

## 2023 Planning Committee Report

Sen. Wendy DeBoer, Chairperson

Sen. Tony Vargas, Vice-Chairperson

Sen. John Arch

Sen. Eliot Bostar

Sen. Tom Briese

Sen. John Cavanaugh

Sen. Robert Clements

Sen. Rick Holdcroft

Sen. Teresa Ibach

## Executive Summary

Over the 2023 interim the Planning Committee has held monthly meetings. Each meeting centered around topics the legislative body deemed a priority through a survey that was conducted in early March by Chair Senator DeBoer. These meetings were organized in part with The University of Nebraska at Omaha's Center for Public Affairs Research, working directly with Dr. Josie Schafer through the interim.

In the first meeting, Dr. Schafer highlighted that state population growth 2010-2020 was strong at 7.4%; however, population growth was concentrated in metropolitan counties of the state and 69, largely rural, counties lost population. The analysis demonstrates that most of the growth in the metro areas is due to Nebraskans moving from rural counties into metropolitan areas and then having families. The main reason people moved away from rural counties was **job availability**.

More people in Nebraska work in low wage jobs than work in high wage jobs. Senators noted the importance of increasing the number of 3-H, high wage, high skill, high demand, jobs in the state.

## Housing

In August Shannon Harner, Executive Director of the Nebraska Investment Finance Authority (NIFA), gave a presentation that largely drew from Nebraska's 2022 Strategic Housing Framework. NIFA suggests the state is at an inflection point due to a lack of available, diverse, affordable, and attainable housing. **The number one reason people left the state of Nebraska entirely was due to housing.** Numerous ideas to increase the supply of housing that Nebraskans wanted were discussed, including:

- Helping new developers in rural areas who build homes without comparables in the area
- Supporting statewide planning and zoning regulations to make it easier to build homes
- Down payment assistance for home buyers,
- Incentives for senior housing
- Rehabilitation of homes to ensure Nebraskan can age in place, and support for existing programs such as the Rural workforce housing Initiative, and growing the construction and trades workforce throughout the state.

## Childcare

The Planning Committee met in September to focus on the demand for early childhood care in Nebraska. The committee received presentations from Dr. Josh Shirk with Voices for Children, and Dr. Katie Bass with First Five. Voices for Children's presentation focused on Nebraska demographics relevant to early childhood education. Nebraska has about 130,000 children under five years old, many of these children live in homes with both parents in the labor force as

Nebraska has one of the highest rates for that in the country. Dr. Katie Bass with First Five focused on the availability, access, and quality of childcare throughout the state.

First Five found that about 112,410 children have a potential need for childcare, yet, currently, there are only about 92,780 available childcare spots, resulting in about 20,740 children without access to care - an 18.5% gap. Moreover, Nebraska has seen a decrease in licensed childcare providers as well as in home-based childcare. There are also concerns about the ability to staff many of the existing childcare centers. There are 11% fewer childcare workers in 2022 compared to 2018, despite increasing demand for these workers.

Areas for possible legislative interventions, include:

- The creation of a sustainable **public or public/private funding** stream for early care and education in Nebraska that provides grants to early care and education providers to support expansion of childcare capacity.
- Improved **incentives to recruit and retain** a quality childcare workforce.
- Address the **affordability of childcare** for families. An example of this would be New Mexico wherein families up to 400% FPL can have a portion of their child care subsidized through a combination of the federal child care subsidy and state funds.

## **Water Quality**

The Planning Committee met in October to focus on water quality in the state. Dr. Daniel Snow with the Nebraska Water Center and Dr. Jesse Bell with University of Nebraska Medical Center presented to the committee. Dr. Snow's presentation focused on Nebraska's drinking water. Nebraska has an abundance of groundwater; however, this groundwater is vulnerable to contamination. The risk factors contributing to nitrate contamination, in particular, of groundwater in Nebraska are the sandy soils in the Platte River valley and the Elkhorn River Valley, high irrigation well density, and a shallow water table. The levels of groundwater and the rural nature of the state has led to high usage of wells for water supply in the state. There are roughly 150,000 domestic wells around the state and only 34,000 are registered. Public water supply is regulated by the USEPA under the Safe Drinking Water Act, this supply is subject to annual monitoring, but domestic wells are not required to test their water quality annually, even when registered. Research has found that 20% of domestic wells contain chemicals above the recommended health benchmarks. Of these chemicals, nitrates are often present at high levels, but this isn't the only contaminant. Dr. Snow and Bell suggested three policies to address these issues:

- 1) Promote **educational** programs to increase understanding of proper use/management of groundwater for drinking water supply in Nebraska and the health risks of not monitoring well water quality.
- 2) Support continued **development of geospatial Agrichemical Clearinghouse database** and expanding current monitoring of domestic wells.
- 3) **Review current regulatory programs and incentives** aimed at controlling nonpoint source pollution in Nebraska.

## BACKGROUND

### History

The Legislature created the Planning Committee as a special legislative committee in 2009 through the passage of LB 653, which was introduced by Senator John Harms of District 48. Senator Harms' Statement of Intent stated the following reasons and purposes for the bill:

LB 653 would create a planning committee within the Legislature. This special committee would be charged with collecting and analyzing data about Nebraska, including, but not limited to: demographics, workforce, education, wages, wealth, tax structure, revenue, natural resources, assets, challenges, trends, and growth and efficiency of government. The committee would also identify long-term issues significant to the state, set goals and benchmarks, issue a yearly report of their findings, and propose legislation. Long-range planning is important and this committee would help Nebraska keep a continuity in policy to achieve the long-term goals of the state.

LB 653 was referred to the Executive Board, which held a hearing on the bill on February 20, 2009. At the hearing, Senator Harms and Ron Withem with the University of Nebraska testified as proponents, with no opponents or neutral testimony. The Executive Board voted 7-0-0-2 to place the bill on General File with a committee amendment, AM 1071. The Legislature ultimately passed LB 653 on a 46-0-1-2 vote. Governor Dave Heineman signed the bill into law on May 13, 2009. The law itself has remained unchanged since its enactment.

## 2023 Planning Committee

The Planning Committee of the 108th Nebraska Legislature was made of the following:

Sen. Wendy DeBoer, Chairperson

Sen. Tony Vargas, Vice-Chairperson

Sen. John Arch

Sen. Eliot Bostar

Sen. Tom Briese- (with Senator Aguilar stepping in as acting Executive Board Chair.)

Sen. John Cavanaugh

Sen. Robert Clements

Sen. Rick Holdcroft

Sen. Teresa Ibach

March 7, 2023 Chairperson DeBoer emailed all Senators in the body a survey to determine which issues the Planning Committee should focus on. The top issues were Housing, Childcare, & Water. These issues were later discussed in issue specific meetings as described in this report.

During the November meeting of the Planning Committee, the Committee discussed legislative solutions to the areas they were most concerned about. Based on these conversations, the planning committee decided to focus on housing.

## Meetings

### **Demographics**

The Planning Committee held their first interim meeting on July 21st at the Capitol. During the opening of the meeting the committee went over the history and purpose of the Planning Committee, making note of the role the committee plays in examining subject areas that other standing committees don't, its goal to research issues areas that impact everyone's constituents over the long-term, and the importance of creating an overarching legislative response.

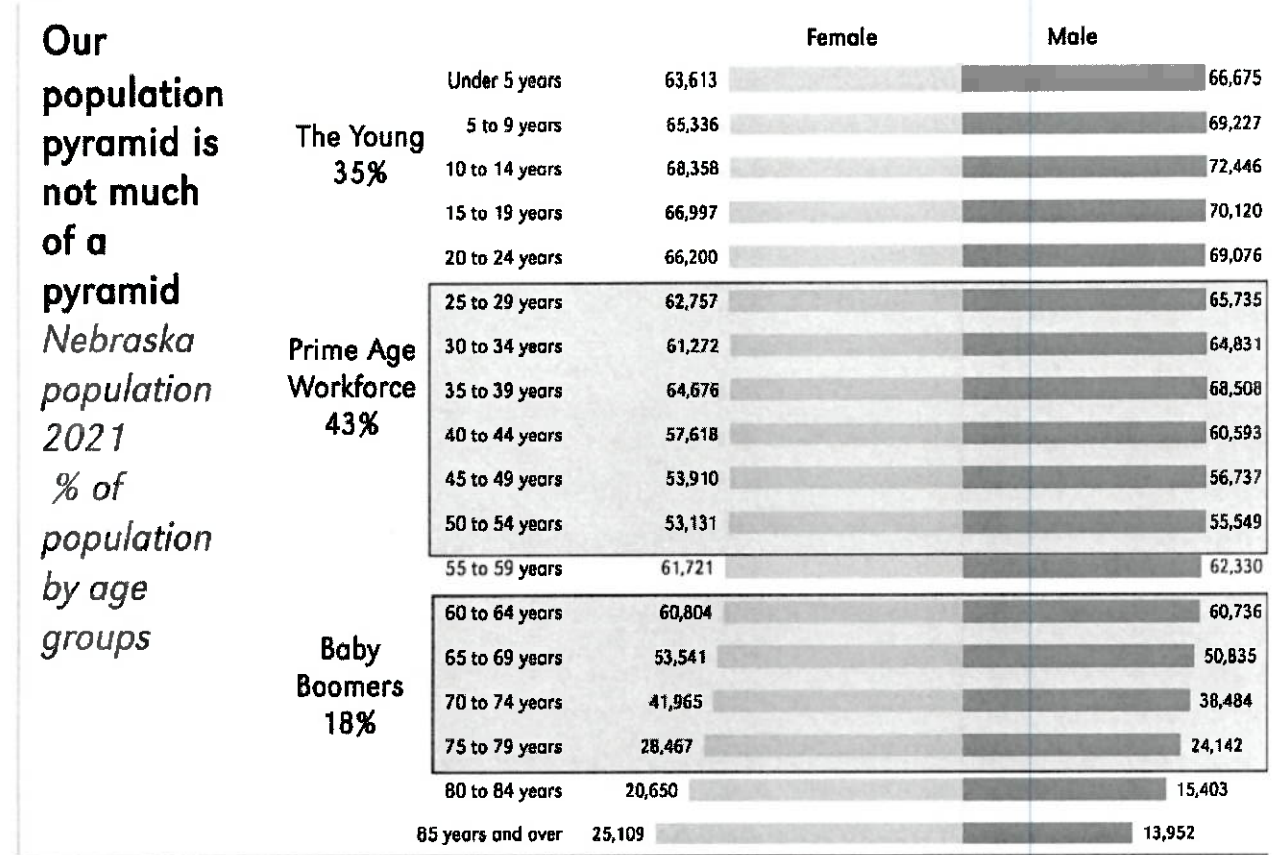
The committee created two subcommittees: Rural Futures and Urban Futures. Sen. Holdcroft and Sen. Ibach agreed to participate in the Rural Futures Subcommittee. Sen. DeBoer, Sen. John Cavanaugh, and Sen. Vargas agreed to participate in the Urban Futures Subcommittee. Those participating in the subcommittees were asked to meet once between the monthly Planning Committee meetings to discuss the implications of the subject area. These subcommittees were given the opportunity each monthly meeting to highlight solutions, concerns, or future questions for the whole committee.

Dr. Josie Schafer, who serves as the Director of the University of Nebraska at Omaha's Center for Public Affairs Research (CPAR), explained the history of the Planning Committee's partnership with CPAR. CPAR was engaged by this committee, at its inception, in part due to its relationship with the United States Census Bureau. They are considered the state's data center. This data can be used to examine a range of policy topics and areas of interest to the committee. CPAR receives around 100 census data requests annually and gives about 40 presentations on the demographics of Nebraska. CPAR also researches policy and creates policy evaluations for a range of state and local governments, including the committee. On their website, [cpar.unomaha.edu](http://cpar.unomaha.edu) they have demographics data available by county and by legislative district; if you are unable to find certain data there is an option to send a request for the purpose of further research.

