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Legislature's Planning Committee
July 15, 2016

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The Legislature's Planning Committee met at 9:00 a.m. on Friday, July 15, 2016, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing. Senators present: Tanya Cook, Chairperson; Paul Schumacher, Vice Chairperson; Kathy Campbell; Heath Mello; and Merv Riepe. Senators absent: Mike Gloor, Galen Hadley, Bob Krist, and Ken Schilz. Also present: Senator John McCollister.

SENATOR COOK: Good morning, everyone, and welcome to the Legislature's Long-Term Planning Committee. I am Senator Tanya Cook. I am honored to serve as Chair of this committee. And with that, I would like us to go around the table--also will help with the transcription because this is now a transcribed committee, and we are also on closed-circuit television--so to go around the table and then make some acknowledgments and then begin our hearing. Senator Schumacher.

SENATOR SCHUMACHER: Paul Schumacher, District 22. That's Platte and parts of Colfax and Stanton Counties.

SENATOR MELLO: Heath Mello, District 5, south Omaha.

SENATOR RIEPE: Merv Riepe, District 12, which is Millard, Omaha, and Ralston.

SENATOR CAMPBELL: Kathy Campbell, District 25, east Lincoln and eastern Lancaster County.

CHRISTINA MAYER: I'm Christina Mayer. I'm committee clerk.

SENATOR COOK: Thank you very much. And I'd like to acknowledge Senator John McCollister who is here today. And while I am confirming what the guidelines are about who sits up at the table, because we know a couple of senators will not be joining, would you like to sit in Senator Gloor's seat?

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SENATOR McCOLLISTER: Do I really have to (inaudible)?

SENATOR COOK: No, you don't. No, you don't. You don't have to participate at all. And this is no pressure--we are on closed-circuit television.

SENATOR McCOLLISTER: Okay.

SENATOR COOK: (Laugh) And because we know that you won't take over and dominate our conversation. You only add to it. Thank you very much, Senator McCollister,...

SENATOR McCOLLISTER: Thank you, Chairwoman Cook.

SENATOR COOK: ...and for those of us who have joined us live in the room. With that, has everyone had a chance to review the minutes from our meeting last month, behind the agenda for this month?

SENATOR CAMPBELL: I move approval.

SENATOR MELLO: Second.

SENATOR COOK: Senator Campbell moves approval. Senator Mello seconds. All in favor, aye. And we've got approval of the minutes. With that, we will segue to Mr. Jerry Deichert for a policy brief on the Mobility Needs Index for Nebraska. Thank you, Mr. Deichert.

JERRY DEICHERT: Good morning.

SENATOR COOK: How are you?

JERRY DEICHERT: (Exhibit 1) I'm doing well, thank you. My name is Jerry Deichert, that's D-e-i-c-h-e-r-t. I'm director of the Center for Public Affairs Research at the University of Nebraska at Omaha. And today I'm going to be...we've developed something called the Mobility Needs Index. And there's really, as I say here, there's no generally accepted, low-cost method for

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assessing mobility needs in a community. Often, communities rely on community surveys, focus groups, or some other methods. But they're very expensive and they might just focus on a small area and it's going to be inconsistent comparing across the state. There was some research that was developed by North Dakota that created an index that identified counties for greatest needs and we've also updated that to look at zip codes. And in urban areas, we could use that same methodology to break it into census tracts to see where there might be needs within different parts of the community. So it's an attempt to measure potential need, but it doesn't suggest that those needs aren't being met. It just says where you might have the issue. And so in fact, you know, lots of, in most cases or many cases, the needs are being met. But the other advantage of those, that information, is we could update that on a routine basis and it will be comparable across the state. And so you won't be...somebody won't have a survey here or a focus group, and so we will have some comparability. And the factors that were used in determining the need were total population, population aged 65 and older, population with a disability, population below poverty, and households without access to a vehicle. Typically, those are where you have specific programs that are designed for...to meet those populations. And then in this step I calculated index values based at the county level and at the zip code level. Didn't do it at the census tract level, but we could do that, as I said. So how we did it is we based this on population density for each of those factors and not percentages because for transit obviously it's the number of people, not necessarily the percentage of people. So after we did that, we ranked them from the highest density to the lowest density using quintiles, so every 20 percent. And so those with the lowest 20 percent we gave a value of 1, 2, 3, etcetera, until we had the highest was a value of 5. Averaged those and then that's how we developed the Mobility Needs Index, and that's basically what North...that's exactly what North Dakota did too. I looked all over and I couldn't find any other way of getting at it without doing some kind of a survey, and that just seemed to be too costly. So first of all, we have a map that has...and in your handouts I've got the county map and the zip code map laid out on the same page rather than give you a separate page for each one. So you can see how that varies. So this is a county map, population density, and you can see that roughly 18 and 19 counties in each one of the groups, you can see where the density is. But if you compare that to the zip codes, you can see that some of those counties that had high population density or I should say low population...lower population density, you can see Scottsbluff-Gering out here and you can see Sidney and Ogallala, and you can see how those communities have higher population densities than some of their surrounding counties. So when

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you're looking at, again, looking at transportation needs, it's the...density is as much import as anything else. But...and then if you look at the next slide, I think it's interesting. I overlaid the county boundaries and then we overlaid the legislative district boundaries. So if you look at Senator Davis' district, it's almost all of their zip codes are in the lowest quartile, which means they have fewer than 3.4 people per square mile. And we didn't break out Douglas and Lancaster and Sarpy County separately because...we can do that but...so there it's just a big blob now because of all them overlay. And this is...I don't...I always find this map interesting just to see where you've got those pockets of population across the state. The next says, just looking at the county, and often we look at the percentage of population of a certain characteristic to look at need, and this one again we have them broke into those five categories and this is the population 65 and older. And just look at, in particular, look at these counties of Boyd and is that Keya Paha, Brown and Rock. And you can see they have relatively high percentages of population 65 or older. But when you look at it based on 65 or older per square mile, you can see it's a much different picture. And so on all of these slides that I'll be showing next where...we're going to use the population per square mile to build the index. And it would be a lot different than if we used the percentage, because those counties with low populations might have a high percentage but the numbers are relatively small. But if you were to look at those, you would see that not all of the counties with large populations have high densities of all of these indicators. So the next indicator is percent with a disability and, again, you can see you have some very high county percentages in north-central Nebraska and south-central Nebraska. But when you look on it on a per capita basis, it's not quite as strong as far as the ranking.

SENATOR CAMPBELL: But one other thing you have to keep in mind is when you look at the county maps it's so much harder to serve people from an elderly perspective or with a disability, because they are so spread out and you don't have the volume of people. So it's more expensive in some cases and the services may not be there.

JERRY DEICHERT: Yeah, and that's...

SENATOR CAMPBELL: So the county maps become important for that aspect I think.

