at that incident to recognize us and provide us the guidance that we need to get into the area. I want to emphasize the purpose of these lights are not to speed or ignore the laws that are in effect, it's to allow the emergency responders to know who we are and allow us into the area so we can assist them. Flashing lights...also the Adjutant General will develop and enforce a strict operating procedure for using the flashing lights on military vehicles in coordination with the Nebraska State Patrol. I also have a strict policy that I use with my soldiers and airmen when we're operating in other states. So we have that in effect as well. The second part of the legislation just corrects a minor irregularity. Currently, the law says that we are required to use blue and red lights, and all of the military uses amber flashing lights to designate your normal military convoys. This legislation was prepared in consultation with the Nebraska State Patrol. Do you have any questions? [LB196]

SENATOR AGUILAR: Questions for the Commander? Seeing none, thank you. [LB196]

ANITA CURINGTON: Thank you, sir. [LB196]

SENATOR AGUILAR: Next proponent? Seeing none, are there any opponents? Any neutral testimony? Senator Schimek, to close on LB196. [LB196]

SENATOR SCHIMEK: Yes, thank you, Mr. Chairman and members. I just wanted to say that the unit that I was talking about is not CREEP, C-R-E-E-P, it is rather C-E-R-F-P, CERFP. (Laughter) [LB196]

SENATOR AGUILAR: Sounds much better. [LB196]

SENATOR SCHIMEK: So I just wanted to correct the record for that. Thank you. [LB196]

SENATOR AGUILAR: Thank you for that. And that closes the hearing on LB196. We're ready to open on LB300, as soon as Senator Howard gets here. We're ready for you, Senator Howard. [LB196 LB300]

SENATOR HOWARD: (Exhibit 1) Thank you. [LB300]

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SENATOR AGUILAR: Welcome. [LB300]

SENATOR HOWARD: Thank you. Thank you, Senator Aguilar. Good afternoon, Senator Aguilar and members of the Government, Military and Veterans Affairs Committee. For the record, I am Senator Gwen Howard, and I represent District 9. I'm here today to introduce LB300. This bill creates the State Work Incentive Program. The purpose of this program is to provide incentives to the state of Nebraska to employ participants in the Temporary Assistance for Needy Families Program, also known as TANF, and vocational rehabilitation clients of the Division of Vocational Rehabilitation and the Commission of the Blind and Visually Impaired, long titles. Consumers of these programs may be hired into state employment as participants in the State Work Incentive Program, once their eligibility has been confirmed by TANF. Vocational Rehabilitation or the Commission of the Blind and Visually Impaired, participants in the State Work Incentive Program may then be part-time or full-time, employed in temporary status with a state agency for up to two years without having those positions charged against the agency's total allocated number of full-time equivalents, also known as FTE's. Before or following two years of continuous employment a person hired under this program can be converted into a permanent position within the state for which they are qualified. The individuals employed through this program will have to meet the eligibility requirements for the vacancies they fill. They will also be subject to the same performance expectations and evaluations, and the same employment benefits as other personnel. This bill will benefit both the state as an employer and the participants in the State Work Incentive Program. As an employer the state will be able to fill employment vacancies without losing FTE's. And the program will help the state achieve the requirements for employment participation among TANF participants. I wonder if I could get a glass of water? The benefits to the program's participants are numerous, including the opportunity to strengthen their employment skills in a workplace environment and earn income to assist in their transition to economic self-sufficiency. Thank you, Adam. Frequently, when individuals who, with disabilities, are those who have had prolonged unemployment for other reasons are looking for jobs, they've had a hard time even getting interviewed for positions they may be qualified for because of their limited work experience. The State Work Incentive Program will give them the opportunity to put their existing skills and experience to use in positions they are qualified to fill. There are testifiers here today who advocate for representatives from both of these populations. Before we move onto that testimony, I would like to offer this amendment to the bill. If you'd like to hand this out for me, please. Thank you. As it was originally written, the bill did not take into consideration the differences between code and noncode agencies within the state. This amendment makes changes to allow flexibility in the statutes so that it is applicable across these agencies. I feel strongly that we should assist individuals who are willing and able to work, attain, and maintain meaningful employment. This program is designed to do just that. [LB300]

SENATOR AGUILAR: Questions for Senator Howard? See none. [LB300]

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SENATOR HOWARD: What a receptive audience. (Laugh) Thank you. [LB300]

SENATOR AGUILAR: First proponent of LB300, please. Welcome. [LB300]

JIM COYLE: (Exhibits 2 and 3) Good afternoon. My name is Jim Coyle, and I am the director of Employment Services for Vocational Rehabilitation and I'm representing Vocational Rehabilitation today. My remarks will be... [LB300]

SENATOR AGUILAR: Would you spell your name, sir. [LB300]

JIM COYLE: I'm sorry. C-o-y-l-e. In looking at this bill that Senator Howard is requesting...oh, Vocational Rehabilitation has done some research in this and looked at other states across the Union, and we found several states that have similar programs and are having success in implementing this. And that's why Vocational Rehabilitation would like to see it occur here. Part of the...in the most recent information that I've seen from RSA, which is the Rehabilitation Services Administration out of Washington, 75 percent of people with disabilities who want to work cannot work, and they cannot work because they just cannot get employed. And in working with disabled people, like I have now for 15 years, one of the biggest reasons that we find that disabled people cannot be hired is because they have such a limited work history. And what LB300 does is that it allows a person with a disability to start gaining some work history because, as we all well know, employers put a value on experience. And without that experience, disabled people often have to settle for lower entry or entry level jobs that do not offer any kind of benefits for them. The Work Incentive Program offers a person with a disability the opportunity to gain valuable work experience and the chance to further develop their skills. I think it also allows an employer to see beyond disability and to start focusing on work skills. I think the beauty of this bill is that it does not count against an FTE, and the monies would come out of an already existing state agency budget. So no additional monies would be required. I also think that it allows the possibility of the disabled person to maybe gain full-time employment with the state or even without the state, at least they have some skills that they can go out and market to another employer. And ultimately, I think another value to this would be that it would help create some diversity in our workforce. Thank you. [LB300]

SENATOR AGUILAR: Thank you. Questions, please? Senator Adams. [LB300]

SENATOR ADAMS: Can you talk with me again about the funding, the paying of these folks. [LB300]

JIM COYLE: Well, as we...as I've talked with Oklahoma about it, basically how it has worked with them is that...and if an agency...right now in Nebraska, a lot of our agencies, when they have extra work will either contract it out or maybe work through

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SOS. And there's a charge for that. So there's money in budgets already to bring on additional help. And so this would not force an agency to take somebody on. But if they had additional work, and if they had monies available in their budget to do it, then they could bring on somebody from this targeted work group. [LB300]

SENATOR ADAMS: That makes sense to me. I guess I was just wondering if the agencies and divisions do have those extra dollars, and typically I suspect they're using those dollars, if they use them at all, to hire contractually, work that's very specific in nature, compared to the kind of work the agencies would be asking of these folks? [LB300]

JIM COYLE: There is a possibility of that, yes. [LB300]

SENATOR ADAMS: Okay. But you're saying that they're not compelled to have to hire them? [LB300]

JIM COYLE: Right. [LB300]

SENATOR ADAMS: If they have the monies and they have a slot that these folks might fit into,... [LB300]

JIM COYLE: Yes, yes. [LB300]

SENATOR ADAMS: Okay, thank you. [LB300]

SENATOR AGUILAR: Further questions? Seeing none, thank you. [LB300]

JIM COYLE: Okay, thank you. [LB300]

SENATOR AGUILAR: Further proponents, please. [LB300]