### **Nebraska Demographics**

This first Planning Committee meeting focused on the demographics of Nebraska, including the workforce. The presentation started with a broad overview of state trends from 2010 through 2020. Over the last decade, state population growth was 7.4%; however, 69 counties lost population. In 1900, most of Nebraska's population lived in rural counties; today, most live in a county that is part of a metropolitan area. Metropolitan areas contain a city center of at least 50,000 and have several dense areas around the city center with strong commuter patterns into the city for a total population of 100,000. Out of all Nebraska counties, Sarpy County had the largest population growth in the previous decade. Metropolitan counties are growing from multiple factors. About 5,000 people per year leave non-metropolitan counties in Nebraska and

move to metropolitan counties. Once there, many will have families, further growing the population of metropolitan areas. Nebraska's rate of natural change (birth-deaths) is the 7<sup>th</sup> (close to 6<sup>th</sup>) highest rate of natural change in the country; there is more than one birth for every death in Nebraska. This means our state is growing from within and our state is aging slower than other states. However, the rate of natural change is lower than historical periods. The figure below shows how many people are in the age groups. Today, about 43% of those are in the prime age workforce (ages 25-54 years). The Baby Boomer generation makes up about 18% of our population.



The other source of growth for Nebraska, albeit small, is international migration. Net, about 4,000 people enter Nebraska from international locations every year. Overall, there are just about 140,000 foreign born persons in Nebraska or 7% of the state population. Growth from international locations stands in stark contrast to the net loss of Nebraska to other states every year. Every year about 45,000 people move into Nebraska but about 50,000 leave the state leaving a net loss of Nebraskans to other states consistently since 2010.

The group that is most likely to leave the state are those with a bachelor's degree or more, often referred to as "brain drain,". Dr. Schafer noted those with a high school degree or less are less

likely to leave the state. For those with some college or an associate degree, Nebraska has seen a net gain overall since 2010 but the numbers are lower in recent years. Additionally, those most likely to leave the state are in their prime workforce ages, 26-45, 54%; 71% are employed; and 61% earn wages from a private company. People who leave the state are most likely to be employed in the fields of health care (17%), management (7%), and education (7%). When Nebraskans move out of state, they move to most every state, but the largest number stay in the region, including Iowa, Kansas, and Colorado. These findings, triangulated with additional data collected on why people leave Nebraska, suggests that job opportunities are one leading reason for people to move.

A question from a Senator on migration trends led to a conversation about remote work. Dr. Schafer noted that the overall rate of fully remote work in Nebraska, compared to other states, was low. Very few people live in Nebraska but work in another state and vice versa. A full brief on the topic was prepared by the Center for Public Affairs and can be accessed by request.

### **Nebraska's Workforce**

Across a range of metrics, Nebraskans are especially hard working. Nebraska has one of the lowest unemployment rates and one of the highest labor force participation rates in the country. Nebraska places 3rd in the country for women's participation in the labor force. Notably, only 8% of women left the workforce after having children. Nebraska also places 2nd in the country for those with a bachelor's degree or more participating in the workforce. While these rates are critical to sustaining the country, they are also a challenge as it means there is not a large pool of available, not already employed, workers to fill open jobs, currently estimated by the Department of Labor to be over 40,000.

Examining the occupations of the Nebraska workforce, Dr. Schafer noted that more people work in traditionally "low wage" jobs than in traditionally "high wage" jobs. Examples of low wage occupations include food service and preparation and buildings and grounds cleaning and maintenance. High wage jobs include computers and mathematics and management, business, and finance. The current occupation mix in Nebraska creates challenges for economic growth. Higher wage earners consume, creating economic activity that is likely to increase demand. Thus wages for individuals in other sectors of the economy also go up. Currently, Nebraska ranks 28th in the nation for full time workers' median earnings. **Nebraska ranks first in the country for people who work year-round, full-time and are in poverty.**

Some policies for further examination, include:



- Scholarships for students to attend in-state universities, for example Georgia SB233, Promise Scholarship Act.
- Income-tax benefits for persons educated in the state that stay in occupations for some period of time.
- Support for entrepreneurs and other home-grown business incentives.


Placemaking activities, such as investments in broadband, education and housing are critical to ensure workers have a good quality of life in the state. Other possible solutions mentioned by committee members were to have more higher education opportunities available in rural counties and ensure internships to help set the economic networks of Nebraskans.

## Housing

The Planning Committee met for the second time on August 29th. The Rural Futures subcommittee discussed ways to incentivize rural construction projects, including smaller square footage single family housing, middle-income/workforce housing, “missing middle” starter homes and pre-assembled homes. The Urban Futures subcommittee focused their attention on the lack of starter homes in Omaha, noting that while that type of housing may exist, the pricing of these homes is not attainable for first-time buyers. The committee also focused on the density of current housing, suggesting zoning changes may allow for more density thereby reducing prices.

After the subcommittee reports, Shannon Harner with Nebraska Investment Finance Authority (NIFA) gave a presentation. The presentation centered on findings from the Nebraska 2022 Strategic Housing Framework. NIFA suggests the state is at “...an inflection point” due to a lack of available, diverse, affordable, and attainable housing. For the existing housing, the age, quality, and occupancy of the homes are the current concern. To follow up on this topic, Dr. Schafer and CPAR created an infographic on Availability and Quality of Housing in Nebraska, see here:

**Table 1 | The Reasons Nebraskans Cited for Moving in 2021 and 2022**



|   | FAMILY |       | JOB   |       | HOUSING |       | OTHER |       |
|---|--------|-------|-------|-------|---------|-------|-------|-------|
|   | 2021   | 2022  | 2021  | 2022  | 2021    | 2022  | 2021  | 2022  |
| Moved within county ~ 88,000                  | 21.8%  | 15.0% | 4.5%  | 3.0%  | 70.6%   | 71.0% | 3.1%  | 10.0% |
| Moved within state, different county ~ 52,000 | 41.7%  | 39.0% | 16.7% | 30.0% | 29.2%   | 19.0% | 12.4% | 12.0% |
| Moved between states ~ 32,000                 | 19.6%  | 18.0% | 34.7% | 12.0% | 17.6%   | 34.0% | 28.1% | 36.0% |

\*See details on reasons in Reference

Source: Current Population Survey, Bureau of Labor Statistics and U.S. Census Bureau, 2021 and 2022

Ms. Harner touched on the themes that have contributed to the current housing challenges in the state. Starting with the housing crash in 2006, there was a deficit in new housing units produced despite the population growing. To date, there are not enough construction companies and workers to keep up with the demand for new housing units that growing employment has created. There are also different challenges for different communities throughout the state. Communities with a low number of construction workers, which are those typically outside the metropolitan areas, struggle to find available, quality housing. Other groups most impacted by the housing crisis are households earning less than \$75,000 a year, including seniors who are on fixed incomes and need accessibility in their home.

- **While building new houses is a critical step there are numerous challenges that make the new construction of housing stall.** One challenge is the appraisal gap. For new housing to be sold, it must be appraised based on existing comparable homes, “comps.” However, particularly in rural Nebraska comps in the area may not have the same value as a new build. As a result, an appraisal gap may exist – the difference between fair market value and a bank’s appraisal. Developers are unlikely to develop if they can’t ensure they will receive a good rate for their efforts.
- Another challenge is the increased interest rates for financing a home which negatively impacts the margins for developers and increases costs for the purchaser.
- Land is also not readily available in Nebraska, and much of it is involved in agriculture which has a higher sale price than vacationland.
- There is also a lack of a construction workforce, especially in rural areas.
- Some of the housing stock also does not meet the needs of today’s buyers. Retirees are staying in their houses, limiting supply. Much of the housing stock is dilapidated and/or vacant requiring rehabilitation before it can be sold.
- Some solutions for a housing shortage could be to allow for greater density and infill within cities. By increasing density, developers decrease the property size and thus the cost of material leading to less expensive homes for sale. Statewide zoning rules could help to lower costs to developers as well.
- Financial support to developers and buyers can also help, for instance, down payment assistance, reducing monthly costs in relation to utilities or insurance, incentivizing senior housing, and investing in rehabilitation funding. Pillar 4 of the statewide strategic housing plan is to grow the construction workforce. One specific program mentioned was a prisoner re-entry program. Inmates in the last six months of their sentence participate in a program to learn how to build houses.

The Rural Futures subcommittee met with NIFA following the August committee meeting to look at how appraisals of new homes could be changed to encourage moving into new developments. Urban Futures discussed how developers are being taxed. Currently developers are being taxed at a rate that doesn’t encourage affordable housing to be built. Due to lending and interest rates, developers can’t afford to build homes that would aid in resolving the state’s housing concerns. Lancaster County has been taxing developers at the market rate which has been harming the ability to make new affordable developments. An abatement or pause would

possibly work, in the past this has been done with lower income family housing and the Homestead exemption.

Following the September committee meeting, Senator Holdcroft reported going on a tour to the Omaha Municipal Land Bank which was established under the Omaha City Council. Currently, the Omaha Municipal Land Bank has a bank of 300 properties in Douglas County. The Land Bank is in the process of creating interest for developers to build housing. Most of the properties in the bank will be for single family housing. The biggest barrier the Land Bank is facing in completing their goals is funding. To get the properties to a place where developers would be willing to come in and start working would cost \$50,000.

## **Childcare**

The Planning Committee met again on September 29th for a meeting on childcare. Josh Shirk from Voices of Children and Katie Bass from First Five presented to the committee. Voices for Children provides the Kids Count report each year to see how child-focused systems in Nebraska have been operating during that year; this report explores how effectively these systems are preparing children to learn and develop. Currently, Nebraska has about 130,000 children under the age of five. There are 485,910 children under the age of 18 in Nebraska. Big urban counties account for 56% of this population. In 2021, 24,609 babies were born in Nebraska, with 36 infant deaths that year- the highest mortality rate is found among the Native American population in Nebraska. Of all children in Nebraska, 94% had health care coverage which was mostly provided through parental employment or public programs.

Dr. Shirk discussed the demographics of Nebraska households in relation to children. 71.5% of children live in housing with married adults, 8.2% of children live in cohabiting households, 1,698 children live in group quarters, and 3,848 children live in non-family households. Nebraska has a child poverty rate of 12.1%; for children under the age of five the rate is 14%. In 2022, the Census Bureau released data from the first part of 2022 and the poverty markers are trending up for children under six and people over 65. For the whole country income is down, but in Nebraska specifically it is trending even lower than the national average. The median income is \$85,000 on average, for married households the income is \$105,000, single income for men is around \$51,000, and for women is \$33,550.

As for demographics around Early Childhood Education, public preschool enrollment rates are declining for the first time this century. Enrollment rates bounced back up in 2021/22, but the rates are still trending below 2019/2020 numbers.

Labor force participation is high for the state of Nebraska at 72.7% and high among households with children in the family. This fact increases the demand for childcare, discussed next.

Following the presentation by Voices of Children, Katie Bass presented for First Five on childcare in Nebraska with a focus on availability, access, and quality. Currently, there are 112,410 children in Nebraska who have the potential need for care. In the states there is a supply of 92,780 childcare slots, resulting in 20,740 children who don't have access to care; an 18.5% gap of potential need. There are direct economic consequences from the lack of availability of childcare openings. There was a \$489 million direct loss of parent income due to lack of childcare, businesses felt a \$234 million direct loss in productivity, and there was a \$21 million direct loss in tax revenue.

Changes in licensed childcare providers from 2020-2023 show that many are going out of business or choosing not to remain in operation. As for family child care homes since 2020-2023, Nebraska is seeing a significant drop. Family-run home childcare centers have decreased to 689 centers from 817, 2020-2023. How these centers are regulated may be a contributing factor, however, many centers are run by a population eager to retire. In addition to the number of centers decreasing, so are the number of childcare workers. In 2018 there were 9.3 childcare workers per 1,000 in population and in 2022 there are 8.3 child care workers per 1,000. There are 11% fewer child care workers today compared to 2018. Nebraska is starting to see an increase in childcare workers, but we have not met pre-2020 numbers. One contributing factor for those leaving childcare work could be tied to the wages. Childcare workers make substantially less compared to the average rate of other Nebraska occupations. In 2022, there was a \$2 jump in wages, but from 2018-2021 there was barely any change in wages. Due to COVID-19 there were grants that applied directly to childcare wages, but it cannot be said that the grant was spent only on wages.