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JERRY DEICHERT: And because that's why I think it's important, like you said, to look at both the percentage and the density because it's...the density shows how spread out those people are. And then the next one is households with no vehicle available, and you can see how that is as a percent. And then the same way with the population per square mile, you can see that. And you know you can without going through and making those detailed comparisons. And we have the raw data, too, in tables that we'll provide you. And then lastly we have poverty and we have poverty per square mile. But the main thing is, is this index as a whole. And so we've combined the individual indices, calculated the average, and then we also rank those again roughly in those five categories, but some of the categories are bigger than others because they have more...there's a...there are a lot that have the same value. And so you can't differentiate between them. But you can see essentially it reflects the population density of the total population of the county. But you'll have some, like Wayne County here and you've got, following up on Senator Campbell's comment, it looks like North Platte, based on the density, doesn't have the need. But the next step that we look at looks at it by zip code so you can concentrate and see, well, where are the concentrations of need rather than looking at the full county. And so that's the reason why we started with...and went to the zip code. And in Douglas, Lancaster, and Sarpy County, it would be useful to go to the census tract where you could see that. So let me just go through some of the zip codes. So this zip code looks at the population of 65 or older per square mile. I don't have the percentages. I've got those but I didn't think I'd put it in this table. And so again, you can see where even though Lincoln County as a whole has...doesn't have a large percentage or density, but you can see, because of North Platte, you can see how that has an impact. And then you can see the Gothenburg, Cozad, and Lexington. Now I didn't put the county borders over these because I wanted to kind of look at these. You know, so many of the things that we do are constrained to our county boundaries and a lot of the issues are regional. So you can see Norfolk, all of that area around there, and that's all...that's three different counties where you have some of that. So a lot of what we do is based on, you know, like I said, we've got twenty-first century issues but it's based on nineteenth century political boundaries. And we have the same thing with the persons with disability per square mile, no vehicle available per square mile. And you can see that has a much different look than some of the other ones. And lastly, we have population below poverty per square mile. And then we've calculated an index for mobility needs based on zip codes. And if we were to put those maps, the county maps, in the zip code maps, we would see where there's some similarities and some differences. But again, you can see how the cities

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stand out, like Ogallala and North Platte and, to some extent, Sidney. And you can see how Lexington really is much larger or has a higher ranking than the neighboring cities and you can look across the state and you can see these regional patterns looking at zip codes that you wouldn't necessarily see if you looked just at counties. So the conclusion is that this is a measure that we can update on a regular basis. If you look at the specific values, you can see where each area would rank. And the next step, and I'll be contacting the Department of Roads to get the specific values of the numbers of services that are provided in each of those counties. I don't know that they have it at zip code level, but we can see if the ranking of the services provided are close to the way in which the scale of the index comes up. And again, as I said, in Douglas, Lancaster, and Sarpy Counties, we could use that same methodology to look at census tracts to see if there's areas where there might be unmet needs in those counties or needs, not necessarily unmet, because, again, we're just looking at potential needs. And then this last map looks at where the transit services are available in Nebraska. And you can see that Lincoln County, for example, it's in North Platte but a lot of the other part of the county isn't served. And you can see the same way with Ogallala and Sidney. And so if you...if we were to overlay this map, and that might be the next step we would do is overlay this map with that census tract map or the zip code map, I'm sorry, you can see where some of those might be met or not met. And then also I think it's important to look at...and that will be for the final report that we deliver in December, we'll have the specific numbers by county of services provided.

SENATOR COOK: Senator Campbell.

SENATOR CAMPBELL: Thanks. Senator Mello may remember the woman's name, but we had the Department of Roads come to the Intergenerational Poverty Task Force.

JERRY DEICHERT: Yeah. That was Kari.

SENATOR CAMPBELL: And I was amazed at...when we heard her report for the aging Nebraskans versus when we heard it now. They have achieved leaps and bounds, I think, in terms of developing the network across the state. And it might be worthwhile, if we have a little extra time at one of these meetings, to have her come back and update us. What do you think, Senator Mello?

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SENATOR MELLO: I think it was pretty insightful in regards to where we were at a year ago or so or two years ago...

SENATOR CAMPBELL: Right.

SENATOR MELLO: ...with the Aging Nebraskans Task Force to where we're at right now in regards to that overall network of providers across the state trying to interconnect everyone.

SENATOR CAMPBELL: Right. It was far more encouraging than anything I'd seen up to date.

SENATOR MELLO: Uh-huh.

SENATOR COOK: I think that's a good idea. We'll get that contact information.

SENATOR CAMPBELL: And...

SENATOR COOK: Yes.

SENATOR CAMPBELL: ...Jerry would have it.

SENATOR COOK: Okay.

JERRY DEICHERT: Yeah. I will get you the contact.

SENATOR COOK: From the Intergenerational Task Force, Kari. What's her last name?

JERRY DEICHERT: I (inaudible).

SENATOR COOK: Pressure.

JERRY DEICHERT: It just...yeah.

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SENATOR COOK: Kari with the good information.

JERRY DEICHERT: I will get you that information.

SENATOR COOK: Thank you.

JERRY DEICHERT: I've got it. I've got it on my phone and so I can get that at the end of the...

SENATOR COOK: All right. Other questions? Senator Mello.

SENATOR MELLO: Thank you, Senator Cook. Jerry, is it possible? I'd be intrigued to see Douglas, Sarpy, and Lancaster Counties broken down by census tracts in regards to I know at least Senator McCollister, Riepe, and Cook no doubt know in Omaha it's an ongoing challenge we hear in regards to mobility transit, public transit, things of that nature. So if you could break that down for us, for those three counties, and it would be helpful I think just for us to give an urban perspective on this (inaudible).

JERRY DEICHERT: And you'd want it the same way? We'd have like the percent by census tract and then the density by census tract to get that comparability?

SENATOR MELLO: Uh-huh.

JERRY DEICHERT: And then come up with an index.

SENATOR MELLO: That would be great.

SENATOR COOK: Thank you. Any more questions for Mr. Deichert on the mobility presentation? This is Senator Cook. I think that's a great idea, especially since we've invested so much energy in work force development policy changes and incentives, to ensure finally that we've got some science to continue to back up arguments for transportation to the actual job. Senator Schumacher.

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SENATOR SCHUMACHER: Thank you, Senator Cook. To what extent, and I don't suspect your data has gotten into this, but you have the Uber and the Lyft phenomena where people are able to, you know, got a vehicle and time to kill, can tune in and people can request a ride from them. And it seems like a very low-overhead model as far as the state is concerned. You know, our inclination is for a public agency to go buy a bus or buy a car or whatever and hire somebody to change the oil and then to drive it around. But in most of these communities, and this seems to bear it out, you have probably quite a few retirement, near retirement age people with a vehicle with time to kill and wanting to get out of the house during the day. And can we use that mechanism in these rural counties in order to solve the problem with a whole lot less overhead?

JERRY DEICHERT: Senator, yes. In fact, there's just an article on...in Atlantic that I will send you. Somebody who was working with us and is also a consultant, they're setting up an Uber-like ride sharing in Scottsbluff. And so it's an attempt to get at alternative ways of delivering those services. And so I can forward you that article.

SENATOR MELLO: (Inaudible) actually. Entrepreneurs trying to take that model and make it work for rural America. It's a really great article.