SUSAN HALE: (Exhibit 4) Good afternoon, Senator Aguilar. I'm Susan Hale, that's S-u-s-a-n H-a-l-e. I'm advocacy educator and registered lobbyist for the Center for People in Need. The center supports public policies that help families succeed in the transition from public assistance and which address barriers often faced by the differently abled. Because we're not fully knowledgeable on the inner workings of state agencies, we cannot speak to the matters related to the implementation of LB300, excuse me, I have a really bad cold and a little trouble talking, but we support the concept and practice proposed in this measure. My intent is not to discount the importance of the clients of the VOC Rehab or with the Commission for the Blind and Visually Impaired, but I confine my remarks to the TANF population as this is the population I'm most familiar with. Under TANF, a stated objective in Nebraska's Employment First is to provide the programs and services necessary to help clients get

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higher paying jobs with benefits, increase their opportunities, and develop their job advancement opportunities. There are national reports indicating that most parents who leave TANF for work have had low earnings and were unable to increase their wages or their earnings significantly over time. It is said nationally and locally that some are compelled to take jobs because it is a job, without consideration of whether or not the position is an avenue for moving a family to permanent financial independence. It makes sense to expand the TANF clients or to expand options for TANF clients to secure jobs that provide training, skill building, adequate wages and benefits, and opportunities for advancement. These components are essential for families to break out of poverty. And these components would be available through state agencies. It makes sense to include them among potential employees for TANF clients or employers of TANF clients. Additionally, it stands to reason that the state be a full participant in its own Employment First Program. We encourage your thoughtful consideration and support of LB300. Thank you. [LB300]

SENATOR AGUILAR: Questions from the committee? Senator Adams, please. [LB300]

SENATOR ADAMS: Would you foresee any...for the clients that may be hired, do you foresee any special staffing that would be necessary to supervise the client? [LB300]

SUSAN HALE: Senator, I really can't answer that question because I really don't know how exactly it would be implemented, how it would work with an agency. I'm just not really familiar with their general practices or what that would take. I just really see it as another option to give training skills and opportunities for TANF clients. [LB300]

SENATOR ADAMS: Okay. [LB300]

SUSAN HALE: Sorry, I can't answer. [LB300]

SENATOR AGUILAR: Further questions? Seeing none, thank you. [LB300]

SUSAN HALE: Thank you, and I will fill out my form. [LB300]

SENATOR AGUILAR: While the next proponent is coming up, I would announce that Senator Avery has joined us, Senator Avery from Lincoln. Welcome. [LB300]

AMY BURESH: Good afternoon. For the record, my name is Amy Buresh, B-u-r-e-s-h. I am here representing Dr. Pearl Van Zandt, she's the executive director of the Nebraska Commission for the Blind and Visually Impaired, was unable to be here today. I am here to express the support of the Nebraska Commission for the Blind for this bill, and would encourage you to give it all due consideration. As Mr. Coyle mentioned to you earlier, the same is true for individuals who are blind or visually impaired, there is a 70 percent or under employment rate. And this bill would certainly help to fill in some of those

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employment gaps and develop a work history and that kind of thing. So without being too repetitive, just suffice it to say that we are in support of this bill. [LB300]

SENATOR AGUILAR: Thank you. Questions for Amy? Seeing none, thank you. [LB300]

AMY BURESH: Thank you. [LB300]

SENATOR AGUILAR: Further proponents? Welcome, from Grand Island. [LB300]

KRIS NOLAN BROWN: (Exhibit 5) Thank you. My name is Kris Nolan Brown. Honorable Chair, Senator Aguilar, and committee members, I am testifying... [LB300]

SENATOR AGUILAR: Kris, would you spell your last name, please. [LB300]

KRIS NOLAN BROWN: Oh, excuse me. Brown, B-r-o-w-n. I am testifying in support of LB300, which will unlock doors, provide opportunities for people who experience barriers to employment, and will ultimately put tax dollars into the hands of our state government through income and sales tax revenues. I work for Goodwill Industries of Greater Nebraska. We cover 54 counties in central and western Nebraska. We work with people who receive TANF funds from the state, and we work with vocational rehabilitation. We see firsthand the power of work to transform lives of individuals who experience a disability or who are moving from dependence on public assistance to self-sufficiency. Every day employers call us with the hope that we can help them fill their employment needs, and often we are able to do that. We need the state of Nebraska to also become that kind of partner, and this bill will provide that opportunity. People with barriers to employment will be able to get the opportunity to develop important job skills, acquire a good employment history, and hopefully begin a career path that might land them a job that they will keep for years to come. Most of us have been given at least a few, if not a lot of breaks in life. This is a great opportunity for the state of Nebraska to help people served by the state to get that important break, to change those employment barriers to opportunities, and to help people move from a role of receiving services to become someone who serves their employers and their community in which they live. I'd be glad to answer any questions that you might have. [LB300]

SENATOR AGUILAR: Thank you, Kris. Questions? Seeing none, thank you for coming today. [LB300]

KRIS NOLAN BROWN: Thank you, thank you. [LB300]

SENATOR AGUILAR: Next proponent. Are there any opponents to this legislation? Proponent? That's all right. Welcome. [LB300]

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KIPP RANSOM: Thank you. Good afternoon, senators. My name is Kipp Ransom, R-a-n-s-o-m, speaking in favor of LB300. I'm here representing the State Rehabilitation Council, which is an advisory committee for vocational rehabilitation. Also, I work at Madonna Rehabilitation Hospital as a counselor for individuals with spinal cord injuries. In support of LB300, as you've heard from the other people that have spoke, it would not put individuals with disabilities in dead-end jobs, they would be eligible for state benefits, promotional opportunities, etcetera. Also, it would allow an employer an incentive to hire a qualified individual otherwise overlooked. In my professional job at Madonna, I often see times that people can't look beyond their disability. They want to focus on their disabilities as opposed to their abilities. Okay? So this job would allow them to get back into the workforce once again. Moreover, the two-year period that this bill states would be a great opportunity for this agency because it would limit the growth of that agency, but increase productivity. In other words, you would hire someone for two years without using that FTE position, which would involve less risk for the employer to hire this individual. It would be nice for a person to get into a position such as this, because a permanent position may evolve through the work experience that they are establishing. For example, if you're working within a state agency and a position opens, and you're already getting the work experience within this agency, you can be eligible for permanent hire. And moreover, in that two years you can get that work history established that is sometimes lacking for people with disabilities. Questions? [LB300]

SENATOR AGUILAR: (Exhibit 6) Questions from the committee? Seeing none, thank you for coming today. Now are there any opponents? How about neutral testimony? I'd like to read into the record a letter of neutral position from the Department of Administrative Services director. Senator Howard, to close. [LB300]

SENATOR HOWARD: Thank you, Senator Aguilar and committee. We also received a copy of the letter from the Department of Administrative Services regarding their neutral position on LB300. And would like to provide this information. The State Work Incentive Program does not create a preference above veterans. Veterans who are VOC rehabilitation clients or participants in the TANF Program could be eligible for the State Work Incentive Program. We did not have the opportunity to discuss the proposed amendment with Mr. Castillo or any other representatives from his office. But it is possible that the concerns expressed about the conditions of the temporary employment of the State Work Incentive Program participants have been addressed. We would be willing to work with DAS to reconcile any inconsistencies. And just a final thank you. The State Work Incentive Program is a true win-win, transitioning TANF participants and vocational rehabilitation clients into meaningful, permanent employment ultimately saves the cost for the state agencies providing services to them, and it improves the quality of life for the individuals. I would ask your favorable consideration of this common sense solution and advance LB300 to General File. And I would also just briefly like to address Senator Adams concern and tell you that I have