There is also a high turnover rate for childcare workers. Currently, the turnover rate is higher than corrections workers. The primary reason people are leaving childcare jobs is due to wages, many stating that if they got at least \$3,000 more per year they would stay as a childcare educator. While increasing wages for workers is important, if the cost is passed on the families by raising tuition costs, issues may be exacerbated.

The committee discussed Senator DeBoer's Legislative Resolution 151 on Childcare Cost Models.

The Committee Discussed:

- The need to address the affordability of childcare for families. An example of this would be New Mexico wherein families up to 400% FPL can have a portion of their child care subsidized through a combination of the federal child care subsidy and state funds. However, this cannot be done without properly addressing child care subsidy reimbursement rates. Currently, there is a disincentive for providers to accept the subsidy because Nebraska determines reimbursement rates on a market rate survey, which does

not adequately account for the true costs of providing quality child care. *Senator DeBoer is working on legislation that would allow assessments of both market conditions and the true cost of care to inform subsidy reimbursement rates.* This is a critical foundational step that must occur prior to changes to subsidy that would substantially increase the number of families eligible.

Additionally, the committee discussed how it doesn't cost rural providers less to provide childcare, but they are being reimbursed by the state at a lower rate compared to urban providers. In comparison between rural and urban providers taking into account rent, wages, operational costs; the overall cost for rural and urban amounts is relatively the same. Communities For Kids (C4K) is a current program that focuses on rural communities to help childcare providers find staff and help with the cost of opening a center. For rural providers there is an access and affordability concern. For urban providers there is an access concern specifically for infant age children, and affordability is still a concern as well.

The discussion turned to the qualifications required of childcare workers, in particular to background checks.

Another topic was how to encourage people to stay in the profession

- One option is to provide subsidized child care to childcare employees through the federal child care subsidy program. Kentucky recently amended their child care subsidy administrative regulations to disregard all income for employees of licensed childcare when applying for child care subsidy. *The Committee understands that Senator Fredrickson is currently working on legislation that would mirror this change.*
- Other recommendations could include a sustainable public or public/private funding stream for early care and education in Nebraska that provides grants to early care and education providers to support expansion of childcare capacity. Because of the labor-intensive nature of childcare employment, the grant fund uses should include workforce supports as well as capital improvements, with an emphasis on expansion of the 0-3 childcare slots.

The committee discussed:

- private-public partnership between employers and their workers' children, such as having childcare in their place of employment. This was understood to be a limited solution, but one worthy of further examination.

## **Water Quality**

For the final informational meeting of the interim, the Planning Committee met on October 25th for a presentation on water quality in the state. Dr. Daniel Snow from the Nebraska Water Center and Dr. Jesse Bell from the University of Nebraska Medical Center were invited to present to the committee.

After the report, Dr. Daniel Snow from the University of Nebraska-Lincoln, Nebraska Water Center presented to the committee on Nebraska's water history. Nebraska has and uses a great deal of groundwater – 51% of groundwater is used for irrigation, 13% goes to livestock, 8% is kept for monitoring, 18% is used for domestic, private water supply, 1% goes to the public water supply, and 1% goes for commercial uses. The Southeast part of the state utilizes most of the groundwater, this area also has the highest levels of nitrates contamination. Unfortunately, Nebraska has a vulnerability to contamination, particularly from nitrates. Some risk factors that make areas of Nebraska more susceptible to contamination from nitrates and other chemicals are the sandy soils in the Platte River Valley and the Elkhorn River Valley, a shallow water table where some areas only have 3-5 feet of ground before reaching the groundwater and a high density of private wells for supply water.

Until the late 1900's Nebraska had no regulations for well installation and registration. In 1988, Nebraska Title 178 on Well Standards became effective, and in 1993 the Domestic and Livestock Well Registration started. **Registration does not mean regulation** and at this time registration only **suggests** testing and provides some educational resources. While the true number of wells is unknown, the UNL Nebraska Water Center estimates there are 150,000 domestic wells with only 34,000 registered. Dr. Snow noted that many people don't even realize they can test their well water for contaminants.

The public water supply quality is regulated by the USEPA under the Safe Drinking Water Act. Public supply is subject to annual monitoring and treatment as required. Currently about 20% of the public water supply is required to comply with regulations through quarterly sampling and/or treatment for contaminants in the water. The Safe Drinking Water Act regulates multiple contaminants: 16 inorganic, 55 organic, 4 radioactive, 7 microbiological, 7 disinfectants and disinfection byproducts. **Nitrates aren't the only contaminant found in Nebraska water**, there is a strong correlation between nitrate radon, strontium, arsenic, manganese, uranium, boron, and fluoride.

In closing Dr. Snow suggested the need to:

- **Promote educational programs** aimed at improving understanding of proper use/management of groundwater for the drinking water supply in Nebraska – both domestic wells and public water systems.
- **Support continued development of geospatial Agrichemical Clearinghouse database** and expanding current monitoring of domestic wells.
- **Review current regulatory programs and incentives** aimed at controlling nonpoint source pollution in Nebraska.
- Overall, Nebraska needs to **reduce misperceptions** about the state's groundwater and promote its value.

Following the presentation by the Nebraska Water Center, Dr. Jesse Bell with UNMC presented on the health impacts of water quality in Nebraska. Dr. Bell opened with information on nitrates.

Most frequently, nitrates come from nitrogen fertilizers, animal waste, and human waste. Areas with the greatest exposure to nitrates are found in agricultural areas often correlated with use of private wells. Nebraska has one of the highest rates for pediatric cancer ranking 5th in the United States, with some Nebraska counties reporting even higher rates of pediatric cancer. Nebraska counties with elevated atrazine or nitrate levels reported more childhood cancers than counties with lower levels of these chemicals.

Even beyond the obvious tragic human costs, there are many unexpected costs for families experiencing pediatric cancer. Many families have to move for treatment with the closest center in Omaha, or out of the state. Many families experience a financial burden through loss of a job to be a caretaker. There are also higher rates of bankruptcy, people are twice as likely to go bankrupt if they have a nuclear family member with cancer. A Wisconsin study showed that on average medical expenditures for cancer treatments cost \$250,000 to \$1.5 billion and there is a \$1.3 billion to \$6.5 billion loss in productivity.

Preterm birth and “baby blue syndrome” have also been tied to nitrates.

For example,

- A 1996 CDC study showed a cluster of miscarriages in rural Indiana at the time private wells were reporting 19-26 mg/L of nitrates in the water.
- A California study found an increased risk of preterm births with the drinking water reporting 5-10 mg/L of nitrates.
- A study showed elevated methemoglobin cord blood with exposure to nitrates during the pregnancy.
- Central Nervous System malformations have also been found, 5 out of 6 studies found positive association with nitrates as the cause; 4 of those studies had concentrations of less than 10 mg/L of nitrates.

Some adult health issues included increased heart rate, nausea, headaches, and abdominal cramps and cancers such as colorectal, thyroid, kidney, bladder, and non-Hodgkin lymphoma. Nitrates have also been found to contribute to Alzheimer’s and diabetes. Children’s health is affected by nitrates through their link to pediatric brain cancers, non-Hodgkin lymphoma.

Dr. Bell **recommended more research** to better identify the connections between water quality and health, including,

- collaboration with the agricultural community to identify and address issues,
- identifying high risk areas and populations to provide early intervention, education about treatments and testing of domestic well water .

The committee discussed a possible solution of an informational campaign on the current state of Nebraska’s water. Quality in the states, including rural health care providers passing along

information on how to resolve water quality issues, as well as teaching children in school about well testing and water quality. Currently, there is a program, "Know Your Well," that teaches middle and high school aged children how to test water quality in wells.



## **Policies Related to Planning Committee Topics in other states:**

- Colorado HB 1304 - State grants for local communities to invest in housing
- Washington S5287 - Financial incentives to developers to build affordable housing
- Michigan SB 145 - First time home buyers savings accounts
- District of Columbia B714 - \$2,000 income tax credits to educators, emergency responders and government employees who are first time home buyers.
- Kansas HB2187 - First time home buyer savings account tax free savings account to be used for buying home
- Florida established the Low-income Emergency Home Repair Program to assist low-income people, particularly older adults and those with physical disabilities, in making emergency repairs.
- Utah SB 217 - Allows for local governments to establish Housing and Transit Reinvestment Zones allowing for up to 80% of future property tax revenue to be invested in affordable housing. State can contribute 15% of sales tax.
- Maine LD 2003 - requires municipalities to allow Accessory Dwelling Units on land zoned for single-family.
- The Nebraska State Government spends the least on “Housing and Community Development” of any state.

## Appendix

### **July Planning Committee Meeting Materials:**

Demographics presentation- UNO Center for Public Affairs Research, Dr. Josie Schafer

Foreign Born Population in Nebraska- UNO Center for Public Affairs Research

### **August Planning Committee Materials:**

Housing Availability and Quality in Nebraska- UNO Center for Public Affairs Research

Nebraska's 2022 Strategic Housing Framework presentation- Nebraska Investment Finance Authority (NIFA), Shannon Harner

Nebraska's 2022 Strategic Housing Framework Executive Summary- Nebraska Investment Finance Authority

Homeowners Fact Sheet- Nebraska Investment Finance Authority

### **September Planning Committee Materials:**

Nebraska Demographics Relevant to Early Childhood Education- Voices for Children

Nebraska Demographics Relevant to Early Childhood Education presentation- Voices for Children, Josh Shirk

Child Care in Nebraska: Availability, Access, and Quality- First Five Nebraska

Child Care in Nebraska: Availability, Access, and Quality presentation- First Five Nebraska, Dr. Katie Bass