SENATOR SCHUMACHER: But is it a more efficient way to see if there's a way to work with or license the Uber technology or the Lyft technology rather than invent the wheel over and over again, because supposedly those folks (inaudible) act together.

SENATOR COOK: Senator Campbell.

SENATOR CAMPBELL: Oh. Thanks, Senator Cook. Senator Mello may remember but Senator Stinner got very excited about Kari's report because there was an element to exactly what Senator Schumacher is asking. And after we took a break he came up and said, that's it, I'm going back and I'm figuring out the whole business plan to this. This could work. Remember that? And you and I were like, good luck on that one. (Laughter) But that's where Kari's report would be helpful because they have a federal grant, if I remember,...

SENATOR MELLO: Uh-huh. Yes.

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SENATOR CAMPBELL: ...to do some of that work and making it work in the private sector on a business plan that you actually could, you know, make enough money to stay afloat.

SENATOR COOK: Uh-huh.

SENATOR CAMPBELL: Fascinating.

SENATOR COOK: Good. Sounds like a good idea. Any other questions on this report? We've got some follow-up to get a presentation that was given to the Intergenerational Task Force, Intergenerational Poverty Task Force I should say. Thank you, Mr. Deichert. With that, we're going to move on to...I'm so sorry. I can't...your name seems so...

DAVID DROZD: Drews (phonetically).

SENATOR COOK: Drews (phonetically)?

DAVID DROZD: Drews (phonetically), yep.

SENATOR COOK: It seems so straightforward. Dr. Drews (phonetically).

DAVID DROZD: Like I always like to say, just like the first name Drew with a Z at the end, so Drews (phonetically).

SENATOR COOK: Dr. Drozd, thank you. You have a report today on Nebraska's populations trends.

DAVID DROZD: (Exhibits 2 and 3) Right. David Drozd, Center for Public Affairs Research, University of Nebraska at Omaha, and Jerry Deichert asked me to lead this presentation. We work hand in hand on these types of things and since you've got to listen to him for the first few minutes, he figured a change of pace might be a good idea so I can cover these slides as well. So these are all standard types of things that we're going to cover. Might be familiar to you if you've

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seen some of the other work that we've done or been to our data conference in the past. We do have our annual conference coming up August 17 of this year and...

SENATOR COOK: Thank you. I apologize for interrupting already, but I'm being reminded that we need to have names spelled for the transcript,...

DAVID DROZD: Okay.

SENATOR COOK: ...especially since yours is so wonderful and unique.

DAVID DROZD: So David Drozd, D-r-o-z-d, from the Center for Public Affairs Research at the University of Nebraska-Omaha. And anyway, I was getting into our annual conference coming up August 17 and all senators and staff are invited and available to have complimentary registrations. So you should have either an e-mail or an actual packet of information mailed to you from me regarding that. So I think we have about ten senators and staffers already signed up, so that's very positive. So I'm going to go over some of these population trends. And you know, starting out just with some text, I like the graphic slides better. A picture is worth a thousand words. But just in general, our population is almost up to 1.9 million now. It will...it's already crossed it now that we're in 2016 here, so kind of a milestone when the official numbers come out in December. But we're very close to the U.S. growth rate so far this decade, and that's a positive sign as typically we trail the U.S. growth rate by a fair degree, a larger amount than this. And I'll have a slide to show that. So we're ranking middle of the pack right now in growth rate. And that's up from where we were in the 2000s when we ranked 30th, or 37th highest growth rate in the 1990s. So if you look at our current five-year growth as a full decade rate, it would be about 7.3 percent, and that's a little bit above what we had in the 2000s at 6.7 percent. So you know, the impetus for all these census numbers is that it impacts redistricting and, you know, you're well aware of how that all works. So we'll see how it moves forward as we approach 2020 census. So this is just a graphic slide putting our historical population growth in perspective for the state. So here we are at that 7.3 percent which I mentioned, a little bit better so far than the 2000s decade but not quite as high as the 1990s when we had a lot of in-migration into the state. However, if you take out that 1990s decade, where we're at currently is the highest, going all the way back to the 1910s when a large portion of Nebraska wasn't even settled yet. So this is

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relatively high in historic level of growth for us currently and we'll break that down in the slides to come. The next slide here shows the same thing in the red bars as what was on the previous slide. The blue bars are the U.S. growth rate. But the key thing is this green light on the bottom which is the differential between the two growth rates, Nebraska and U.S. So you can see here just barely trailing the U.S. growth rate. That's the best we've ever been, going back all the way to the 1900s. And you can pretty much see a trend line here, starting back from the World War II time frame, you know, that we have steadily gained or improved upon our relative standing versus the U.S. average. So that's, again, a positive trend and it's really this being close to the U.S. growth rate that will help us keep our current three U.S. Congressional seats going forward. So I got a slide on that but, you know, we're in much better shape to keep all three seats going forward due to the fact that we are not trailing a whole bunch of other states. We're right in the middle of the pack, right close to the U.S. average. And since we had some room to spare, we should be...I can't say we're out of the woods but we're in a much better position to keep those three seats now than what we were at the start of the decade. Here is that slide for a projection by a group called POLIDATA. We have our own projections and models that we have done, too, but the key thing here is...I mean, you can see the states growing and the northeast corridor looking to lose some Congressional seats in this next round of redistricting, similar patterns to what occurred both in the 1990s as well as the 2000s. But again, the key thing is that Nebraska has no color on this slide. We're not going to gain a seat probably in my lifetime, but as long as we cannot lose a seat here over the next decade or two that would be good for our state. So we'll see how it all develops but that is key. You know, these...we do an update on this every December and we run a variety of different models, like I say, through this little apportionment calculator, based upon various assumptions. And you know, we ran six of them this past year and we didn't lose a seat in any of those six scenarios if various growth rates would go forward, not only for Nebraska but for the other states as well. So there's some caveats with that. You have to make some adjustments for Louisiana because they're probably not going to have another major hurricane the way they did with Katrina. But you just never know what's going to happen in the future. So right now, things are looking good. All right, so this graph just kind of puts the growth in perspective and since kind of that farm crisis period in the 1980s, pretty much if you look at these blue bars, which is the annual numeric growth, it's right at about 10,000 persons per year on average very consistently. So our growth has not skewed a lot one way or the other the way that some other states do. We did see a little bit of a bump late in the 2000s. Given the fact that