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firsthand knowledge of the type of work that would be fairly typical of people that would participate in this program. When I worked in Omaha, 1313 Farnam, doing case management, we had SOS employees there in the agency. And they would enter in and be really great help, doing things like filing, and reception work, and things that really needed to get done, but case managers often would put on the back burner. And it was a wonderful help. But if we can utilize that resource that we have in our own agency, and transition people from welfare to work, from programs that we pay for into our system to be productive, I think it's an ideal way to do it. [LB300]

SENATOR AGUILAR: Further questions? Senator Karpisek. [LB300]

SENATOR KARPISEK: Thank you, Chairman Aguilar. Senator Howard, is this just for state employment? I mean... [LB300]

SENATOR HOWARD: That's what we're addressing here. [LB300]

SENATOR KARPISEK: Yeah, no private. Do we have something like that, that they could go out into the workforce and still receive some of these state benefits? [LB300]

SENATOR HOWARD: I believe that Work Incentive Programs that work with private employers and provide these things, this bill doesn't particularly cover that or doesn't address that. [LB300]

SENATOR KARPISEK: Okay, thank you. Thank you, Mr. Chair. [LB300]

SENATOR AGUILAR: Further questions? Seeing none thank you, Senator Howard. [LB300]

SENATOR HOWARD: Oh, good. Thank you for your hospitality. [LB300]

SENATOR AGUILAR: That closes the hearing on LB300. We're ready to open on LB497. Senator White, if you please. Welcome. [LB300 LB497]

SENATOR WHITE: Good afternoon, Senator Aguilar. I am Tom White, W-h-i-t-e, and I appreciate the opportunity to come before this committee and introduce this bill. The purpose of this legislation is to provide family members of deployed guardsmen additional protected leave from work. In background, spouses and parents of deployed guardsmen, and by that I mean guardsmen increasingly who are being deployed to Afghanistan, Iraq, other troubled places in the world, often use all their leave, personal and sick, while their guardsmen or woman is deployed. This happens for a number of reasons: family members get sick and there's only one parent there to take care of the situation rather than two, so they miss more time from work; or additional attention is needed for repairing the home, taking care of a car, different kinds of problems that are

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split normally among a married couple; family support functions, basketball games, all those things suck out time from both of them. Now once this leave is used, there can be little or no leave left when their loved one returns home on leave or when they come back and they're trying to reintegrate back into society. What this bill would do is allow additional leave to help the families of the guardsmen or women in those situations. The legislation will pertain to the spouse or parent of a guardsman or woman who's been employed with the same employer for at least 12 months, and employed for at least 1,250 hours in the last year, basically full-time. Leave would be unpaid. The employer would not be required to pay them. Their job, however, would be protected to visit a child or a spouse who had been called to active military services for 180 days or more. In other words, this is not just idle, we're talking about people who have been called up for at least half a year. Employees who exercise the right to family military leave under this legislation would be entitled to benefits normally provided at this time--health insurance, essentially, but others. Employers employing 15 to 50 employees would be required to provide 15 days of unpaid family military leave. Those under 15 would not be required to provide this. The worker pool often is too small in those situations to require, though it would be nice if they would provide it. Those employing more than 50 employees would be required to provide up to 30 days unpaid family military leave during the time federal or state deployment orders are in effect. Employees would have to give at least 14 days notice of the intended date on which the family military leave will commence, if leave is 7 or more consecutive work days. If less than 7 consecutive work days, advance notice would have to be given as practical. For example, if your loved one comes back before being shipped overseas for a three day leave, hopefully, if you called up your employer and said, I have three days before my wife or my husband is going to Afghanistan, that should hopefully be enough that they can make that accommodation. Essentially, this bill asks in law what should be done in decency. These people are giving so much, and not just those overseas, but their families, that what we can do to make a reasonable transition both on the departure, short visits home, and on their return seems not too much. And we are not asking employers to pay them during this period of time but only protect the job. Thank you for the opportunity to talk to this committee. If you have questions, I will try to handle them. There are several people behind us, I do want you to know, who will testify--family members. Please know we could have brought in very, very many, but you don't need that anymore than we do, but there are a couple who will tell you about their own personal stories, hopefully, and will help you understand the issues they face. [LB497]

SENATOR AGUILAR: Senator White, thank you for bringing this bill. I think it's a good one; I think it's a very honorable thing to do. I have one question before I open it up to everybody else. Does this apply only to guardsmen and women or what about the reserve? [LB497]

SENATOR WHITE: It does, though I think we would broaden it to the military in general, and would hope that it be read that way. We speak of it in terms of guardsmen, but I see

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no reason...the guard works for us in this state, and so we have a special obligation. But hopefully, if the bill does not read broadly enough to apply to all military, it would be my position. But the guard are our own. [LB497]

SENATOR AGUILAR: Thank you. Further questions? [LB497]

SENATOR WHITE: Thank you. [LB497]

SENATOR AGUILAR: Seeing none, thank you. Will you be around to close, Senator? [LB497]

SENATOR WHITE: I would, if it's necessary and the committee so desires. [LB497]

SENATOR AGUILAR: First proponent. Welcome. [LB497]

PAM WHISENHUNT: My name is Pam Whisenhunt, that's P-a-m, last name W-h-i-s-e-n-h-u-n-t, and I'm speaking for LB497. My husband and I are both in the National Guard. We work with the National Guard Enlisted Association, this is one of the groups that have brought this issue to Senator White to help us with the family...Family Military Family Leave Act. I've worked closely with quite a few family readiness groups over the last few years. I have dealt with some of the issues that they come across. One of the common issues that they've brought to my attention is spouses don't have any job protection during deployments. And as Senator White had said, they're expected to step up to the plate, take care of business while their guardsman is away. And that, a lot of times, burns the leave that they traditionally get, so when it comes time for reintegration or them to come home on leave, they don't have any left or very little if any left. I do want to ask the committee if we can amend the time frame of deployment from 180 to 179 days, and the reason for that is we do have a lot of deployments that go 179 days, especially on the Air National Guard side, so that would take care of those families, if it read 179 days. I understand most employers are very understanding to the plight of the family members, but I think that this legislation would give them a guideline to go by. A lot of times they don't know how much to give and give and give, and I think this would give them an even field for everybody. So any questions? [LB497]

SENATOR AGUILAR: Thank you. Questions for Ms. Whisenhunt? Senator Karpisek. [LB497]

SENATOR KARPISEK: Thank you, Mr. Chairman. Thank you for what you do. And I agree, I have a small business, I wouldn't fall into this, but I agree, you don't know, I don't have this situation, but you don't know how much to do. And I think that this would be a great barrier or mark, not a barrier, a mark to know what we should do, what's right. And thank you for testifying. Thank you, Senator. [LB497]

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PAM WHISENHUNT: Thank you, sir. [LB497]

SENATOR AGUILAR: Further questions? Seeing none, thanks for coming today. [LB497]

PAM WHISENHUNT: Thank you. [LB497]

SENATOR AGUILAR: And thank you for your service. Welcome. [LB497]