### **October Planning Committee Materials:**

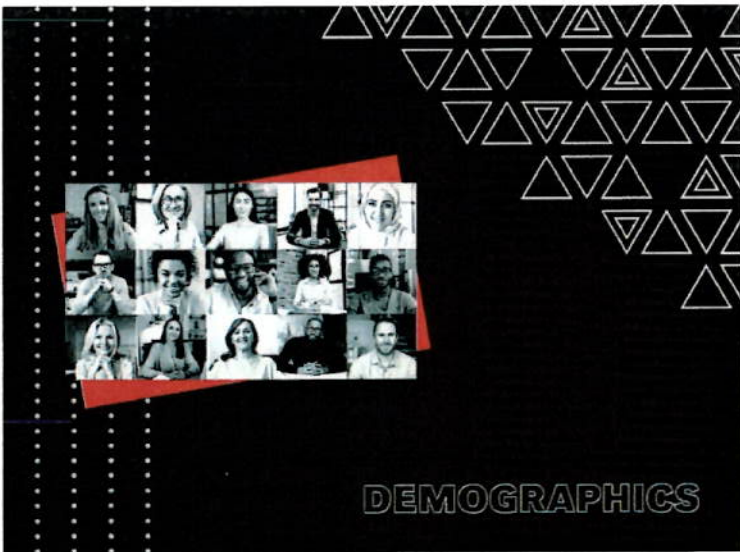
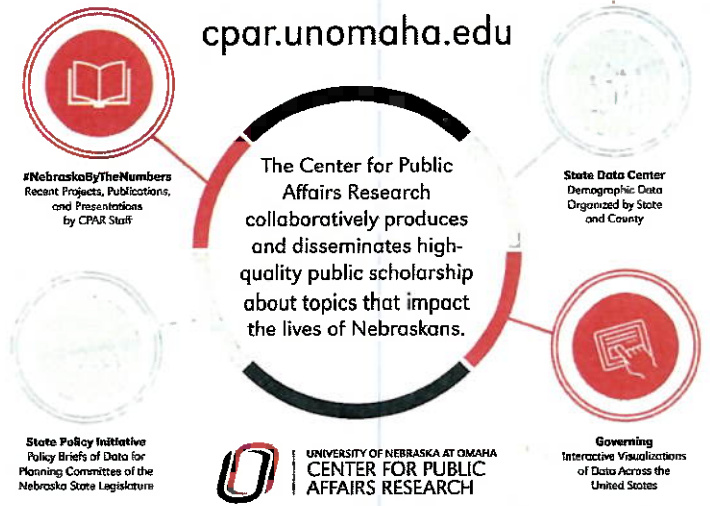
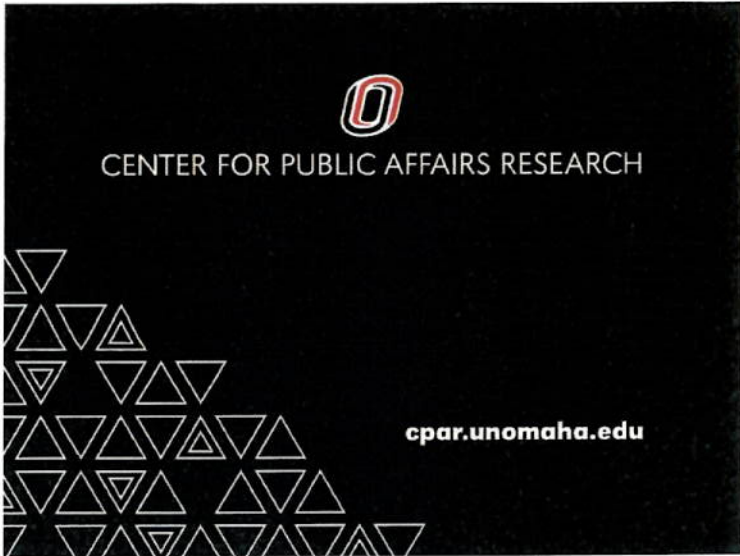
Nebraska Drinking Water: Past, Present, and Future- Nebraska Water Center, Dr. Daniel Snow

Water Quality and Health- University of Nebraska Medical Center, Dr. Jesse Bell

### **November Planning Committee Materials:**

Unlock Potential for Affordable Housing Production presentation- Omaha Municipal Land Bank, Deana Walocha

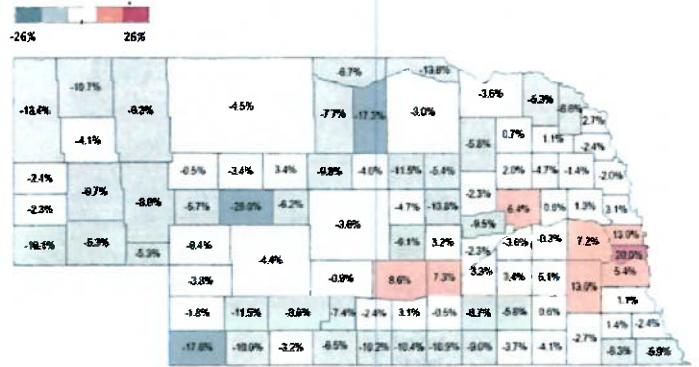
Housing Demographics in Nebraska presentation- UNO Center for Public Affairs Research, Dr. Josie Schafer



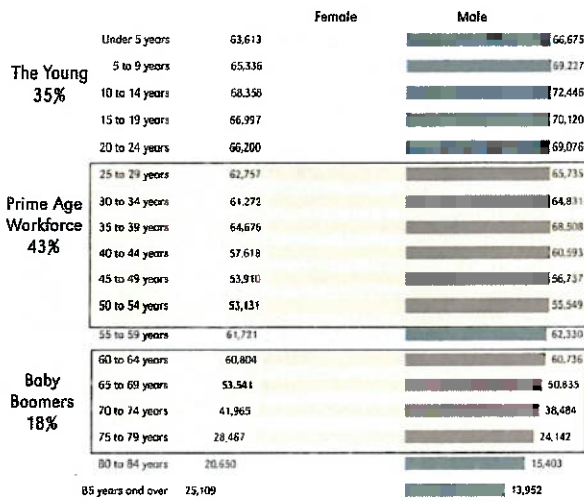
Since 2010, Nebraska's population has increased 7.4% but 69 counties have lost population

Percent change in population 2010 - 2020

2020 total population = 1,961,504

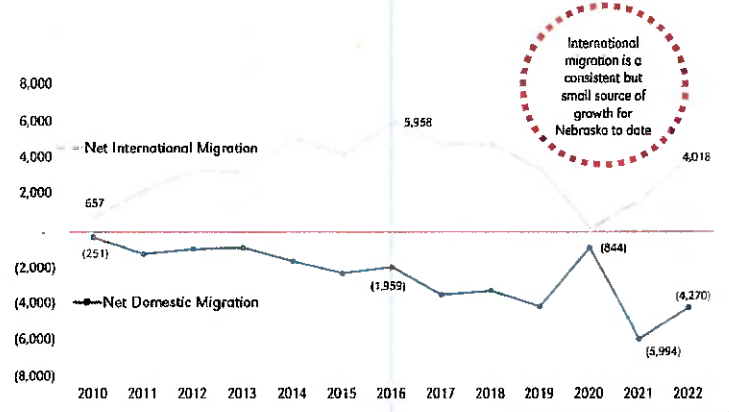


Our population pyramid is not much of a pyramid  
Nebraska population 2021 % of population by age groups



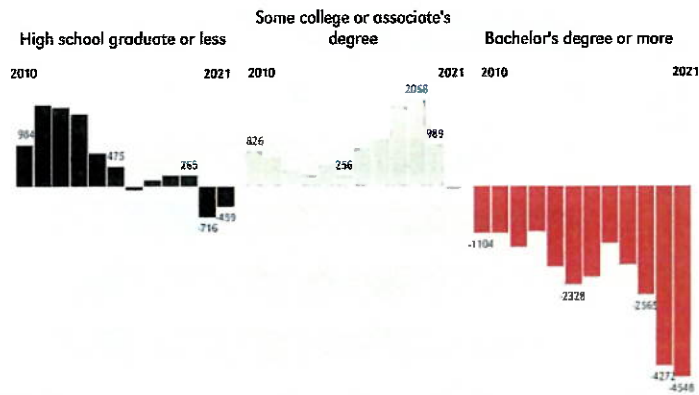
### Nebraska's growth rate is driven by natural change and mild international migration

Components of population change 2010 to 2022



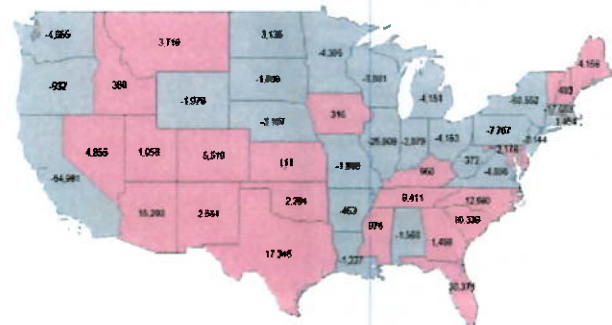
### Brain drain, or net-outmigration of persons with a bachelor's degree or more, has persisted since 2010 and the trend is negative

Net migration by educational attainment annually 2010 to 2021



### Brain gain has been strongest in the south and southwest of the country

Net migration rates of those with bachelor's degree





## Across a range of metrics Nebraskans work!

**#1**  
 Labor Force Participation Rate for Persons ages 55-to-65  
**89.2%**

Labor Force Participation Rate of those in Poverty  
**55.7%**

Labor Force Participation Rate of those with Some College or Associates Degree  
**85.2%**

**#2**  
 Overall Labor Force Participation Rate  
**69.3%**

Labor Force Participation Rate of those 75 Years and Over  
**8.9%**

Labor Force Participation Rate of Those with Less than a High School Degree & and Bachelor's Degree or More  
**68.9% | 30%**

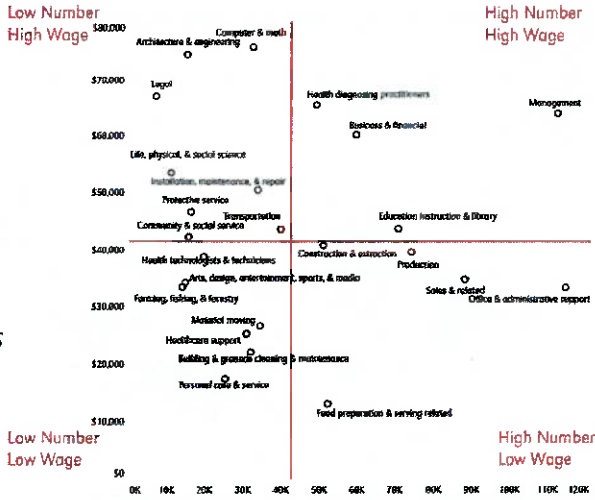
**#3**  
 Lowest Unemployment Rate  
**3.3%**

Labor Force Participation Rate of Women  
**80%**

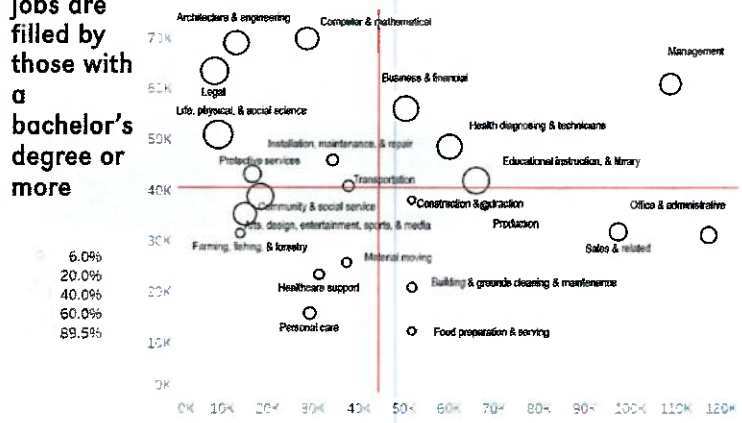
Labor Force Participation Rate of Those With Children Under 17  
**73.8%**

Source: ACS 2021 Census

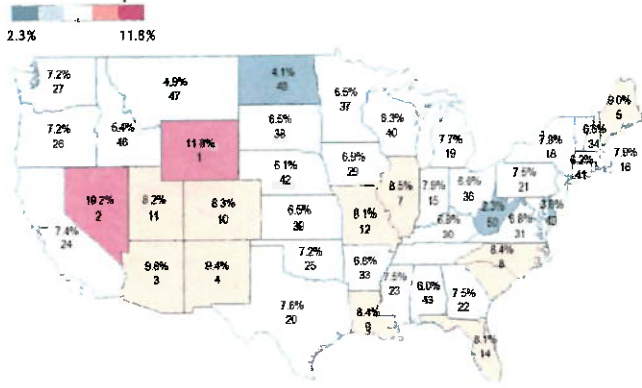
More Nebraskans work in low wage (553,102) than high wage occupations (465,998) Median wages by number of 16 and older in occupations



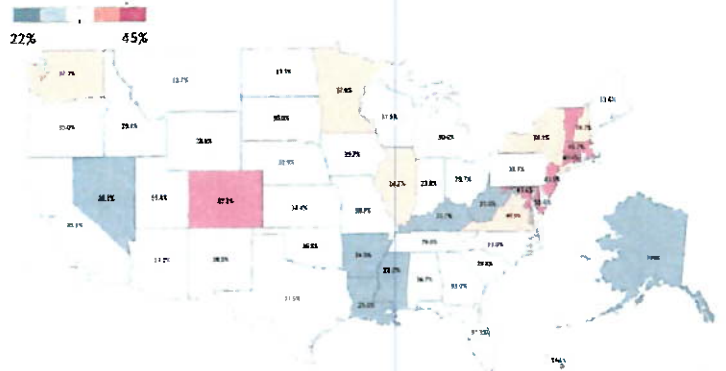
High wage jobs are filled by those with a bachelor's degree or more