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our economy held up relatively well in the economic downturn, we did see some people coming here for work purposes or, perhaps more importantly, fewer Nebraskans leaving the state to go elsewhere, predominantly for work purposes, even probably a slowdown on some of the out-migration regarding retirement ages. So steady growth, that's good to see. All right. Shifting gears a little bit, looking at the counties, so far this decade we've had 31 counties who are estimated to have gained population. That's higher than what we saw in the 2000s but, again, not nearly as high as what we had in the high growth of the 1990s. However, during the '80s, only ten counties were able to achieve growth. So these things ebb and flow, and right now we're in a relatively good position. The growth is obviously dominated by our largest three counties. If you look at it, they basically have all the growth, and the other 90 counties are a wash. So it's definitely concentrated into the urban core. Our micropolitan areas or regional centers hold their own, and then the rural areas continue to lose. So that will be shown on some of the next slides here. There's just a little map for...I mean you guys know the state of Nebraska but for how we put the next slides together, these pink counties all have a town of at least 10,000 persons or more, so they're kind of our regional centers. The gold have at least a town of 2,500 residents, and then the light tan are all the counties that do not have a town of even 2,500 people in them for their largest community. So we like to break things out that way because size does matter regarding this population change. So overall, what I have here are both what has occurred so far this decade. You can multiple it by two to kind of directly compare to what we saw here in the 2000s. So the metropolitan areas are right on the exact same growth trajectory going forward here, if we double that. The nonmetro area is doing a little bit better. It's still a loss overall but not quite as high as in the 2000s. We do see growth among those regional centers. And it's those areas with a town of 2,500 that are especially doing better so far this decade, so your places like David City or Valentine and things of that nature, kind of that moderately large-size community for Nebraska standards that are doing better so far this decade. So this is just a map view of population change for the last decade, as well as what's estimated so far for this current decade, putting the two hand in hand. So the red are those counties that are growing in both time periods. This is often what's kind of referred to as the fish hook as it has that curved pattern along Interstate 80 there heading back towards Columbus. But more interestingly perhaps are the counties in gold which had a decline in the 2000s but are estimated to have increased here so far in the 2010s. So we can see pockets of growth south of Kearney, again along the interstate or around Grand Island, and out here in kind of the Sandhills area doing a little bit stronger. And

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again, this might be related to some of the farm economy which prices are obviously falling a little bit in the last couple years, but early in the decade there were some record farm profit margins and such. So that's probably helped and we'll see the same type of thing show up on our migration map when we get there. So I will just, again, kind of a summary of where we're at. This 31 counties is among some of the higher growth time frames that we've had, going all the way back to the post-World War II era, and that's good to see. Specifically, the counties with fastest growth, I'm sure there won't be anybody surprised to see Sarpy County on that list. We recently did a story with the World-Herald that housing unit growth in Sarpy County has been in the top 100 among all U.S. counties for six out of the last seven years, whereas prior to that, which was prior to 2008, had only achieved that once between 2000 and 2008. So things have definitely shifted and, you know, housing unit growth is quite strong in Sarpy County, and that drives a lot of other employment and other factors. So that's good to see. You know, these estimates for small counties can be a little bit iffy, but they are official. You know, the smaller they are, kind of the fewer records there are to track and see the movement of people and whatnot. But it's really those big three counties that are driving growth, along with Buffalo and Hall County. But again, some of the smaller counties, Cherry County for example, is something that you would not have seen in the last decade but so far this decade is doing okay. On the flip side, we do have a large number of counties that continue to struggle with population loss and, you know, that's just kind of the population dynamics that they're facing. Okay. So we've looked so far at total population change. Let's break it down by the components. So births versus deaths is this first slide. So we are seeing a relatively high level of births again. They did come down a little bit during the economic challenges of the downturn, but they're back on the upswing and the current births for 2014, which is the latest that Health and Human Services has for us, highest since 2009. And since the end of the baby boom, only seven years with more births than currently. So if we keep those three Congressional seats, it's the parents that we have to thank for that, because that birthrate is what's keeping us competitive.

SENATOR CAMPBELL: Thank you.

SENATOR COOK: Thank you, Senator Mello.

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DAVID DROZD: (Laugh) So that was just kind of a funny thing there. On the flip side, deaths are on the upswing. As the aging of the population is going to occur, we are seeing more people hitting higher mortality age ranges and that is leading to more deaths. So that's where it stands. So far this decade we've had about 39 counties with more deaths than births. That's the population loss due to natural decline. That's a tough one because we know that most counties are having that out-migration. So if they're also having more deaths than births, there's not a whole lot to counteract that out-migration. So anything regarding demographics kind of has to understand the baby boom you're all familiar with. But we always, Jerry and I, like to point out that, you know, births were coming down even prior to the Great Depression. So kind of throughout the '20s and then especially in the '30s we did have that lower level of births. And that's why we'll see in a few slides that there's fewer 70s and early 80-year-olds now than ten years ago. It's just because there was that drop in births at that time. So there is a little bit of a delay here before we get into the real impetus for people needing nursing home care. There's just kind of a smaller pool approaching that 85 and older milestone at the moment. But then, of course, the baby boomers will kick in here in about 10 or 15 years. So baby boom, 20 years of higher births; Generation X, that's kind of my generation here at the lower births; and then again as the baby boomers started having their kids in about 1980 or so, we saw the bump up in births there. But Nebraska's fell back again as the farm crisis and people started leaving the state for other job opportunities and such that drew our births down through. So bottom line, our baby boom echo is not quite as large as some other states due to the economic situations during the '80s. But again, we are seeing the births rise here in the current time frame. Deaths, the red line, had been kind of the universal constant, right around 15,000 per year, but we are starting to see that kick up and it's likely to continue to do so. Okay. I'm pretty much going to skip this slide. There's not a lot to see on here, just that natural change as a rate has been fairly steady ever since the baby boom ended. That's the key point in this slide. Looking at the counties again, same kind of color scheme as the total population map, a natural increase in both time frames in red. So we will see a lot of rural territory in the Panhandle, Sandhills, the southern tier of counties just below the interstate, as well as the northeast all having that positive population factor of births exceeding deaths. So a little more than half of the counties are at least achieving that. Having natural loss in both time frames tended to be along the southern border with Kansas, as well as some of the Panhandle or, excuse me, the Sandhills counties in greater Nebraska. So that's where they've struggled a little bit from the natural change perspective. The other population

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component is migration, so this is kind of the wild card for what goes up and down as births and deaths tend to be more steady. We are, so far this decade, about 15,000 net in for more people coming to Nebraska than leaving the state. If you go down to this bullet point, during the entire 2000s there was only about 5,600 for the entire 2000s decade. So we're already about three times above that, so again that shows the relative level. We do continue to suffer from a domestic out-migration to other states. We tend to lose at two primary age ranges of those in their 20s for college or right after college, as well as people approaching or in retirement. That's where we lose domestically. The international immigration tends to be across...pretty steady across the board but especially at key working ages. So far this decade, about a quarter of Nebraska's counties are achieving in-migration, whereas during the 2000s only 14 counties had net in-migration. So again better, and that's kind of the theme for this entire presentation. Graphically, this one is of note just given all the changes. So again we can see the high in-migration during the 1990s. That was the first decade, going back to the '20s, where we had in-migration on net. During the 2000s, we were able to eke out that small in-migration again as international exceeded a domestic out-migration. And here we are kind of right in the middle here in this 2010s decade regarding migration of the past two. And longer term you can again pretty much see that trend line of improvement regarding migration. Again, we had a few outliers along that trend line of the '70s and the '80s were a little bit below it. But in general, you can pretty much plop a trend line right there and we're right on it here in the 2010s decade. So above zero, that's good to see. All right. Countywise again, red, no surprises there for where we're gaining people. Johnson County has benefited from the prison facility that was constructed there. Garfield County benefits from being near the Calamus Dam and state recreation area. But again, probably what's more interesting are these gold counties, ones that have flipped from out-migration in the 2000s to in-migration so far this decade. So we see kind of south of Kearney again, around Valentine and parts of the Sandhills, even the Sidney effect with Cabela's with Deuel County and Banner County. From what we hear, there are people who are constructing homes and acreages in those areas and commuting into Sidney for work purposes. So that's part of the strength there. So how everything shakes out with Cabela's will be worth following. That's a big thing for that particular part of the state.