ALISIA LaMAY: Thank you. Thank you, sir. I'm here in support of LB497 and I am with the Nebraska National Guard Auxiliary, Enlisted Association. My name is Alisia LaMay, and it's A-I-I-S-I-A L-A-M-A-Y. My husband is Staff Sergeant Brad LaMay and currently he is stationed at Anaconda Air Force Base in Iraq. We have two children, 5 and 2, and I have worked at the same utility company for the last 6.5 years. So in a way, I'm not at the low level of personal leave, sick leave, I'm kind in the middle, the average. And since the deployment began in March of 2006, our house, like anyone else's, has come under a lot of scrutiny. Our family and friends call us the circus or the little circus. So far, within three weeks of my husband leaving we've had a tree fall on the house, and since then major appliances have been broken, the electrical...malfunctions on the electrical box, the furnace started making weird noises, the roof is leaking, and the most serious of all is right around Christmas time my mother-in-law's health declined rapidly and she passed away. My husband came home on emergency leave, of course. And to go into my employer and ask for any time off was on hands and knees. There isn't anything to cover me. And, of course, with two children and all the ailments that come with children, I had no leave. Like I said, I've worked for the company for 6.5 years and we accrue 9 hours of personal leave and 8 hours of sick leave. At this point, I think that I have 2 days of personal leave and 3 of sick. I, myself, have not been sick since my husband left, thankfully. But, like I said, I have two children that are sick. And our sick leave is only to be used for when we are sick, at a doctor's appointment or when a child or a person within our household is hospitalized. And we are penalized on our performance evaluations if we have used sick leave at any time. Our rating goes down, which then affects our pay, our raises for the next year are concurrent with our performance evaluations. And at this point, I'm faced with what I'm going to do. In April my husband comes home for his two week R and R, and like I said, I have two days of personal leave and three of sick. And like I said, sick is not to be used. So do I take two days when my husband comes home in April, and then let him fend for himself the rest of the time? And then I am also faced with, what do I do when my children are sick or when daddy goes back to Iraq and they have their nightmares or what not? And the reintegration process or reestablishing our relationship when he does return at the end of August or if he gets extended another three or four months. All of these things are just our family circumstances. There are so many families out there that are just like me, and so many that are different. And who are we? We're the spouses or the parents. We have careers, we have children, we have families that we take care of, we have houses,

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vehicles, all of the responsibilities that we used to share at one point with somebody else, and that person is not there. We're parents and spouses that have a bond to that soldier and a pride in that soldier that will not allow us to back down and fail. And if it means we have to let go of our career, that's what we're doing. The truth of the matter is we need your help and we're not afraid to ask for it. We need more time with our children, for ourselves, and more importantly we need it for our soldiers, we need it to reestablish that bond when they come home, whether it's R and R or whether it's at the end of the deployment. And most of us don't have enough of that time, so we're asking for your help in supporting us while we're supporting the home fronts. Are there any questions? Thank you so much. Thank you for your time. [LB497]

SENATOR AGUILAR: Thank you. Questions for Alisia? Senator Avery. [LB497]

SENATOR AVERY: This is totally off subject. But you have a distinguished air force name. General Curtis LaMay was the founder of SAC. [LB497]

ALISIA LaMAY: It was spelled differently. His was L-e-M-a-y, if I believe correctly... [LB497]

SENATOR AVERY: And yours is spelled how? [LB497]

ALISIA LaMAY: L-a-M-a-y. [LB497]

SENATOR AVERY: L-a, okay, thanks. Off subject, I know. [LB497]

SENATOR AGUILAR: Further questions? Seeing none, thank you for coming today. [LB497]

ALISIA LaMAY: Thank you very much. Thank you all. [LB497]

SENATOR AGUILAR: Next proponent. Welcome. [LB497]

JAN BEHN: Senator Aguilar, fellow senators, I'm Jan Behn. I'm here speaking on my families behalf, not on the Army Guard. But I am a soldier myself, as well as my spouse is a soldier, he's just not full-time... [LB497]

SENATOR AGUILAR: Would you spell your last name, please. [LB497]

JAN BEHN: Oh, I'm sorry. Behn is spelled B-e-h-n. And my husband recently got back from his deployment, so I got to experience what it was like as a spouse for him being gone 14 months, and I also was appointed as our family readiness group leader that Ms. Whisenhunt referenced. So I got to be that direct link between the military and all of our unit's families and what they were experiencing with their employers. And I can tell

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you, by the middle of the deployment, we had a lot of spouses that just felt like they had to quit work based on the fact that they didn't have the vacation time, they didn't have the sick leave and they had sick children that obviously they felt they were neglecting or having to make that choice between how sick is sick enough that I take off of work regardless. And also while my husband was gone, I lost my own father. We had decided before he left, we knew there was the potential that I could lose my dad while he was gone, just due to poor health and age, and we had decided that he was not going to come home on emergency leave. And I lost my dad about two months prior to the unit coming home. And we decided that that was definitely too close to him coming home for good to bring him home on emergency leave even. And I thought to myself if I wasn't already in the military, directly connected with the organization that understood what I was going through, have the military leave that I could take, I couldn't imagine if it was one of my other spouses going through that and needing to take that time off from work and again not having any vacation time built up to be able to do that and to get the amount of days that they need to grieve the loss of a parent. Also, I speak as myself as the soldier and knowing that I've been deployed, he's been deployed, but there's probably a good chance I'm going to get deployed again as well. It's just probably a matter of time. And my husband is currently starting a new job where he has no vacation time, he has no sick leave right now. And I know this bill only applies after a certain period of time. And I almost ask that it be considered before that person has a year of employment, because how do you establish that employment when you're married to a military person and they immediately go on a deployment. We can't pick and choose when our soldiers are going to get deployed. And he would have nothing at this point in time to allow him that time off from his current job and try to establish himself in a career field. But again, even a year from now if we knew I was going to be deployed, and we wanted to take any kind of time together as a family before I got deployed, he would use up whatever vacation he had, and then I would be leaving him on a deployment without any vacation time at that point in time. So at least this bill would allow him, at that point in time, us to have some family time prior to the deployment, and then him to have those kind of days, if necessary, if one of our children would get sick. Again, I appreciate your time. And ask for your highest consideration in passing this bill. Thank you very much. [LB497]

SENATOR AGUILAR: Thank you. Questions? Seeing none, dismissed. (Laughter) Are there further proponents? Welcome. [LB497]

ANDREA HOLKA: Thank you. Thank you for your consideration of LB497. My name is Andrea A-n-d-r-e-a, the last name is Holka, H-o-l-k-a. It's really hard to come on the tail end of these ladies, because they've done a really good job of really outlining what our challenges are. My husband was deployed with the ASG; he came back September 8. So I have been through a deployment as a spouse. My husband was proud to serve, and we were proud to serve here, in Nebraska, with two kids in school. You know it's just everyone has vacation for the normal, every day things that we will all go through.

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And then you stack a deployment on top of that, and it's a whole new world. It's just a whole new world of things going on and things to deal with. And you know, all the house things that Alisia mentioned, just...you know, it's a Murphy's Law thing, everything happens at the same time, always when your husband is gone or your spouse is gone. So it just really stacks up and it gets to be quite the juggling act. So I really hope that you do consider this. I really hope that you consider bringing that day, time down to 179 days for those deployments that are specifically for that number, because I think that would make a big difference for those families as well. That's pretty much my testimony, since everybody did a really good job before me, like I said. Does anybody have any questions? [LB497]

SENATOR AGUILAR: Questions for Andrea? Seeing none, thank you coming today. [LB497]

ANDREA HOLKA: Thank you. [LB497]

SENATOR AGUILAR: Are there further opponents...proponents, I'm sorry? Seeing none, are there any opponents? I thought not. Any neutral testimony? Seeing none, Senator White. Senator White waives closing. That closes the hearing on LB497. We're ready to open on LB232. Senator Dubas, please. Welcome. [LB497]

SENATOR DUBAS: (Exhibits 1 and 2) Good afternoon, Senator Aguilar, members of the Government Committee. My name is Annette Dubas, that is spelled A-n-n-e-t-t-e D-u-b-a-s, and I am the senator from District 34. The bill that I am presenting to you today is the Building Entrepreneurial Communities Act. And it was created in 2005 to make grants to communities to help support entrepreneurship, leadership development, youth engagement, and local philanthropy. Communities under this act are required to provide matching funds. We know that revitalization works best when communities can invest in their own success. But sometimes they need to have those outside resources to provide the critical mass so that those projects can have the success that they need. LB232, which is sponsored by most of the members on this committee, would refine the act to make match requirements more workable. We're looking to make this a more user friendly program for small communities, and provide for small planning grants for limited resource communities who typically lack grant writers and the access to the needs to help them put their ideas into working form. There have been several obstacles to small communities to accessing these funds. Potential applicants have been deterred from applying because the matching requirement at this time is dollar-for-dollar. The required multi-jurisdictional collaboration has also been an impediment, especially in areas of the state that are very sparsely populated. Many of the limited resource districts do not have the capacity to develop a grant proposal, and they are reluctant to apply because they just don't feel like they can compete in the technical arena. We know that Nebraska has a shortage of 28,000 qualified workers in technical, professional, manufacturing, and other related employment areas. We need to work hard, not to just keep the residents

