

similar program to remain competitive. South Dakota has a revolving Economic Development and Initiative Fund which is controlled by the Governor and provides low interest loans to businesses creating new jobs. Both Iowa and Missouri also have loan programs for businesses that create jobs. You will see at the bottom of the handout on the second page what these other states have in comparison to ours. Consequently, Nebraska communities sometimes fail in their business recruitment efforts because the Governor and state agencies do not have the incentives available to assist Nebraska communities that are available to communities in other states. We are unable to be competitive with these other states. Currently, direct state funding assistance for local economic development projects is limited mostly to funding some job training activities. DED does use a portion of the community block grant program for business loans, but those loans are limited to projects that meet federal criteria. In particular such projects are required to assist persons with low to moderate incomes. LB 425 would allow the state to provide other types funding assistance and economic development loans, making Nebraska business incentive packages more competitive with those in other states. In other words, Nebraska's neighbors have found state economic development loan funds to be a useful development tool and so would Nebraska. I hope this explanation of the features of and the rationale for LB 425 has been informative and I encourage passage of this legislation as an essential tool to Nebraska's future success in economic development. I request that you advance this bill to Select File. Thank you. If there are any questions, I'd be glad to try to answer them.

PRESIDENT ROBAK: Thank you, Senator Engel. Senator Wesely.

SENATOR WESELY: Thank you, Madam President, members of the Legislature, I'm a cosponsor of the bill but I voted against its advancement in committee. It's one of those situations where the concept sounds wonderful until you read the bill and then you get to be a little bit concerned because if you look at the bill, though we did amend it and I think improved the bill, if you actually look at the bill, what it talks about, there's only one paragraph that actually talks about where the money could be used for and all it says is that the Economic Development Commission shall establish principles and processes that work in cooperation with the Governor and the department on the priorities of the department and that's about it. And then the Governor is given final sole authority to make a decision on