SENATOR COOK: I have a question, Doctor.

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DAVID DROZD: Go ahead.

SENATOR COOK: To refresh my memory, when someone is incarcerated, they do not count as a person for the population count of that county. They're counted in where they come from. Is that correct?

DAVID DROZD: Not exactly.

SENATOR COOK: No?

DAVID DROZD: There are different rules for that, but the way that things have typically been done is that they are a resident for the population count of where they are on April 1. So if they are in the prison facility at that time, that's where they're counted. Now census has just released their guidelines for the 2020 information because a lot of territories would like to redistrict based upon usual residence versus actual incarcerated residence. So the plan is, which has Congressional approval and all the rest, is that census will break out those, provide them both ways so that the states can then choose how they're going to redistrict, both for the federal offices as well as Unicameral district or other, you know, local offices.

SENATOR COOK: Thank you.

DAVID DROZD: Yeah. To move along just...this next graph just shows in red the migration levels. Blue is natural change, so again you'll see that natural change very steady, right around 10,000 persons per year, and that's about what the state has been growing. The migration is more of a wild card. Again, you see the out-migration in the '80s, in-migration in the '90s, a lot of the 2000s was right close to zero, and so far this decade the estimates are that we're performing relatively well on migration.

SENATOR COOK: Great. Senator Schumacher has a question.

DAVID DROZD: Go ahead.

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SENATOR SCHUMACHER: Thank you, Senator Cook. The 1990s perk up in in-migration. Is there any way to tell if that correlates with the basic shift away from union labor at the packing plants to immigrant labor? Is that the cause?

DAVID DROZD: Well, there are a variety of causes for the in-migration in the 1990s. Number one, as we look at this out-migration that occurred in the '80s, we did see some people coming back, you know, in the '90s as the economy, the farm situation kind of solidified or became more stable. We also at the same time did have some either new processing facilities or refurbishment of certain types of manufacturing into meat processing and that whole wave. So a lot of the in-migration was seen for people taking those positions and jobs. Additionally, you know, the late '90s was a relatively strong economic time and that led some people to the state for work purposes. So there's a variety of things going on. I don't know if I could pinpoint it to the shift in how the labor was unionized or not and things of that nature, but we do know that again Nebraska tends to have that international in-migration and we lose on net to other states. Or breaking it down by race and ethnicity, white, non-Hispanic tends to be an out-migration and we pull in among minority population groups of all types, so Asian, black, Hispanic, etcetera.

SENATOR SCHUMACHER: So there's really no way to, at least from your data, to tell whether that pop up in that area is basically packinghouse labor.

DAVID DROZD: I think that you can extend and, you know, attribute a lot of that in-migration specifically to the plants, yes, I mean that that would be some of the locations, while, again, these maps can be masking certain things that are going on. So for example, you know, in the Platte County area we see the minority, especially Hispanic, community rising in in-migration among that group but again having a white, non-Hispanic decline or out-migration. So what we're showing here is the net, and it's a little bit on the negative side of the ledger for net migration. But if you break it down among certain groups, you would definitely see the influence of the plants in the work force there.

SENATOR COOK: Senator Campbell has a question.

DAVID DROZD: Go ahead.

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SENATOR CAMPBELL: Thank you, Senator Cook. But you could take...you do have the data per county so you could look at the counties where they have plants over the period...those period of years, could you not? And that might really give you the more specific...

DAVID DROZD: You know we did provide, I'm not going to go through it, but in your handouts there is a sheet here with county population change for each of the decades since the '60s and it breaks it down into the components of migration as well as natural change. And you know, as we kind of would analyze and look at that, you'd see some of the strongest growth counties from a population change standpoint would have had the presence of that facility, uh-huh, you know, and that's where there's a lot of positive natural change, you know, Dakota County, Dawson County, Hall County, etcetera. Okay. All right, ready to move on to a different topic...

SENATOR COOK: Yes.

DAVID DROZD: ...of aging? And we'll wrap this up. So this is our population pyramid. Looks a little bit more like an hourglass in Nebraska and most other states. But you know traditionally it had the pyramid shape and we'll see how the same graph for the minority population would look much like a pyramid today. But again, here is that kind of Depression cohort in their '70s; the baby boomers at the time--well, I'll talk it about on the next slide--for their ages currently; and then the baby boomers' kids or the millennials; and now this third wave of increased births. So we do see the younger population base building just a little bit and that's good to see going forward. This is the new map based upon the estimates for 2015, so I'll just flip back and forth. And all these categories basically move up one five-year period, so right now our boomers are basically between the ages of 50 and 69. Again, that Depression cohort are in their late 70s and early 80s. We have the millennials between about 20 and 37, to be precise. And now we have again more kids coming about from this millennial generation hitting their key reproductive years. This bar here is a little bit below due to the fact of the recession and some of that slowdown in births, but it should be bolstered as we go forward. So based upon that demographic change as we look at by age groups, you know, here's our baby boomer population aging forward; here's that Depression cohort, not quite as many people in their 70s in 2010 as what there were in 2000. Likewise, we see the bump up in millennials and then their kids. So it's those three groups that basically exceed the state average: young kids, millennials, boomers, and then

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our older population. So if we were to do the same map projected from 2010 here to 2020, basically move everything up ten years, you know, and it's going to look very similar, just moved up. Okay, urban versus rural, this is just a way to summarize this one. This is for our nonmetro counties, so our micropolitan regional centers as well as our true rural population. They tend to have less than the state average regarding college ages but much more than their state average regarding the older population. So it just speaks to greater Nebraska being relatively older. All the age groups above 50 are above kind of this black line. So again, deaths are going to be going up in those areas and it's just a little bit more difficult to have population increase given that population structure. Okay? All right. By race, again, we are seeing a majority of our growth among minority race groups, especially Hispanic/Latino, which was the growth leader during the 2000s. White non-Hispanics barely increased. Okay? It was a small, about 5,000-person rise. But at least we exceeded Iowa and Kansas which had outright declines in white non-Hispanics over the 2000s decade. The new estimates put our state population at exactly 20 percent minority, so you can see the steady and consistent rise, basically a tripling since 1990 in the portion of the state that is either Hispanic/Latino or nonwhite. And as you're well aware, the minority population is relatively young. Here's the specific change. This is kind of a detailed map, but just on the highlight, again, here's the 2000s growth rate among Hispanic was at 77 percent, so far for this decade about 18 percent. You could double that to get a comparable decade rate again. So we'll be around 40 percent growth in Hispanic. And it's not that fewer people are...the growth is less than number of persons. It's just as the base becomes larger and larger, it's harder to have as large of a percentage change. So we do see that rate of growth slowing a little bit, but the number of persons will be comparable. The growth leader right now so far is Asian population growth, and we do see...you'll see stories nationally about people from India or China now internationally coming into the U.S. exceeding the number coming in from Mexico, for example. So Nebraska is following in this nationwide trend of Asian growth being the leader so far this decade. Again, a much smaller population base, easier to have a high percent change.