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that we have in Nebraska, but also to recruit new people and to recruit those essential professionals and the potential entrepreneurs. That's what LB232 does, it tries to address these issues. In this legislation we are looking to add language to help establish community initiatives to attract new residents. I've also offered an amendment which reinstates the language on page 3, beginning on line 9. I found that when we omitted this language, as written in the original bill, it would have omitted certain communities from competing for these funds. The amendment would also reduce the amount of matching funds from a dollar-for-dollar match to a 50 cent per dollar match. It allows that planning grants may be awarded to limited resource areas not exceeding \$5,000 for the purpose of developing these grant proposals. It would also create a definition for limited resource area. And under this legislation, a limited resource area would be defined as a community that has per capita income below the statewide average by at least 20 percent or has had population loss in the previous 20 years of at least 20 percent. If you would fall under those definitions, you would not be required to provide matching funding. The amendment also removes the language in the original bill that called for in-kind matching grants if you meet these limited resources definitions. The Department of Economic Development, who we worked closely with on this bill, advised that the language would require additional administrative work for them if we kept these in-kind requirements in there as they would have to perform audits. So I've removed that language with the amendment in an effort to relieve DED's workload, and not to weigh this bill down with a fiscal note. Rural Nebraska and the communities that you represent need tools to bring people back to the state of Nebraska and also to keep the people that we already have here. The Governor has very frequently referred to the Norfolk area recruiters as a success story, as a type of project that would fall under this grant. And what the Norfolk area recruiters have done is they're a group of young people, families who realized what they had to offer in Norfolk, and wanted to bring their former classmates, friends to Norfolk. And so, you know, they kind of organized themselves and they went out and actively recruited people to come back to their community. They're having great success. I think last time I heard they are bringing back about a family a month. If you talk about one family in a community like the size of Fullerton, my home town community, that one family is worth its weight in gold. We don't need thousands of people to come into our communities. If we can get just several families who are going to come in with their ideas and their energy, that's going to be very valuable to growing our economy. I forwarded you an e-mail from Pat Haverty. I don't know if you've had the chance to look at it yet, but he's from the Tecumseh area. And he was one of the beneficiaries of one of these grants from the last session. And the things that they've done with the grant is they have been educating business owners and other entrepreneurs in the area about ways to use eBay, selling on eBay, e-commerce, creation of web sites, marketing tools, a news letter so that they can use that as an educational tool, just lots of ideas like that. I spoke with Linda Fettig this morning, who is the director of the Rural Development Commission, and she said they've had a lot of grant requests for this second round. A lot of good ideas coming in, ways to put on job fairs, workforce development, youth entrepreneurship, mentoring

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programs, leadership training, things that are not necessarily brick and mortar, but they're an investment in human capital. And that's something that maybe we are lacking, especially in rural Nebraska. She also told me that there are other states in this Midwest area who are watching this program with a great deal of interest, because we have the Value Added Programs to help people grow a business, but this is kind of a...can kind of piggyback on those types of grant programs, again to help educate and mentor people to give them the tools in order to help them put these different businesses together. So with that, I will close my testimony, and I'd be happy to answer any questions that you might have. And I know that there are some people coming behind me who will probably be able to give you some...even more examples about this program. [LB232]

SENATOR AGUILAR: Questions for Senator Dubas? Senator Adams, please. [LB232]

SENATOR ADAMS: Senator, first of all, these are the kinds of things we need to do for rural Nebraska. So I have several questions, and a couple of them are money. And if there is a testifier that can better speak to that, that...you can defer that, that's just fine. One of the things I'm curious about is on page 3 of the green copy, where municipalities and counties have been crossed out, and in place of it units of government. What was the logic behind that? [LB232]

SENATOR DUBAS: I think this kind of broadens who can apply. I mean we're looking at chamber of commerces, we're looking at economic development boards, any type of a unit of government or an entity like that, that can come together. It wouldn't have to just be a village board or a city council or a county board. It allows for some of those others. [LB232]

SENATOR ADAMS: And I think that's a good idea. What I'm wondering though is if it says units of government, doesn't that imply elected officials, which a chamber wouldn't be, and economic development corporation wouldn't be, but a school board would be? So something to think about. [LB232]

SENATOR DUBAS: Okay. I thought we'd have someone who would help. [LB232]

SENATOR ADAMS: Okay, I'll wait. [LB232]

SENATOR AGUILAR: Further questions? Senator Karpisek. [LB232]

SENATOR KARPISEK: Thank you, Mr. Chair. It's great, Annette, Senator Dubas, sorry. The 20 percent, can you tell me where that came from? Is that from previous statute, 20 percent of population laws or 20 percent below the statewide average of income? [LB232]

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SENATOR DUBAS: That's language that we added to the bill. I'm not sure that's to define...we were wanting to create some kind of a definition for a limited resource area, and so these were the figures that we used to set those parameters. [LB232]

SENATOR KARPISEK: Senator Rogert said he thinks it's a federal thing. I guess, the 20 percent, I know we want to get to the ones that really need it. But even to me 10 percent would be great, either way. But I would even be happy if it was just anyone that could do this, because there are blighted areas in Omaha, Lincoln, and Grand Island also. Do you think if it was blighted or declared blighted, that that could fall here? [LB232]

SENATOR DUBAS: I'm not sure. I would have to get some clarification on that. [LB232]

SENATOR KARPISEK: Okay. Well, anyway, I agree with Senator Adams that this is exactly the things that we need to do. So thank you for bringing it. [LB232]

SENATOR DUBAS: And that's what we were looking at is making this, as I said, it's a program already in place. We are just trying to make it more user friendly and specifically target areas of this state maybe that wouldn't have access to this in the first place. [LB232]

SENATOR KARPISEK: I don't know if Senator Adams had the same...I'm coming from being the mayor's side, where we couldn't use these sort of things. And Wilber still wouldn't be able to because of the 10 percent, and for 20 and 20 or even 10 and 10. [LB232]

SENATOR DUBAS: You would still be able to use this, you just wouldn't require...if you didn't meet any of these standards to be declared a limited resource area, so you would still have to come up with your matching funds. [LB232]

SENATOR KARPISEK: The one-to-one? [LB232]

SENATOR DUBAS: But the limited resource area communities weren't able to come up with those resources, then it's still available to them. [LB232]

SENATOR KARPISEK: Okay, very good. I understand. Thank you. Thank you, Mr. Chair. [LB232]

SENATOR AGUILAR: Further questions? Seeing none, thank you, Senator Dubas. First proponent, please. Welcome. [LB232]

JOHN JORDISON: Good afternoon, Senator Aguilar, members of the committee. My name is John Jordison, that's spelled J-o-h-n, last name is spelled J-o-r-d-i-s-o-n, and I