**Many states are adding high wage jobs faster than Nebraska**  
*Percent change in the share of workforce that are in high wage jobs 2018 to 2021 and 50 state rank*



**Nebraska ranks 26<sup>th</sup> in the nation for population 25 years and older with a bachelor's degree or more = 33%**  
*Percent of population 25 years and older with a bachelor's degree or more*



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# FOREIGN BORN POPULATION IN NEBRASKA

## ACROSS A RANGE OF METRICS, NEBRASKANS WORK!

### #1

Labor force participation rate for persons ages 55 to 65 - **80.2%**

Labor force participation rate of those in poverty - **55.7%**

Labor force participation rate of those with some college or associate degree - **85.2%**

### #2

Overall labor force participation rate - **69.3%**

Labor force participation rate of those 75 years and over - **8.9%**

Labor force participation rate of those with less than a high school degree - **68.9%**

Labor force participation rate of those with bachelor's degree or more - **90.0%**

### #3

Lowest unemployment rate - **3.3%**

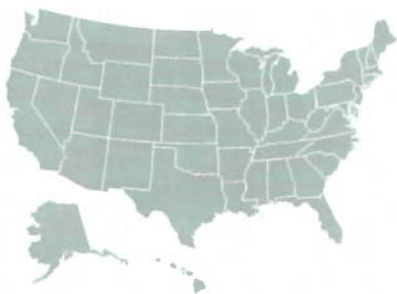
Labor force participation rate of women - **80.0%**

Labor force participation rate of those with children under 17 - **79.8%**

Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates

## AND THE FOREIGN BORN POPULATION IS NO EXCEPTION

**Foreign born persons have a higher labor force participation rate than the native Nebraska population**



**NATIVE BORN**

**68.9%**  
IN LABOR FORCE

**66.3%**  
EMPLOYED

**FOREIGN BORN**

**72.5%**  
IN LABOR FORCE

**69.5%**  
EMPLOYED



Source: U.S. Census Bureau, American Community Survey, 2021, 5-year

## OCCUPATIONS OF FOREIGN BORN PERSONS IN NEBRASKA

### Foreign born persons work in many high-demand occupations

| Occupation                                       | Native | Foreign Born |
|--|--------|--------------|
| Management, business and finance                 | 40.6%  | 25.7%        |
| Service  | 15.6%  | 17.8%        |
| Sales and office                                 | 21.7%  | 11.5%        |
| Natural resources, construction, and maintenance | 9.4%   | 14.0%        |
| Production, transportation and material moving   | 12.7%  | 30.9%        |

Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates

## HARD WORK DOES NOT NECESSARILY LEAD TO THE GOOD LIFE FOR FOREIGN BORN PERSONS IN NEBRASKA



NATIVE BORN



FOREIGN BORN

IN POVERTY



9.8%

16.3%

LESS THAN A HIGH SCHOOL DEGREE



5.4%

37.4%

MEDIAN EARNINGS FOR FULL-TIME YEAR ROUND



MALE

\$56,371

\$43,939



FEMALE

\$44,031

\$34,748

Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates

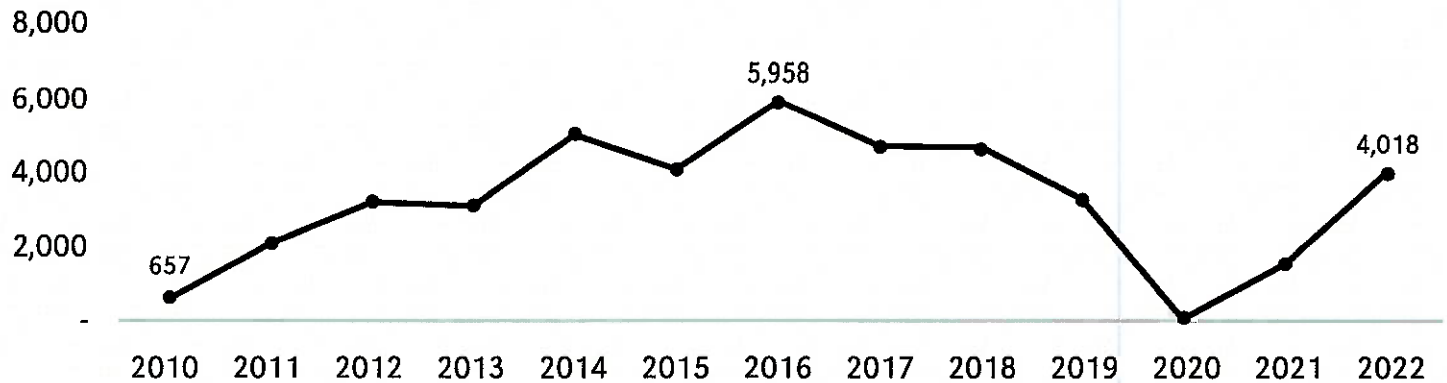


# NEBRASKA'S GROWTH RATE IS DRIVEN BY NATURAL CHANGE AND MILD INTERNATIONAL MIGRATION

International migration is a consistent but small source of growth for Nebraska to date

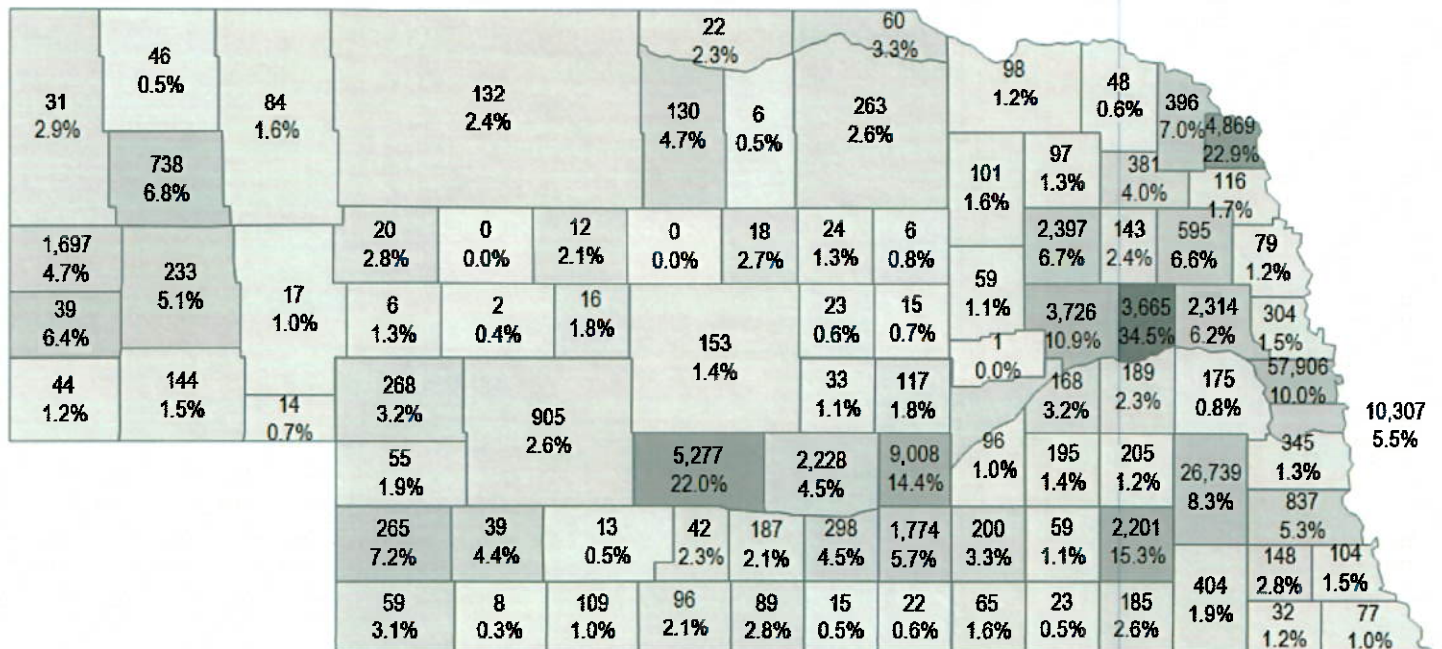
Total foreign-born population in Nebraska = 142,215

● Net International Migration



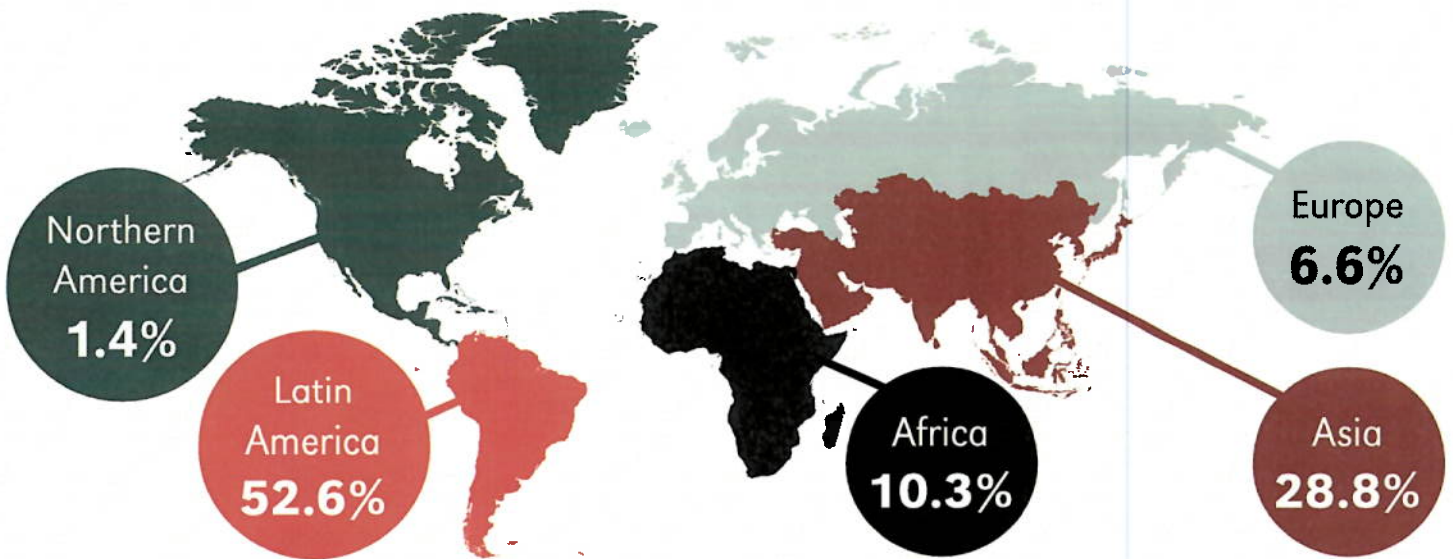
Source: U.S. Census Bureau, Population Estimates, Vintage 2022