SENATOR COOK: Uh-huh.

DAVID DROZD: All that said for growth within Hispanic/Latino and other minority racial groups, we are still 80 percent of the population being white non-Hispanic; Hispanic now over the 10 percent mark; black at about 5 percent. You can see the other races. So specifically

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looking at the pyramids for whites, again, we can see how the baby boom generation kind of dominates for Nebraska. That's the largest bars there in the crosshatch. And we do see the lowering of the number of kids. As family sizes continue to trend downward, that there's fewer kids at the bottom of the pyramid. Conversely, for the minority population groups, all groups combined, we see that true pyramid shape and, you know, especially in the worker years and then again leading to lots of children. So that leads us to the final slide which is just minority as a percent of total population by age group, again statewide now 20 percent. We have seen a lot of growth among children who are minority as a percentage of the state total. Back in the '90s this was only 7 percent, excuse me, 11 percent. That doubled to 22 percent in 2000, approached 30 percent in 2010, and now is exceeding 30 percent of all children under ten are minority, either nonwhite or Hispanic/Latino. So the gains, again, if you look at these other graphs from other time frames, have all seen an increase, all age groups. Even the elderly are becoming more nonwhite or Hispanic/Latino, but it's obviously predominated among this younger population group where we're really seeing the growth. So that concludes the slides from this presentation. Happy to answer any other questions.

SENATOR COOK: Senator Riepe has a question.

SENATOR RIEPE: Thank you, Senator Cook. The question I have goes a little bit. You talked about David City and also Valentine as being small towns, if you will, of 2,500 but with some gains. Were those gains of, in your opinion, are those new people moving into the area or is that consolidation of some of the smaller communities that are in that region? Do you have a feel for that?

DAVID DROZD: I think that usually where the improvement has been seen has been a function of improved migration, that the natural changes tended to be relatively steady and you do see more people, rather than staying in Lincoln and Omaha for work purposes after college, heading back to be involved, whether it's in agriculture or some other local business. So the migration has improved. We are continuing to see a general kind of spectrum of migration from small to large. So you will have--what's a good example--maybe people move from Rising City, a small community of 300, to David City, as a town of 2,500; people from David City go to Columbus; and people from Columbus go to Lincoln and Omaha; and Lincoln and Omaha go to Dallas,...

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SENATOR COOK: Chicago.

DAVID DROZD: ...yeah, you know, Kansas City.

SENATOR CAMPBELL: Denver.

DAVID DROZD: It's a whole spectrum that we see from small to large. So the smallest towns are struggling from the standpoint that, you know, they don't have a lot of businesses to work at unless you want to be an entrepreneur. You know, there's not as many opportunities for just a standard worker for a company, you know, whereas you might have that in David City or obviously in Columbus. You know, so that's, while people might commute, especially when the gas prices kicked high, that commute was less and some people did move so they didn't have to commute and face those costs. So I don't know if that answered your question real well but...

SENATOR RIEPE: Yeah. I was just...you deal with it all the time. I was just interested in your observation or what your thoughts on it were. So thank you very much.

DAVID DROZD: Yeah.

SENATOR COOK: Senator Campbell.

SENATOR CAMPBELL: Thank you, Senator Cook. When you look at this in terms of the aging baby boomers, and maybe that's in the first pyramid or whatever, and then as Senator McCollister pointed out, the graph that's after that, you're going to lose a lot of people who are going to go to a retirement age and are not generating the kind of taxable revenue, (laughter) let's put it that way, that we might like to see. So what does that say? I mean are we taking a look at that basis in the state, Doctor?

DAVID DROZD: The changes are obviously going to have impacts and that is one you know. And one of the concerns that we would have is not only would people be moving into a retirement state where they might not be generating as much income that's taxable and things of that nature, but we also are worried that they might move out of state altogether whereby we lose

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the sales tax that they'd be spending and putting some pressure on property values and property taxes and etcetera. So people are our greatest resource, so anything we can do from a policy perspective to keep them is beneficial. Getting to your specific point of looking at retirement and its impacts upon dollars and things of that nature, it can all be studied and analyzed. And that's where our friends from the Revenue Department would definitely be able to provide more insight for how many people are at certain levels on their returns and given the age structure and whatnot. But that's one of the implications of this, that people will be hitting retirement. On the flip side, we are going to have a lot of people entering the work force as well. Our overall work force continues to grow. I think the press release was that it finally hit right at a million in the last couple months for the first time. So we do tend to see more people coming into the labor force than leaving it, but that will be under pressure going forward. So it will probably be flat at best.

SENATOR COOK: Senator Schumacher. Oh, do you have a follow-up question, Senator Campbell?

SENATOR CAMPBELL: Yes.

SENATOR COOK: And then Senator Schumacher.

SENATOR CAMPBELL: I just wanted to say on page 12 of our handout, that bottom graph, that's the one that Senator McCollister and I were looking at.

DAVID DROZD: This one here.

SENATOR CAMPBELL: Yes. When you don't...when you begin looking at the ages of who will move into that revenue producing, this one, as Senator McCollister said, may be your scariest slide for us today.

DAVID DROZD: Well, and I know that both Jerry and I presented other slides that look projecting the population and our 18- to 64-year-old population is the one that's going to be pinched, kind of that working population, where they're going to be supporting both seniors and their kids. There's not a lot of growth in that 18 to 64 demographic, as you have the boomers

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aging out of it and about the same number of people coming into it. So we see a lot of growth in elderly, some growth in kids, and it's that middle group that's pinched or will be asked to shoulder a lot of the...I don't know if "burden" is the right word but, you know, the responsibility to keep those receipts and jobs and all our productivity up going forward.

SENATOR COOK: Uh-huh. Thank you.

SENATOR RIEPE: Also a national issue.

DAVID DROZD: Definitely. I mean we don't escape it and it's not...our challenges aren't unique to other states, especially in the Midwest, you know. But at least so far we have been able to achieve population growth levels that are over that of both Iowa and Kansas, our best comparison states.

SENATOR COOK: Senator Schumacher, you had a question?

SENATOR SCHUMACHER: And to the extent that baby boomer category, as it ceases to pull the wagon and wants to ride in the wagon, has limited savings/resources and a good chunk of that, it seems that the proportional burden of that sector on the younger generations is going to be considerably greater than the present burden or the burden of the war generation that was on the bottom side of that pyramid.