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am director of Government Affairs and Economic Development for Great Plains Communications, which serves 84 rural communities across our state. I am a registered lobbyist on behalf of Great Plains, but I am here today in my capacity as a member of the Rural Development Commission, and as the chairperson of the Rural Development Commission's Legislative Committee, and here to support LB232. We appreciate Senator Dubas and the other cosponsors bringing the bill before you. Just by way of brief history, it was in 2005 that the Rural Development Commission adopted what was then known as LB273, introduced by Senator Cunningham. Senator Elaine Stuhr was the Rural Development Commission's legislative...their appointed member from the Legislature to the Rural Development Commission. She championed the bill; Governor Heineman also championed it, included it as part of what became known as LB90, the Nebraska Advantage Act, and this component was specifically targeted toward helping rural Nebraska. As a member of the commission, I have served on three consecutive review committees for the applications put forth by collaborations of local governments for grants under this program. And we have not awarded all of the money that was appropriated, not quite all of it. There have been a number of great projects that have come out of this program, literally dozens of small towns across the state have been aided by the Building Entrepreneurial Communities Act grants. And we have...the Rural Development Commission met in January and we endorsed LB232. We especially appreciate the amendments that Senator Dubas mentioned. The in-kind contributions would be difficult to administer, would require...there would be a fiscal note. It would be tough to administer. I do have some mixed emotions about that. I know it's tough sometimes for communities to come up with the cash match. And in some cases my company has helped, has made contributions to help those local governments come up with their cash match. And my personal feeling is that if a community or collaboration of local governments has to come up with actual dollars, it means that they have a lot of...they have a lot at stake in the project as opposed to perhaps just an in-kind contribution doesn't mean quite the same level of commitment. The other change I think going to Senator Adams question, I think the amendment and the bill both address what I think was some confusion on the part of who is eligible to apply for the grants. It was intended all along that all local governments have an opportunity, as long as they were at least two, whether it was a city and a county, for example Red Cloud in Webster County or at least in the mind of the people who lobbied for this two years ago. A community college could be one of the partners, a natural resources district could be one of the partners, as long as there was more than one local government entity. With that, Senator, I really appreciate the time and the committee's time. I'd be happy to answer any questions. [LB232]

SENATOR AGUILAR: Questions for Mr. Jordison? Senator Adams. [LB232]

SENATOR ADAMS: That answers my question. Now the tone of my next question, I don't mean it to sound like I'm trying to narrow the scope and be obstructed, quite to the contrary. Is there an auditing component to this? [LB232]

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JOHN JORDISON: There is, it is done by Rural Development Commission staff. Once the grants have been awarded, there is oversight on the part of the commission staff. And there are reports required by those receiving grants as to how they are implemented, what the success is, a formal, CPA-type audit. [LB232]

SENATOR ADAMS: Okay. So I guess what I was thinking here is let's assume, under your broader term of units of government, that...would you interpret that to mean two chambers of commerces or two economic development corporations? [LB232]

JOHN JORDISON: I would not, Senator, if I understand your question. [LB232]

SENATOR ADAMS: Okay. [LB232]

JOHN JORDISON: My thinking is that these need to be units, local government entities as perhaps would be found in the Nebraska Blue Book, and a chamber of commerce, per se, no, an economic development district, that may be a grey area. It depends how that...perhaps there needs to be a broader, better definition of what constitutes a unit of government. [LB232]

SENATOR ADAMS: Okay, thank you. [LB232]

SENATOR AGUILAR: Further questions? Seeing none, thank you. [LB232]

JOHN JORDISON: Thank you. [LB232]

SENATOR AGUILAR: Further proponents? Welcome. [LB232]

JON BAILEY: (Exhibit 3) Good afternoon. Good afternoon, Mr. Chairman, members of the committee, my name is Jon Bailey, that's J-o-n B-a-i-l-e-y, and I'm the director of research and analysis for the Center for Rural Affairs in Lyons, Nebraska. And I come before you today to offer testimony in support of LB232. I would like to thank Senator Dubas and all the others supporting and sponsoring senators of this bill. I think it, as Senator Dubas says, takes a good program and makes it even better for the purposes of revitalizing rural Nebraska and the communities in rural Nebraska. And as Senator Dubas said, these make some important but I think fairly technical changes to increase the effectiveness of the Building Entrepreneurial Communities Act Program. As she also said, several other states are looking at this program, in fact we've received requests from probably ten other states about this program, thinking of instituting it in their state. And it's also being considered to be included in the federal farm bill that will come up for reauthorization in Congress this year to make it a federal program. So Nebraska is definitely a model in this sort of rural economic development. The items that are included in LB232 were the result of outreach efforts by the Center for Rural Affairs, the

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Nebraska Rural Development Commission, the Nebraska Community Foundation and others to communities throughout the state to discuss the Building Entrepreneurial Communities Act and encourage communities to apply for available grants. And the items that are in the bill are the result of what we were told by communities and what we heard from communities and their suggestions on how to make the program better and barriers that were in the existing program and how to reduce those barriers and make the program more applicable to more communities throughout the state. I'll briefly go through some of the highlights of what we heard and how the bill proposes to change those barriers and make the bill and the program more effective for communities throughout the state. One of the original intents in the program was to attract and retain young people and young families to live and work in communities throughout the state. LB232 refines current language to include efforts such as the Norfolk area recruiters and other similar efforts throughout the state. Community initiatives to recruit people are springing up throughout the state. Norfolk is one of the better examples. But there are efforts in communities throughout the state and specifically in allowing the BECA program and BECA grants to fund such efforts will only enhance their effectiveness. These initiatives use things like alumni networks, other networks to recruit people back to communities. And they've been successful, as Senator Dubas said, throughout the state. And I think allowing funding for those through the BECA program will only increase their effectiveness. We heard, in talking with many communities, that the matching requirements were seen as an obstacle for many potential applicants, for many potential communities. Many communities, particularly small communities, expressed the concern that they did not have the necessary cash to meet the match requirement. Local government budgets are tight. Many communities do not have available private funds for economic and community development. LB232 addresses this barrier by lowering the match requirement, but still maintaining a match requirement that we believe is essential if communities are to demonstrate a commitment to their own development. Required multi-jurisdictional collaborations have also been an obstacle, particularly in sparsely populated areas. And some communities simply do not have the capacity to develop a BECA grant proposal. Without professional grant writers or economic development staff, and without a history of collaborating on economic and community development projects with neighboring communities, many rural communities told us and others that they simply did not know where to start in developing a BECA grant proposal. It's not that they don't have ideas, it's not that they don't have creativity or committed residents, but they need assistance in building capacity and planning for what they want for their future. LB232 proposes creating a small planning grant process for communities in the most economic and demographically distressed areas for the purpose of establishing collaboratives and developing proposals. If I could take a couple of the questions that were asked of Senator Dubas. Senator Adams, I think Mr. Jordison responded to your question, but I would just give you an example of...we worked on a proposal that was actually funded in our area of the state that includes eight different municipalities and four different school districts. Under the current law, school districts are not an eligible recipient.