## Total number and percent of foreign born by county in Nebraska



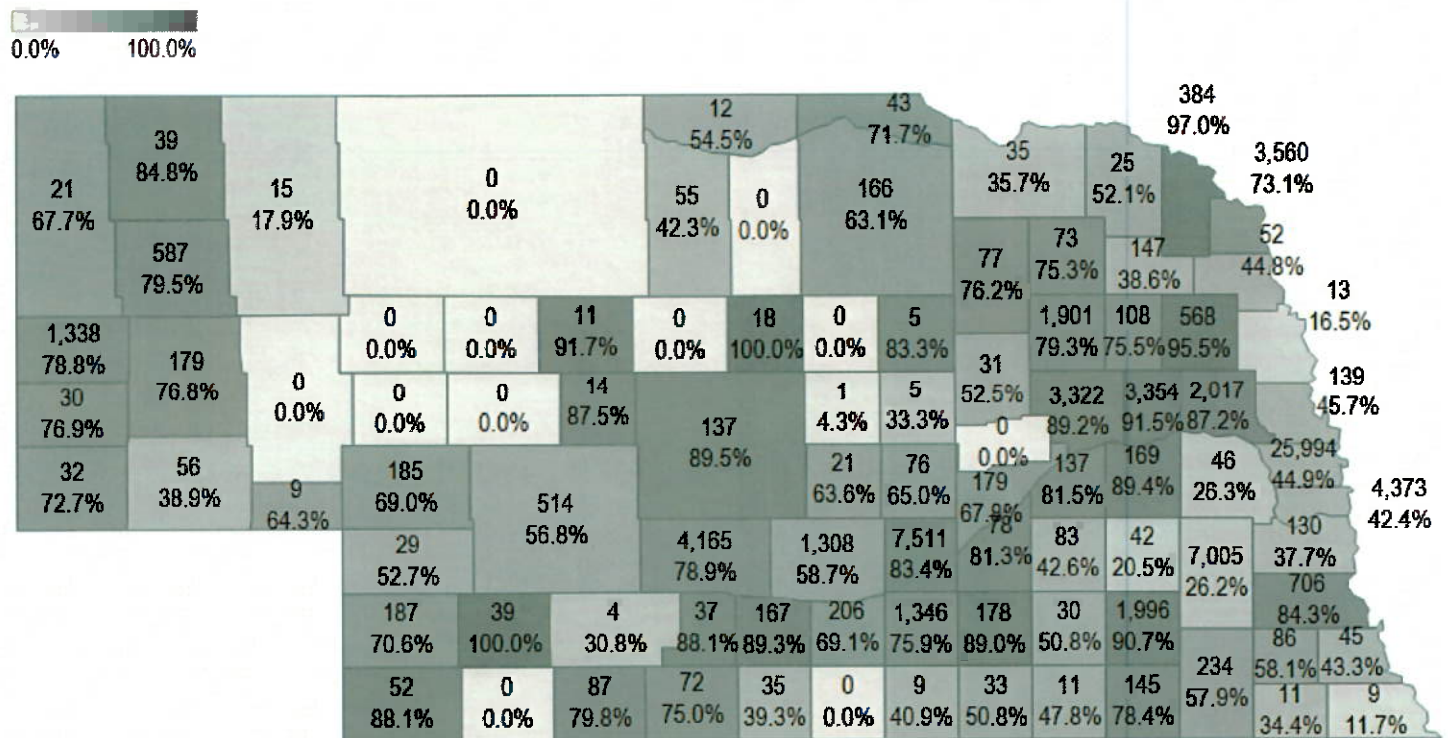
Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates

## Most of the foreign born population in Nebraska migrated from Latin America



Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates

## Total and percent of foreign born from Latin America by county in Nebraska




Source: U.S. Census Bureau, American Community Survey, 2021, 5-year Estimates



# HOUSING AVAILABILITY AND QUALITY IN NEBRASKA

Housing availability and quality are critical elements in population attraction and retention for Nebraska as expressed in Nebraska’s 2022 Strategic Housing Framework. According to data from the Current Population Survey for 2022, among all persons across the nation that moved within a county, housing related concerns were the number one reason cited for the move. This is also true for Nebraska – 71% of Nebraskans that moved within a county cited housing related issues as the reason for moving, in particular “wanting new or better housing.” Among those that moved out of a county in Nebraska but within the state, another 19%, reported housing as a concern, behind family reasons (39%) and job reasons (30%). Among those that left Nebraska and moved to another state in 2022, 34% reported housing concerns as the primary reason for their move. Notably, the number that reported housing concerns as the reason for their move out of state increased significantly from 2021 (17.6%), now surpassing job related reasons. These figures are summarized in Table 1.

**Table 1 | The Reasons Nebraskans Cited for Moving in 2021 and 2022**



|   | FAMILY |       | JOB   |       | HOUSING |       | OTHER |       |
|---|--------|-------|-------|-------|---------|-------|-------|-------|
|   | 2021   | 2022  | 2021  | 2022  | 2021    | 2022  | 2021  | 2022  |
| Moved within county ≈ 88,000                  | 21.8%  | 15.0% | 4.5%  | 3.0%  | 70.6%   | 71.0% | 3.1%  | 10.0% |
| Moved within state, different county ≈ 52,000 | 41.7%  | 39.0% | 16.7% | 30.0% | 29.2%   | 19.0% | 12.4% | 12.0% |
| Moved between states ≈ 32,000                 | 19.6%  | 18.0% | 34.7% | 12.0% | 17.6%   | 34.0% | 28.1% | 36.0% |

\*See details on reasons in Reference

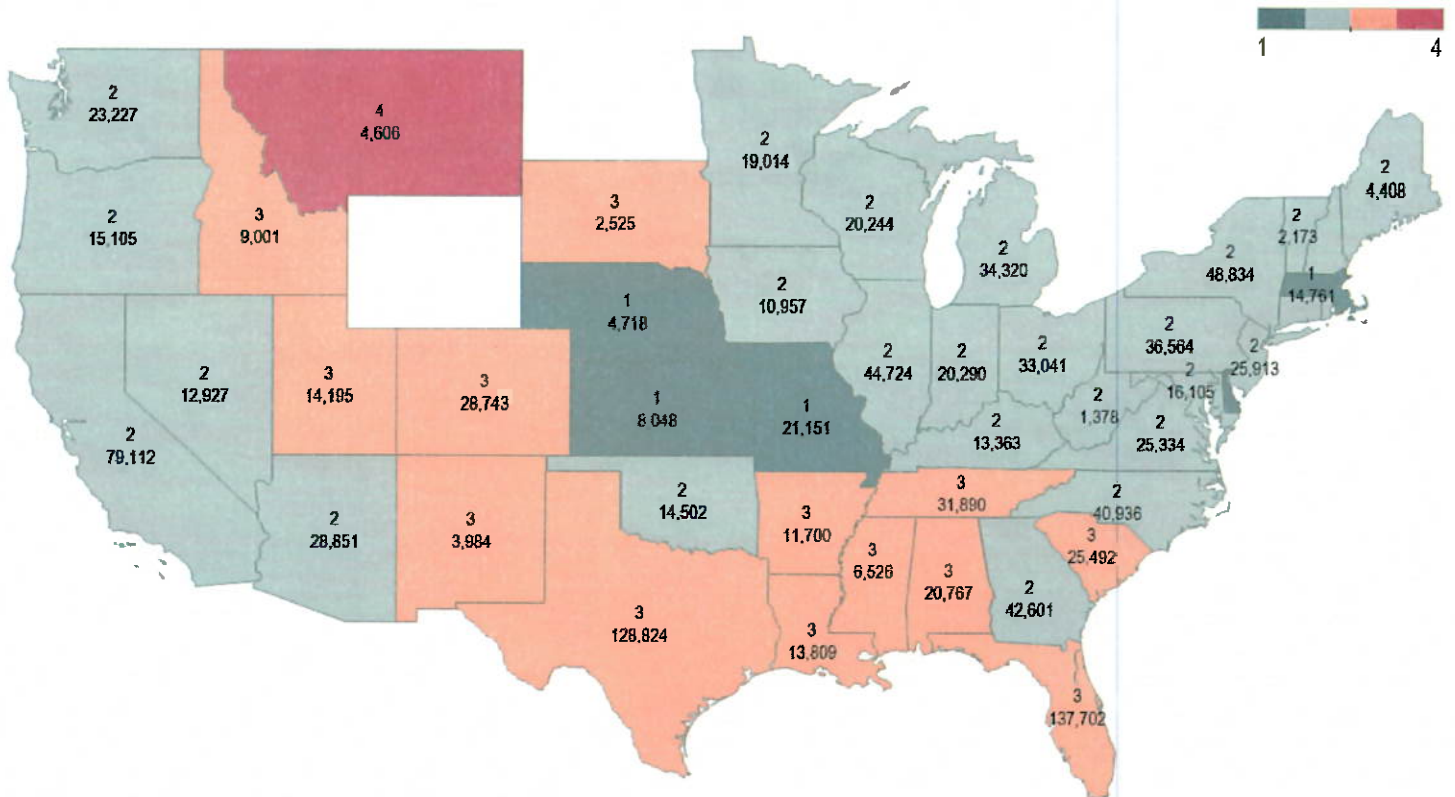
Source: Current Population Survey, Bureau of Labor Statistics and U.S. Census Bureau, 2021 and 2022

## **Understanding housing availability and quality is important to the state’s ability to attract and retain residents.**

At first glance, housing availability may not be a grave concern in Nebraska due to elevated vacancy rates across the state, particularly in non-metropolitan areas. Figure 1 shows the percentage of vacant housing units by county for 2021. While the statewide vacancy rate is 8%, many counties have much higher rates. The primary reason the statewide vacancy rate is so much lower than county-level vacancy rates is that counties with the most housing units tend to have the lowest vacancy rates, bringing down the statewide rate and masking highly elevated levels of vacancy in some of the least populated counties. For example, Loup County has the highest vacancy rate in the state at 35.1%, but only about 419 total housing units. In contrast, Sarpy County has the lowest vacancy rate in the state at 4%, but over 73,000 housing units. However, just because a housing unit is vacant does not mean that it is habitable, available, or accessible.

According to the Realtors Association, a 'healthy' rental vacancy rate is typically 7% to 8%, and a 'healthy' inventory of homes for sale is the number of homes that could typically be sold over a six-month period. According to data aggregated from the Multiple Listing Service, in August of 2023, 4,718 homes were for sale in Nebraska, a 12.1% decline from the previous year. **This inventory represents about a one-month of supply of homes for sale, significantly lower than what would be considered a healthy housing market.** Nebraska is one of only four states in the nation with only a one month supply of homes for sale.

**Figure 3 | Number of Homes for Sale and Estimate of the Months of Supply**



\*Data for August 2023 not available for states in White

Source: Aggregation of Multiple Listing Service Via Redfin.com/housingmarket as of August 2023

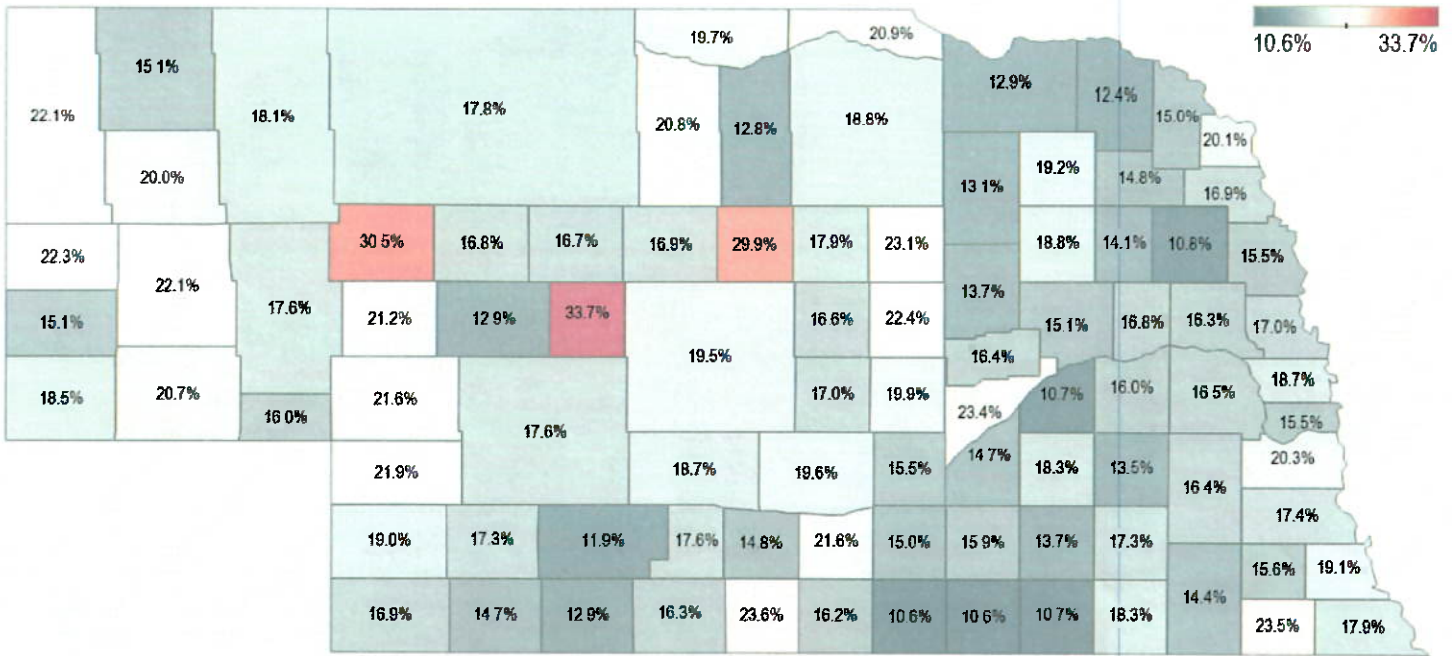
As noted, housing concerns are a driver behind many households' choice to move within the state. This importance can also be seen in Figure 4, which plots the relationship between vacancy rates and the percentage of all households that have moved into their current residence since 2010.