DAVID DROZD: You know, if you are up on the news, you see these studies come out all the time about X percent of baby boomers don't have \$10,000 saved or, we'll have a different level, \$50,000 or whatnot. And it is, you know, spooky to a degree that, you know, obviously we'll have Social Security benefits to draw from but perhaps not a lot of retirement or other streams of income. So that will again put more impetus on that younger generation to try to save for their own retirement while at the same time trying to pay off their student loans or other credit card debt and such. So the...you know, there are going to be some bumpy spots in the road for moving forward and making sure everybody is in a situation to make ends meet.

SENATOR COOK: Yes.

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SENATOR SCHUMACHER: And then to the extent the agricultural...the rural sector, the farming sector is getting more and more land in fewer and fewer hands, what does that...and that burden for the...who haven't been able to save or who haven't saved is going to go up. What does that tell us about how we should structure our tax policy, vis-a-vis the concentration of land wealth versus the need?

DAVID DROZD: Well, that's another thing that's going to, at some point, start to cycle over as we have either among the...you know, the property is held in a lot of times by the older generation, those who worked and been able to pay off and acquire that land and property. So you know that's going to be in some baby boomer hands and whatnot. And how are they going to transition that either to the next generation or are they going to decide to keep it and rent out property and keep that income stream? So you know, there are again challenges that are faced in that transition planning. I think that is one, whether it's a small business, a larger business, or all these managers at a large company like Union Pacific or ConAgra or whatnot. You know, as people retire, they have to have the people there that have those skills that can replace them and that transition planning is just going to continue to be a big issue going forward. As far as how to structure tax policy, I think that's you guys' realm.

SENATOR COOK: It is.

SENATOR SCHUMACHER: But in an agricultural setting, it's a rare occasion where land comes up for sale and a smaller owner buys it that has it. It's the bigger owner.

DAVID DROZD: Right.

SENATOR SCHUMACHER: So is the fewer getting fewer and the bigger getting bigger as far as property acquisition (inaudible)?

DAVID DROZD: And that, as we saw land prices rise, you know, when commodity prices were high, it was usually those established farmers who were able to afford and acquire any property that didn't come up for sale, whereas your smaller producer, young farmer who might not have the credit history or the assets to put up as collateral, are kind of squeezed out. So I don't know

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what can be done about that on a policy perspective, per se, but you know it's possible that as some of the farmers begin to retire that there might be some more land come up for sale if they, you know, decide to transition it. On the other hand, a lot of people don't like to pay the capital gains or other type of taxes from such sales, so they keep in the family and it transfers through estates and such. So, yeah, it's a very complicated issue.

SENATOR SCHUMACHER: Okay. Now do you have any way of telling from your data when it transfers from...through estates and it's kept, quote, in the family, how much of the rent revenue and the fruit of that land is then transferred out of state in rents?

DAVID DROZD: Well, I know that like...my degree is in ag economics and I know the department had some reports that would specifically look at transfer of land and who owned the property, what percent was out-of-state landowners and things of that nature. Dr. Bruce Johnson compiled those reports for a number of years. He's now retired. And I'm not exactly sure but I assume that somebody has filled those shoes and has continued to compile such reports. So that would be where I would go to access those types of numbers, would be from what UNL does on their land in research for property.

SENATOR SCHUMACHER: Thank you.

SENATOR COOK: Thank you, Senator Schumacher. Senator Campbell.

SENATOR CAMPBELL: Yes. I thought what was interesting at the last meeting was, and I can't remember which of the topics, but Senator Schilz leaned over to me and said, I just want you to know, I'm considered a young farmer.

SENATOR COOK: Yes.

SENATOR CAMPBELL: Which goes to Senator Schumacher's point. It would be interesting to see where those aging baby boomers are, because my guess is that when you start looking at the pyramids a lot of our ag sector is in that very top, not in the baby boomer generation.

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DAVID DROZD: Right. And I mean if we were to have that same pyramid for more rural territory rather than Nebraska as a group, you would definitely see more concentration among older and less among this millennial generation who's, you know, moved out. They might return but you know usually as people move away they either meet a spouse or get a job somewhere and then they don't make it back to their hometown. So again, yeah, we do have data, different ways to compile this and look specifically at those regions, and they are definitely older and more the leading edge baby boomer is on that...in those counties.

SENATOR COOK: I have a question.

DAVID DROZD: Go ahead.

SENATOR COOK: It seems like many of the population trends, particularly with one-third, almost one-third of the population that's younger than ten being from families that have immigrated to Nebraska for various and sundry reasons, is there any way to overlay an analysis of the level of education of those children's parents or even just for the mothers...

DAVID DROZD: Yes, I mean we...

SENATOR COOK: ...because I feel like that has (inaudible).

DAVID DROZD: ...we have done some work, something that we'll probably show at our annual conference. But I know I have another one scheduled for, you know, the Nebraska State Chamber that we're speaking at. And if you look specifically at Hispanic/Latino for high school graduation rates, for people in their early 40s, that's only about 40 percent have a high school degree. But for their kids who are in their, you know, late teens, early 20s, it's now 80 percent, so double.

SENATOR COOK: Good.

DAVID DROZD: So we're seeing...and if you look at the graph, it's a rise as you go to those younger age groups that there's more and more educational attainment for the younger generation versus their parents. So we actually now have more Hispanic/Latino in the state who

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are...who have been born in the state than who are born elsewhere. So that is something we're kind of...I don't know what you want to call it, second generation or homegrown Nebraskans who have a little bit different characteristics than their parents who would have immigrated. And I know at our annual conference we're going to have one of our staffers who grew up in South America talk about some of the differences between the generational...generations within minority population. So that will be interesting.

SENATOR COOK: Yes, very interesting.

DAVID DROZD: Yeah. So we could...that's the thing about all this stuff here. We could provide a lot of things. So make sure you contact Jerry or myself whenever you have a question and we'll get you the slides. That's one I can remember so I'll just go ahead and send it to you when I get back to the office.

SENATOR COOK: Good.

DAVID DROZD: It's interesting to see.

SENATOR COOK: Thank you. Any other questions for Dr. Drozd?

DAVID DROZD: Well, thanks so much. And again,...

SENATOR COOK: Thank you very much.

DAVID DROZD: ...feel free to contact us anytime.

SENATOR COOK: All right. Moving on to the point 5 on the agenda, have any subcommittees had opportunities to meet or have a phone call? Senator Schumacher?

SENATOR SCHUMACHER: No, we haven't...

SENATOR COOK: No.

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SENATOR SCHUMACHER: ...since the last meeting, no.

SENATOR COOK: Senator Krist or Senator Schilz. I'm going to challenge myself and the rest of the committee members to at least come up with one question related to our subcommittee topic that we could potentially convene--it seems the last couple of meetings we have finished up the presentations early--to just have a conversation, even if it's a 20-minute phone call among the members, as many members as can make it, so that we can really build upon what we've learned as a committee. Let's challenge ourselves between now and the August meeting to identify a question and even potentially a teleconference date and time, so. Yes, Mr. Deichert.