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Many, as we've seen the different rounds of funding go through, many of the proposals involve school districts and community colleges teaching entrepreneurship, getting young people involved in entrepreneurship at a very early age. So including units of government as the recipient includes school districts, which I think will bring in a lot of projects. And we've seen the project that we worked with in our area, including those four school districts working together, which school districts often don't do, but working together and teaching entrepreneurship has already started to bring results. So I think this just allows more good projects and more communities to be eligible recipients. And, Senator Karpisek, you asked about the 20 percent. That's kind of a common figure that's used for communities that are really in demographic distress. The new Homestead Act, which Senator Rogert may have been referring to, is a federal law that uses a 10 percent cutoff for application; 20 percent just recognizes that if you're experiencing twice as much depopulation, you're in a lot more demographic distress. If you want to make that 10 percent, I think that opens it up even further, and probably qualifies more communities, which is probably not a bad thing. But that is just sort of a common figure that's used by demographers to show the communities that are in great demographic distress. Mr. Chairman, members of the committee, we believe that the modifications to the Building Entrepreneurial Communities Act proposed by LB232 would open up the program to many more communities in the state, would generate and create many more economic opportunities in rural Nebraska. We appreciate the commitment of all of the sponsoring senators, and would respectfully request that LB232 be advanced to General File. I'd be happy to answer any questions. [LB232]

SENATOR AGUILAR: Thank you. Questions for Mr. Bailey? Senator Pahls. [LB232]

SENATOR PAHLS: Yes. I'm sort of intrigued when you say the schools, to me that would seem logically, like the ESU's and that, wouldn't they provide some of that training? Is that what you're seeking? [LB232]

JON BAILEY: Well, the program that we've been involved with and that I know other school districts throughout the state are involved with in this program is where you develop a curriculum, an entrepreneurial curriculum to teach young people within the schools and within the community the skills necessary to be entrepreneurs. As far as I know, the ESU's don't provide that sort of... [LB232]

SENATOR PAHLS: So you're creating classes to teach... [LB232]

JON BAILEY: Entrepreneurship. [LB232]

SENATOR PAHLS: I mean, doesn't the economic...our own state government, do we not have courses like that that they offer to schools, almost go begging for them to incorporate into their curriculum? [LB232]

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JON BAILEY: I'm unaware of that, Senator. [LB232]

SENATOR PAHLS: Okay. [LB232]

JON BAILEY: We're talking about schools in small communities where you may not have a teacher that's certified in entrepreneurship; you have a schedule and a curriculum that is generally very small. So you're adding something to the curriculum or to another class or adding it to an already existing class. I know that the high school of the community I happen to live in has always had an entrepreneurship class. And so they're using this funding, through this program, to enhance that. But the other three school districts that we're working with never had entrepreneurship in their curriculum. So this is something new for them. [LB232]

SENATOR PAHLS: Okay. So now where are the community colleges? Where are they involved? Will they not come to areas and offer classes? I'm just curious. [LB232]

JON BAILEY: They will. I mean it's often at some cost, because they...you know, there's cost to them, too. And they've been terrific allies in this program and to these efforts in these school districts. This is...including school districts, especially on the entrepreneurship side, I think is just enhancing the ability of these school districts and these communities to provide something to students who are interested in this type of activity. [LB232]

SENATOR PAHLS: Right. I mean I believe you ought to grow your own is what...another question I have, because I think last year we started talking and we had so many different organizations asking for help, we wanted to know what was the order in. This is bringing back some of those memories from last year. A question I have here, you say many communities, particularly small communities express this concern of matching requirements have become an obstacle. Okay, name me some of these communities who are out there saying that, that this is an issue. I mean I see the words "many communities." [LB232]

JON BAILEY: Well, we...through our outreach efforts at the Center for Rural Affairs, we probably talked to...held meetings in probably 50 or 60 communities; and I would say every one of them, the eight communities that we worked on in our area of the state on our specific grant, which include Lyons, Bancroft, Pender, Decatur, Oakland, Rosalie, every one of them said that the matching requirement was difficult for them. We've done a lot of work in Knox County, with the communities in Knox County. Every one of them said that the match requirement was difficult for them. So those are just some examples off the top of my head. Every one of them, every one of the communities that I'm aware of said the match requirement was difficult for the reasons I listed in my testimony, that local government budgets are tight, rural communities don't have the access to private funds that the larger communities often have, there just is not the resources in rural

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communities, especially small, rural communities that may be elsewhere. [LB232]

SENATOR PAHLS: And I was intrigued by those communities that you listed or just described. Many years ago, when I taught at Wayne State, we had adjunct class...we had classes off the campus, and I didn't see those classes just being unbelievable. I think we have some resources out there that we have not tapped into. I agree wholeheartedly that we need to help, but are we tapping into the things that are already there? [LB232]

JON BAILEY: Probably not, but I think one of the potentials of things like these planning grants would be for communities to find out what those resources are. I think that's a lot of it. A lot of these communities, because they don't have professional economic development and professional planners, a lot of them don't know what resources are out there. And one of the things that I hope these planning grants would be useful for is finding those resources and then making those connections to the communities and the resource providers. I think that's a lot of it, that's been my experience. That's a lot of it in small communities, that people just don't know what's out there. And there's a lot, as you said, a lot of resources out there, and people just don't know what's out there and who to contact. They just don't know where to start. [LB232]

SENATOR PAHLS: Okay, thank you. [LB232]

SENATOR ADAMS: Are there other questions? If not, I might ask a couple. What kind of dollars are we talking about? You say a Bancroft or Lyons couldn't come up with money. Give me an example of the kind of requests that they would have and what they could not come up with. [LB232]

JON BAILEY: Well, our specific proposal was, I believe, \$25,000, so it required a \$25,000 match under the current law. So the communities had to divide up that \$25,000 among themselves. Frankly, some of the communities within this collaboration have not come up with any match. That doesn't mean they're kicked out of the collaboration, they're still part of it. But local government budgets are that tight. And because we're requiring the village or city councils to come up with this match, they simply did not have that extra cash laying around. [LB232]

SENATOR ADAMS: Um-hum. Well, I understand. [LB232]

JON BAILEY: And so, excuse me, Senator, our particular project, this one I'm speaking of in our area, we actually had to reduce the amount requested, I believe, to \$20,000 so that we could bring it within the available match. [LB232]

SENATOR ADAMS: Okay. And not necessarily part of this bill, but I think you're right. I sense that there may be a lot of availability out there, but some way of coordinating that

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so that any size of community, you know, kind of one-stop shopping, knows where to go to find these things. [LB232]

JON BAILEY: Yeah, I think you're right, Senator. [LB232]

SENATOR ADAMS: The Information Technology Commission has planning grants for IT, for entrepreneurial development within a community. They're overlapped right there. I mean there are those kinds of things that we probably ought to coordinate, which is extra to this. Are there other questions for the testifier? Thank you. [LB232]

JON BAILEY: Thank you. [LB232]

SENATOR ADAMS: Are there others who wish to testify in support? [LB232]

JEFF YOST: (Exhibit 4) Good afternoon. I've got some handouts for you. My name is Jeff Yost, J-e-f-f Y-o-s-t. I'm president of the Nebraska Community Foundation. I want to thank Senator Dubas and all of you that have cosponsored this and given us the opportunity to talk about LB232. I was a part of the original group that helped to put together many of these proposals a couple of years ago as well. And I want to talk to you about some of the overarching issues and some of the bridge capital opportunities that I think we can move forward with here. Just by way of a little background, the Nebraska Community Foundation is a statewide organization. It now has about 179 affiliated funds throughout the state. Those affiliated are in about 69 different counties. It's grown pretty dramatically over the last few years, it's now about \$30 million in assets, and we've helped to reinvest about \$60 million since we founded it in 1993. We do a whole range of supportive services for these communities, training and technical assistance, lots of accounting, audit, and legal, back office work, lots and lots of work with financial planners, and the donors and clients that those folks have in terms of their ability and willingness to make contributions and gifts. The thing I want to talk with you about is this broader transfer of wealth. And I've handed out some copies that I think may be of interest to you. There are some clippings from the paper, in the last few years, that are pretty interesting. In 2001, we at the Nebraska Community Foundation completed analysis of both the magnitude and the peak of this transfer of wealth, which means wealth that goes from one generation to the next when a generation passes away. And of course, one of the key issues in rural Nebraska, when the heirs no longer live or the parents do, when the parents pass away, whatever the parents have potentially is transferred out of that community. That's what we mean by transfer of wealth here. We've done this research for Nebraska and actually done this research for each of Nebraska's 93 counties as well. The numbers are pretty staggering. We estimate that over the next 50 years there's going to be about a \$258 billion transfer of wealth in the state of Nebraska, and as a part of that we estimate that there's going to be a \$94 billion transfer of wealth in rural Nebraska; that's places of \$10,000 and smaller in all of the unincorporated areas, that constitutes about 750,000 people. If you