In addition to availability of homes, another factor that may hinder population attraction is the quality of homes. Figures 5 and 6 show the number of households that either own or rent with one or more “housing problems.” This definition is based on data from the U.S. Census Bureau, which measures the existence of four possible problems:

1. Lack of complete kitchen facility
2. Lack of complete plumbing facilities
3. Household is overcrowded/more than one person per room
4. Household is severely cost burdened, meaning monthly housing costs exceed 30% of monthly income.

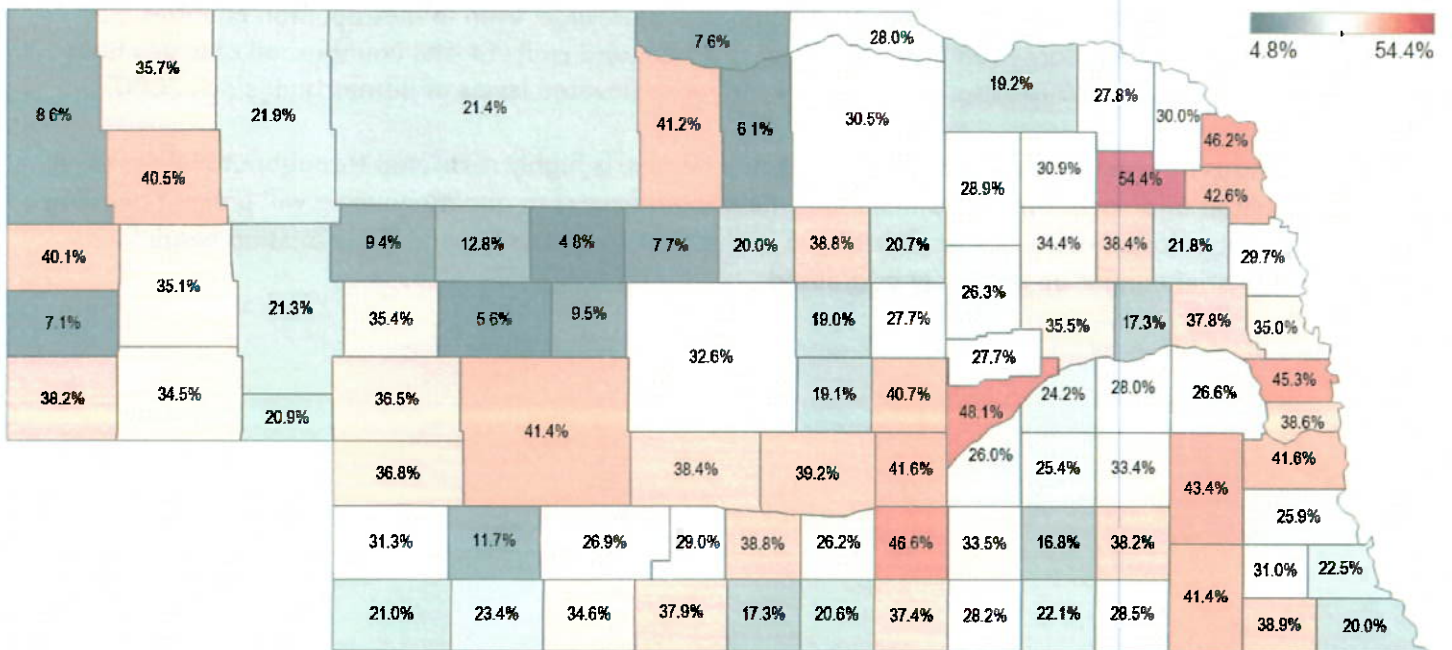
These definitions capture severe issues, and tend to underestimate the scale of statewide housing challenges.

**Figure 5 | Owner Occupied Units with One or More Housing Problems**



Source: American Community Survey, U.S. Census Bureau, 2021 5-Year Estimates

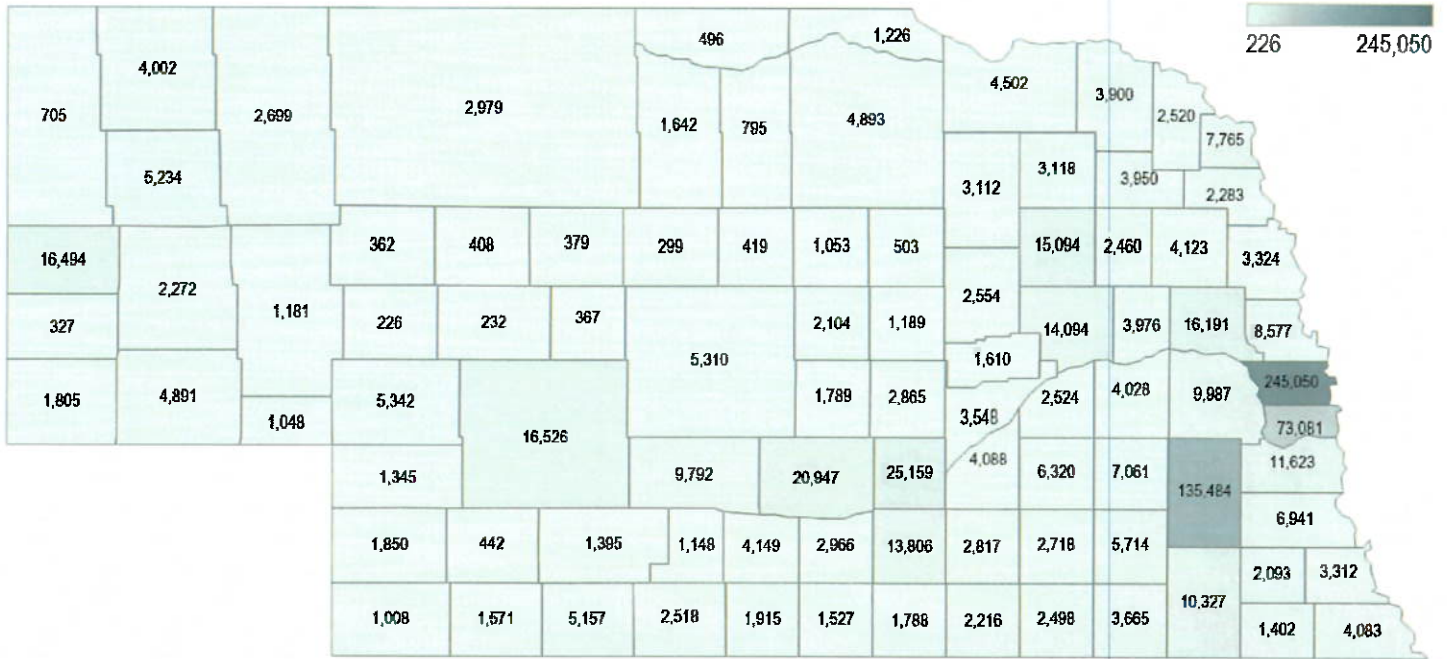
**Figure 6 | Renter Occupied Units with One or More Housing Problems**



Source: American Community Survey, U.S. Census Bureau, 2021 5-Year Estimates

# Reference

## A. Number of Households by County 2021



Source: American Community Survey, U.S. Census Bureau, 2021 5-Year Estimates

## B. Current Population Survey Question and Options for Why Move

The question in the Current Population Survey asks, **“What was [your/name’s] main reason for moving to this house (apartment)?”** The following responses are offered.

Note respondents report only the “main” reason for moving for people who lived in a different residence one year ago. Typically, those that move do so for complex reasons, but the response only captures the primary reason. Data is reported for all persons one year and over even though responses are provided by only one person in the household.

| Family Reasons             | Job Reasons                  | Housing Reasons              | Other Reasons                       |
|----------------------------|------------------------------|------------------------------|-------------------------------------|
| Change in marital status   | New job or job transfer      | Wanted to own home, not rent | Attend/leave college                |
| To establish own household | To look for work or lost job | Wanted new or better housing | Change of climate                   |
| Other family reason        | For easier commute           | Wanted better neighborhood   | Health reasons                      |
|                            | Retired                      | For cheaper housing          | Other reasons                       |
|                            | Other job-related reason     | Other housing reason         | Natural disaster                    |
|                            |                              |                              | Foreclosure or eviction             |
|                            |                              |                              | Relationship with unmarried partner |

40 years  
NIFA  
NEBRASKA INVESTMENT FINANCE AUTHORITY

nifa.org/housing-framework

Nebraska's 2022  
Strategic Housing Framework

Developed by the Strategic Housing Council

1

**Mission**  
*Growing Nebraska communities through affordable housing and agribusiness.*

**Vision**  
NIFA leverages its resources, data, knowledge and technology, with effective statewide partnerships and collaboration, to promote vibrant Nebraska communities through affordable housing solutions and agribusiness.

**Values**  
Commitment - Integrity - Collaboration - Innovation - Stewardship

2

## Housing is crucial

We have reached an inflection point where lack of affordable housing:

- Constricts community growth and vibrancy
- Is a barrier to economic development and quality of life for Nebraskans



3

## Homes are where our jobs sleep at night

- A forward-thinking housing strategy supports a high quality of life for all Nebraska citizens



4



## Large Scale Problems Identified

- Lack of available, diverse housing
- Lack of affordable and attainable housing



5

## Five Themes across the State

Deficit of housing unit production, combined with population growth post 2006.

Age, quality and occupancy of housing is challenging

Employers drive need for housing. The production of housing is correlated to the # of construction companies and workers per household in a community

Different RUCCs have different challenges

There is not a one-size-fits-all solution

6

## WHO Can Afford Homeownership in Nebraska today?

- Median Household income is **\$66,644**
  - Average home sale price is **\$280,000**  
CONVENTIONAL 30 year loan 90% LTV
- |               |              |
|---------------|--------------|
| 7.125%        | 7.5%         |
| • \$83,480/yr | *\$86,080/yr |
| • \$2,087/mo  | *\$2,152/mo  |



7

## WHO Can Afford Homeownership in Nebraska today?

- Median Household income is **\$66,644**
  - Average home sale price is **\$280,000**  
FHA 30 year loan 96.5% LTV
- |              |              |
|--------------|--------------|
| 7.125%       | 7.5%         |
| -\$89,920/yr | -\$92,680/yr |
| -\$ 2,248/mo | -\$ 2,317/mo |



8

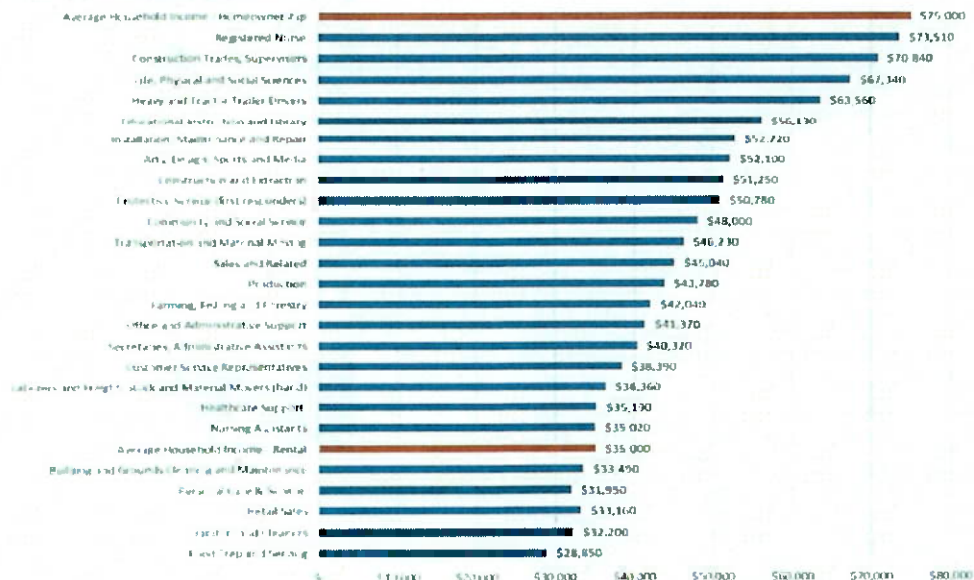
# WHO Can Afford a Market Rate Rental Unit?

