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LB 478

SENATOR CORNETT: Thank you, Madam Chair and members of the Legislature. Senator Smith brought up that his concerns were selfish, that it didn't benefit his community in the amended form. Obviously, I support LB 478 in its original form, but the committee amendment is what the Revenue Committee felt the state could afford at this time. This amendment addresses a specific need the state has. One of the things that was touched on earlier was something called BRAC. It's base realignment and closure. One of the things that they...they have multiple criteria when they look at base closing. One of them is encroachment, two of them is housing issues, and the third is support industries. I'm going to read a segment of testimony that we had at the committee meetings. The 55th Strategic Wing and STRATCOM will become more and more dependent on contractors as force structure changes recently announced by the Department of Defense and STRATCOM replaces uniformed military with contractors. These changes will become more evident as Congress, the DOD, and the executive branch of government completes the BRAC, base realignment and closure, process. The military is undergoing changes never before experienced. Unfortunately, the defense industry was not included in the target industry study that Deloitte & Touche completed for the Nebraska Department of Education and Development, December of 2000, an updated...and updated December 30, 2003. I say this is unfortunate as the defense industry meets many of the objectives of the Deloitte & Touche study, and goals outlined in the study include focus marketing efforts on industry that makes sense for the state. Defense contractors make sense for the state of Nebraska because of Offutt Air Force Base, Unified Command, and Space Command. Focus business development efforts on value-added industries that enhance the state's wages. Defense contracted jobs are much higher than the state's medium wage. The medium wage in the state of Nebraska is approximately \$34,000. The average wage for one of these employees is \$65,000. That's where we came up with the numbers that we base the amendment on. Entry level is approximately \$40,000. Build on the existing industry base of the state and identify new targets, can draw on existing resources. The defense industry is an existing industry and I consider it a new target industry based on the dramatic changes that are being made by outsourcing more requirements to defense contractors. Partnering between