JERRY DEICHERT: May I? The other thing is every...we do have the policy brief set for next time but we don't have some kind of a data question.

SENATOR COOK: Right.

JERRY DEICHERT: So if there was a data question like we did with the population change or last time I forgot what we did for the data question. But if there was some topic that you wanted some more information on, you can let us know within a week or so, so we can make sure we have something like that to come up that would be pertinent to a specific kind of a data issue, that we could come up with some answers.

SENATOR COOK: So maybe we'll move that up. If you've got a question from among the areas of your subcommittees within the week, then we could forward that to Mr. Deichert and the other scholars and use that part of our August meeting, kind of a quasi-subcommittee meeting. Does that seem like a good idea from...I'm seeing head nodding. All right. Yes, Senator McCollister.

SENATOR MCCOLLISTER: Thank you for inviting me to your...

SENATOR COOK: Of course.

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SENATOR McCOLLISTER: ...esteemed table and for this discussion. Following up on Senator Schumacher's question about alternative ways to transport people, I would contend that perhaps in Douglas County we have some ability to consolidate some of the transportation services that we already provide. For example, MOBY is with the Metro Area Transit, Metro Area Transit itself. Douglas County has a transportation system. All the school systems have bus systems.

SENATOR COOK: Uh-huh.

SENATOR McCOLLISTER: But you also add perhaps Uber and Lyft. You know, maybe some of...maybe there are alternative ways that we could provide transportation services in big urban areas that aren't nearly as expensive as we have now. I offer that as a...and challenge perhaps Senator Schumacher to follow up on his rather profound point.

SENATOR COOK: Yes. Always profound. And thank you. Senator Mello.

SENATOR MELLO: So, Jerry, are you looking...you're looking for next month. You don't have a data report similar to what Dr. Drozd did?

JERRY DEICHERT: We don't have one. We don't have one on the agenda yet. (Inaudible)

SENATOR MELLO: Have we done one on housing recently in the last couple of years? Only reason I mention that is I know the Governor's (inaudible) housing is becoming much more significant issue in rural Nebraska, and I would make an argument for (inaudible).

JERRY DEICHERT: We do have policy choices coming...or a policy brief coming up on that. But one of the things that we could do on the data, because one of the things that as I've been talking I've noticed is that when you look at the value of owner-occupied housing units in rural Nebraska, it's like \$50,000. So when you're talking about property tax revenues, and if that's what your base is going to be on, our relatively low-valued housing, I mean there's been a lot of pressure on ag land to cover that because the housing just doesn't have the same as in Omaha where it's \$150,000. And that difference in the assessed value or the property value of owner-

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occupied housing is a big difference. So if you want something on housing, we can just a descriptive of what housing looks like and some of those, that would be something we could do.

SENATOR COOK: I like that idea. Senator McCollister.

SENATOR McCOLLISTER: The issue of the so-called shrinking middle class is something that's been in the news a great deal lately. Can you think of any kinds of studies that would demonstrate whether or not that phenomena is occurring in Nebraska or to a lesser or greater extent than around the country?

JERRY DEICHERT: Yeah. That's difficult to do when (inaudible) just point-in-time kind of surveys. And so you don't follow the same person through so you can look at. I can see if there's something. I just don't know of anything. What would be, you know, what would be an interesting part I think is to look at the Department of Revenue has statistics of income that they get from the federal tax returns, where they could look and see by different...

SENATOR MELLO: AGIs?

JERRY DEICHERT: Yeah, AGIs how those have changed over historically. And I don't know if they track it or not. That would be something where you can really do a little bit more. But, yeah, I just, at the top of my head, I haven't looked to see how that would be feasible in Nebraska given the data that we have.

SENATOR McCOLLISTER: Thank you.

SENATOR COOK: Senator Riepe, is your pen just sort of balancing there or did you have a question?

SENATOR RIEPE: No, I did not.

SENATOR COOK: All right.

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SENATOR RIEPE: Thank you, though.

SENATOR COOK: Senator Schumacher has a question though.

SENATOR SCHUMACHER: Yeah. Give me an opportunity, I'll dream up something. One of the things that we don't seem to have a good handle on and I would guess it would be very difficult to come up with the data on, we can look at the population moving in and out and these kind of things, but one of the factors of a healthy economy is not only the educated population base and the know-how but capital flows. How does money come into the state; how does money leave the state? What is our balance of trade? Where are our greatest leaks out of state at? And is there anything we could do to bring revenue into the state? I've never seen, and maybe I just haven't been looking in the right spot, an analysis of capital flows. We know a lot comes in from grain, but where does that go? Where does it ultimately get invested in? Is it plowed back into farmland that is then half...at a sale, half of which leaves the state to the out-of-state heirs? Does it get invested in the pension plans or gets sent back to Wall Street to invest someplace? How does our money flow? Because our population isn't going to change dramatically, but we can change how our money flows. And I just don't know where you get that kind of a good feel for how the money moves in the system and how we can plan around that.

JERRY DEICHERT: Yeah, and I don't know. I don't know if some of those income tax reports that Department of Revenue get, if there would be something in there. But I don't...I just can't think of anything like that.

JOHN BARTLE: Jerry, maybe the GDP accounting.

JERRY DEICHERT: Yeah, the gross state product accounting, they show on a net basis how much income comes in, but I don't know that it shows what state it comes from. But I mean there's some of that net information so you can see where we get information. The other thing is, and I will talk to a colleague, there's some software that people use for doing economic impact analysis to create multipliers, and they usually have where in-flows and out-flows go. And so I can have them see if there's enough information in there that would have an idea as to how that would work. So I might...you know, I will talk to them and see if he might want to...is available

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to come to a meeting sometime that talks about those in-flows and out-flows using that...the...it's...that on the software that's used to do multipliers.

SENATOR COOK: Okay. Senator McCollister.

SENATOR McCOLLISTER: Senator Cook, thank you. Who is that person that does those multiplier effects?

JERRY DEICHERT: Well, the one person that I work with, his name is Chris Decker, as he's in the Department of Economics at UNO.

SENATOR McCOLLISTER: Okay. All right. Thank you.

JERRY DEICHERT: And he has the...it's called an IMPLAN input-output model, and so it might be able to disaggregate and look at things that way. I just don't know.

SENATOR McCOLLISTER: Can you give me his contact information?

JERRY DEICHERT: I will give you his contact information, yes.

SENATOR COOK: All right. Any more questions for Mr. Deichert or Dr. Drozd? Seeing none, we...what's our next meeting date, Christina? August 19. That's just two days after the data conference. But as we've discussed, there were some thoughts emerging about additional questions that might fit among the categories of our subcommittees and if you could forward that information by e-mail message to my office--like I have a question about education policy, do we have data on this--within the next week or so then we can forward that to UNO and use that as part of our time on August 19. So seeing no further questions, I will seek a motion to adjourn.

SENATOR MELLO: So moved.

SENATOR COOK: Senator Mello.

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SENATOR RIEPE: Second.

SENATOR COOK: Senator Riepe seconds. All in favor, aye. Thanks for coming. Enjoy the weekend.