

More specifically though, the fund would be used to augment or supplement local community economic development activities and projects. That is to provide additional funding that would make a local development project complete or competitive. For example, the Governor has already promised to devote 500,000 of the SEED Fund to supplement local job training and employee recruitment activities. Employee recruitment is currently an issue of vital concern to businesses and communities across the State of Nebraska because of our low unemployment rate. The SEED legislation would create over the next two fiscal years \$6 million, \$3 million for fiscal year '95-96 and another 3 million for fiscal year '96 and '97. The entire \$6 million would be used to supplement existing and future economic development activities and projects in Nebraska. No SEED Funds would be used to hire additional staff at the state or local levels. It would go directly to projects within the communities. An example would be with revolving loan programs whereas the businesses and the communities pay back into the fund those funds and then could be made available again to loan out to future programs. The Department of Economic Development would administer the fund on a day to day basis and the Economic Development Commission would establish the policies and practices that guide the use of the fund. But specific uses of the SEED Fund would be at the Governor's discretion, at his sole discretion. The commission is composed of individuals representing the state's major industries in the public and private sectors. Members would work with the commission to establish the policies and practices. Since they represent both the urban and the rural areas, commission members are familiar with local economic development needs and activities throughout the state. Responding to local needs essential to the philosophy behind the SEED Fund. Why does Nebraska need the SEED Fund? There are several reasons. Local efforts to recruit new businesses or to assist existing businesses often fail because on their own, communities cannot provide adequate assistance to a business or lack a funding source to leverage private and public contributions. A State Discretionary Economic Development Fund would allow the Governor to step and assist in a timely manner if a community are close to serving a project, but couldn't in the short run, raise or guarantee a business adequate funding. The SEED Fund will encourage state and local partnerships in economic development and provide more flexibility to state and local governments. Number two, the second reason for the SEED Fund is that neighboring states already have discretionary loan funds and Nebraska needs a