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will look at the brown sheet in the handouts that you got, you can see these line graphs. And these line graphs are pretty staggering and they actually go right along with the demographic trends that we've seen in these places. The national transfer of wealth, the Nebraska transfer of wealth, the national transfer of wealth is represented by the dotted line. So, as you can see, it continues to go up and up over time. Actually, the arithmetic on that is fairly simple. The U.S. continues to become a wealthier and more populace nation year over year. You have a compounding effect, that's why you have an increasing slope on that line. In rural Nebraska, of course, our demographics are such that many of the baby boom generation, and even folks that are Depression Era babies continue to live in many of these communities, their children do not. So that's why, on the one you see for rural Nebraska, you have this severe peak. And part of what we're trying to help communities to work through is to understand this transfer of wealth and to use it as a call to action. And one of the things that I'm happy to report to you is in our work, the last six or seven years, we're really beginning to see a tremendous grass-roots movement around this. We now have 84 communities, some of those are one community, some are a countywide effort, some are a multicomunity effort. So 84, sort of, multicomunity sites that are now building these community-based endowments, which to some extent can begin to fund a whole series of the things we're talking about today. The whole idea is to, you know, to build this local capacity to pay. Let me go back to some of this. These 84 community-based funds today have actually \$33 million in endowment and expectancies, which is about triple the amount that existed five years ago. And all of the anecdotal evidence that we're beginning to see, even in the last couple years, and you can see some of the clippings that were just in the paper over the weekend, there's a tremendous forward movement associated with many of these things. We're beginning to see this happen in a whole series of places that are really very low income. Part of the beauty of the transfer of wealth and part of what we've always tried to do from the community economic development standpoint is to help community leaders, no matter how poor their place is, understand that there are opportunities and assets that they can build strategy off of. This transfer of wealth helps us to really understand the land rich, cash poor nature of the economy that we live in, primarily in rural Nebraska. And in many of these places that we're working, I mean I just made a quick little list of the places where we have these endowments really happening, some of those 84 places, like Decatur, and Diller, and Imperial, and Mullen, and O'Neill, and Ord, and Red Cloud, Shickley, and Thedford, I mean that's just a quick handful. We've actually got 44 places today that endowments and expectancy of greater than \$100,000. And on a month-by-month basis I'm just beginning to see a groundswell of the community leaders, the financial planners, the donors that are stepping forward to make these gifts and to create these endowments. The key with BECA, and this Building Entrepreneurial Communities Act and why these modifications that are proposed, in my opinion, are really very important is in many of these very low resource communities what we need is bridge capital. We need funds for three years, five years, seven years to help them begin to build capacity in some programmatic efforts, to become more intentional as community leaders to reach out and begin to encourage

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people to give back. And part of what we've seen for a long time is we, as Nebraskans, have this incredible emotional attachment, this affinity to our place. So our willingness to give back is really very, very high. Part of what we're just trying to help with is to help people take that next step, to say, if you have this massive transfer of wealth, you know the dollars are going somewhere... [LB232]

(RECORDER MALFUNCTION--SOME RECORDING LOST) [LB232]

JEFF YOST: ...habit of giving that we have to church and scholarships and other things, to more broadly support community economic development. And then to encourage those people to move their annual giving habits into these habits that begin to pertain to their estate planning. So the amendments, in my opinion, and our organizations opinion, to BECA are going to actually allow us to even have a greater stepping stone in order to help these communities bridge the gap between today and when many of these endowed funds begin to generate income in 5, 10, 15 years. So with that, thank you for your attention. I'd be happy to take your questions. [LB232]

SENATOR ADAMS: Questions for Mr. Yost? Okay, thank you. [LB232]

JEFF YOST: Thank you. [LB232]

SENATOR ADAMS: Additional proponents? Then is there those who wish to testify in opposition? Anyone who wishes to testify in the neutral? Hearing none, Senator. [LB232]

SENATOR DUBAS: (Exhibit 5) Thank you again for your attention to this issue and your support. I think BECA affords many opportunities for rural Nebraska and for the state of Nebraska as a whole. You know, many of your small communities, they struggle, but yet they have a great deal of pride. And so if we can put programs in place that will empower them to take some ownership and to take some responsibility and some leadership, I think that's definitely a step in the right direction. In reference to the question you brought up I think, Senator Adams, as far as are there resources out there that we aren't accessing, the Rural Development Commission, I think is a great clearing house. And they are working very hard to be that clearing house, so that when people call them or come to them for help they are telling them about all these other programs that are out there, and I think trying to be an asset in helping them navigate those different programs and see how they can use them to their advantage. So I think along with supporting BECA, we need to put a lot of support with the Rural Development Commission, because they're doing the work to help get our people in touch with the resources that they so dearly need. I do have a letter of support here from the Department of Economic Development. They weren't able to be here to testify, but they did work with me on this bill. And they also address, in this letter, the issue of the audit. And auditing in-kind donations are different than auditing financial contributions,

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because many times they actually have to go and physically see what's been "in-kind", and so we're talking about time out of the office. It's not always easy to document what an in-kind donation is. And so, you know, they really said it's just kind of something that floats around out there. So to actually keep track of it they just almost felt like it was something that was maybe better left out. And if people are willing to find the financial resources, they're going to...that commitment to the project is going to be there. And they felt that was a better route to go. So I will pass out this letter from the Department of Economic Development. And again, appreciate your consideration of this bill and your support for rural Nebraska, Nebraska as a whole. And hope that you will pass this out of committee to allow us to discuss it on the floor. [LB232]

SENATOR ADAMS: Are there final questions for the Senator? [LB232]

SENATOR PAHLS: Yes. Does your community of Fullerton, does it have a BECA grant or anything? [LB232]

SENATOR DUBAS: No they do not. But I'm going home this weekend with full intentions of letting them know. We have just hired a new city administrator. And so I know that he is actively looking at different types of things. And I know they have talked about the project of some kind of a program to develop leadership. And so I'm thinking...and I know Hamilton County, which is in my district, they do have a leadership program which operates through their extension. And extension...this type of program is kind of above and beyond what their financial resources are. So I would say that this is something that other communities, extension agents could use this to build programs to go along with what they're already doing, but maybe to even be able to expand on them. [LB232]

SENATOR PAHLS: See, I'm from a small community. And I...looking back, those communities that had a very good, strong, central group of people, thinkers, those communities are still growing. Those that did not, are not. And the only reason why you see a little bit of frustration here is this is the third year in a row that I've heard this kind of dialogue and I'm hoping that we can make something...things are happening. But I've heard the same dialogue, you know, about development, and we're still at loose ends. [LB232]

SENATOR DUBAS: Well, as I traveled my district during my campaign, and I have some very small communities in my district, and that's what I ran into was people saying, well, we know what we want to do, we just aren't really sure about how to do it or how do we get the people together, you know, and move things forward? And leadership definitely is an issue that we struggle with, especially in the smaller communities. And so that's what they were talking about as far as how do we empower people to take ownership for their own direction? And I think that's one of the things BECA could really address. [LB232]

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SENATOR PAHLS: Thank you, Senator. [LB232]

SENATOR ADAMS: Other questions of Senator Dubas? Hearing none, thank you, Senator. [LB232]

SENATOR DUBAS: Thank you very much. [LB232]

SENATOR ADAMS: And that will close the hearing on LB232. [LB232]

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Disposition of Bills:

LB196 - Advanced to General File, as amended.  
LB232 - Advanced to General File, as amended.  
LB300 - Held in committee.  
LB497 - Advanced to General File, as amended.

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Chairperson

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Committee Clerk