- Median income for a Rental Household is **\$41,441**
- Average income for a rental household is **\$35,000**
- 1-bedroom fair market rent **\$789**
  - **Affordable to households making \$31,559 and up**
- 2-bedroom fair market rent **\$984**
  - **Affordable to households making \$39,341 and up**
- 3-bedroom fair market rent **\$1,316** is unaffordable for majority of renters
  - **Affordable to households making \$52,656 and up**



9

# Average Income



10

## Top 5 Nebraska Occupations by Number of People Employed

For 46% of all jobs in Nebraska Homeownership is out of reach:

1. Office and administrative support
2. Transportation and material moving
3. Sales and related occupations
4. Food prep and serving related occupations\*
5. Production



\*cannot afford to rent even a 1-bedroom home at market rate.

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### Impacted =

- Communities with low # of construction workers, far from metros
  - No "ready to go" housing for employers to recruit into
- Households who rent or own, earning \$75,000 or less
  - Seniors
    - Fixed Income
    - Accessibility

| LOCATION | Households per worker | RUCC   |
|----------|-----------------------|--------|
| Nebraska | 13.88                 |        |
| Best     | 12.13                 | RUCC 2 |
| Worst    | 27.04                 | RUCC 7 |

US  
16.79



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## Senior Population Growth

Figure 4

| Age Group    | 2019 Population  | 2030 Projected Population | % Change    |
|--------------|------------------|---------------------------|-------------|
| <20          | 526,976          | 542,895                   | 3.0%        |
| 20-44        | 628,116          | 643,473                   | 2.4%        |
| 45-64        | 465,410          | 448,682                   | -3.6%       |
| 65+          | 294,069          | 418,738                   | 42.4%       |
| <b>Total</b> | <b>1,914,571</b> | <b>2,053,788</b>          | <b>7.3%</b> |

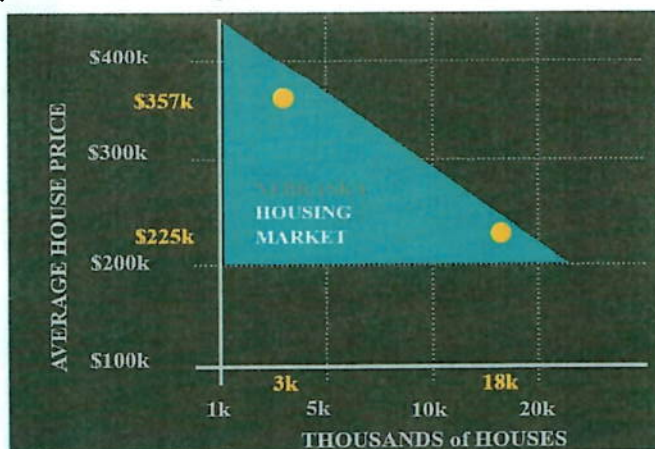
Table 1. U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates, Table DP05

Source: Nebraska Department of Labor, Nebraska Economic Insight and Outlook



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## The Homeownership Opportunity



14

## Statewide Housing Challenges for New Construction



APPRAISAL GAP ISSUE



INCREASED INTEREST RATES



INABILITY TO FIND DEVELOPABLE LAND

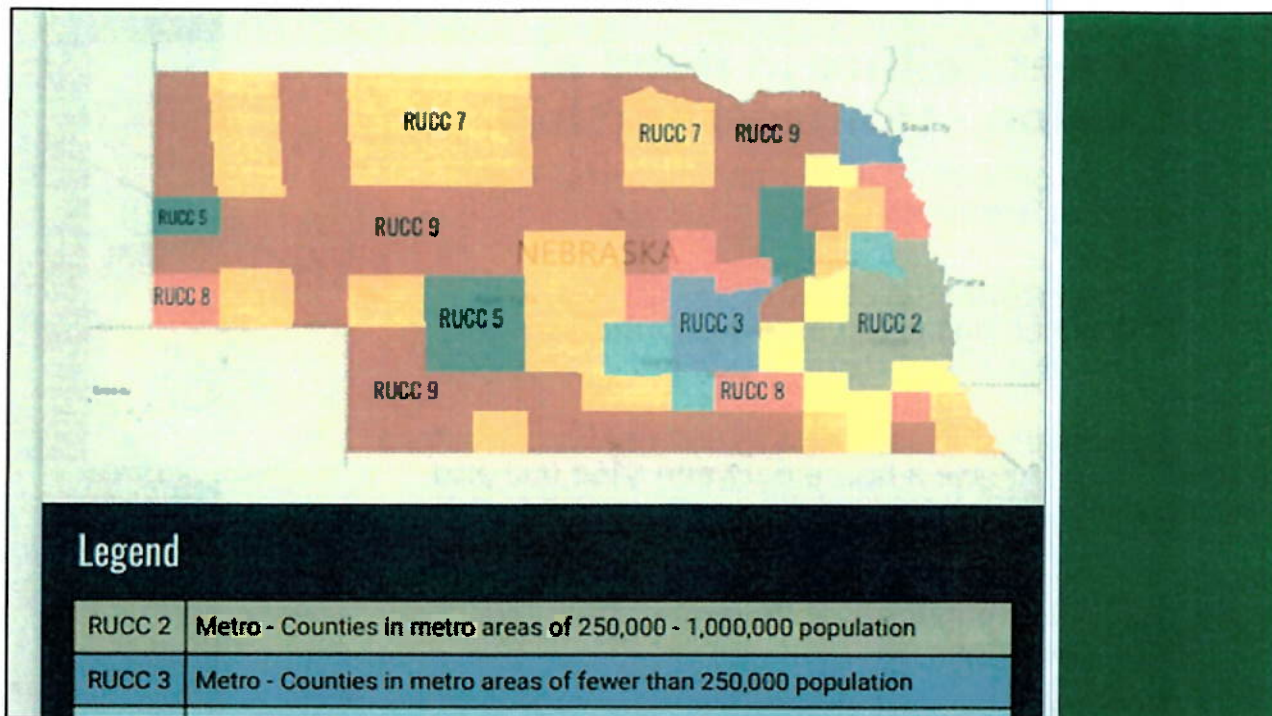
15

## Statewide Challenges to Existing Housing Inventory

- Retired people staying in family homes reduces "naturally affordable housing"
  - Appropriate housing not available in locale
  - Cost of moving greater than staying
- Dilapidating housing
  - Need to focus on rehabilitation and maintenance



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## Rural Housing Challenges



**Lack of Construction Workforce**

Territorialism prevents increased access  
Increased costs for regional travel



**Small Scale Developments**

Supply chain  
Not scalable for other than local builders



**Cost of Infrastructure and Lack of Density**

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## Market Failure in need of solution - Homeownership

- 58% of Nebraska households earn \$75,000 or less ("Households")
- At current interest rates, 0% of these Households could afford to purchase at current average home sale price (\$280,000)
- Households earning \$75,000 or less can afford to purchase a home between \$150,000 and \$225,000
  - Even for those who can afford to purchase, lack of inventory constrains ability to purchase



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## Market Failure in need of solution - Rental

- 25% of households earn \$35,000 or less ("Households")
- Only 8% of these 188,053 Households could afford a one-bedroom market rate rental




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**Housing Framework Solutions**

- Pillar 1: Financing
- Pillar 2: Education & Policy
- Pillar 3: Special Populations
- Pillar 4: Workforce




The logo for NIFA's 40th anniversary, featuring the number '40' in a large green font with 'years' written in a smaller font to its right. Below this, the acronym 'NIFA' is written in a bold, black, sans-serif font. Underneath 'NIFA', the full name 'NATIONAL INSTITUTE OF FOOD AND AGRICULTURE' is written in a very small, black, sans-serif font.

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**Pillar 1 Financing Solutions – Development**

- Flexible financing
  - Mind the (Appraisal) Gap
  - Reduce Developer Risk (and Carrying Costs)
  - Enable Innovation



The logo for NIFA's 40th anniversary, featuring the number '40' in a large green font with 'years' written in a smaller font to its right. Below this, the acronym 'NIFA' is written in a bold, black, sans-serif font. Underneath 'NIFA', the full name 'NATIONAL INSTITUTE OF FOOD AND AGRICULTURE' is written in a very small, black, sans-serif font.

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## Development is slowing

| Area             | 2022     | 2023     | YTD 2023 as a % of YTD 2022 | YTD Net Units 2022 v 2023 | Full Year 2022 | Projected 2023 |
|------------------|----------|----------|-----------------------------|---------------------------|----------------|----------------|
|                  | YTD June | YTD June |                             |                           |                |                |
| Nebraska         | 6,024    | 3,967    | 65.9%                       | -2057.00                  | 11,113         | 7,318.27       |
| Lincoln MSA      | 1,736    | 933      | 53.7%                       | -803.00                   | 3,349          | 1,799.89       |
| Omaha MSA        | 3,503    | 1,980    | 56.5%                       | -1523.00                  | 6,120          | 3,459.21       |
| Balance of State | 785      | 1,054    | 134.3%                      | 269.00                    | 1,644          | 2,207.36       |



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## Pillar 1 Financing Solutions – Renters & Owners

- Down payment assistance
- Incentives for senior housing/seniors
- Rehabilitation funding
- Reduce monthly costs:
  - Utilities
  - Insurance



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## Pillar 2 Education and Policy

- Model codes and zoning
- Community toolkit

Nebraska 2023  
Statewide Housing  
Toolkit



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## Pillar 3 Special Populations

- Statewide collaboration
- Toolkit for targeted development
- Researching communities applying for HOME ARP funds
- Showcasing special need housing projects



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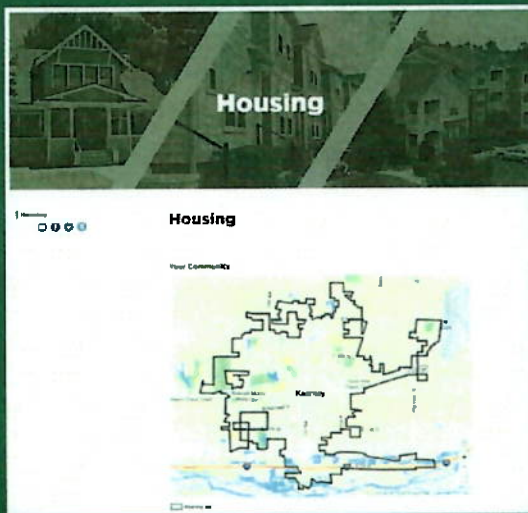
## Pillar 4 Workforce Development

- Workforce pipeline
  - TNT/community colleges
  - Reentry program
- Modular and innovative housing



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## Data Dashboard



<https://nifa.mysidewalk.com>

- Housing
- Demographics
- Economy
- Quality of Life



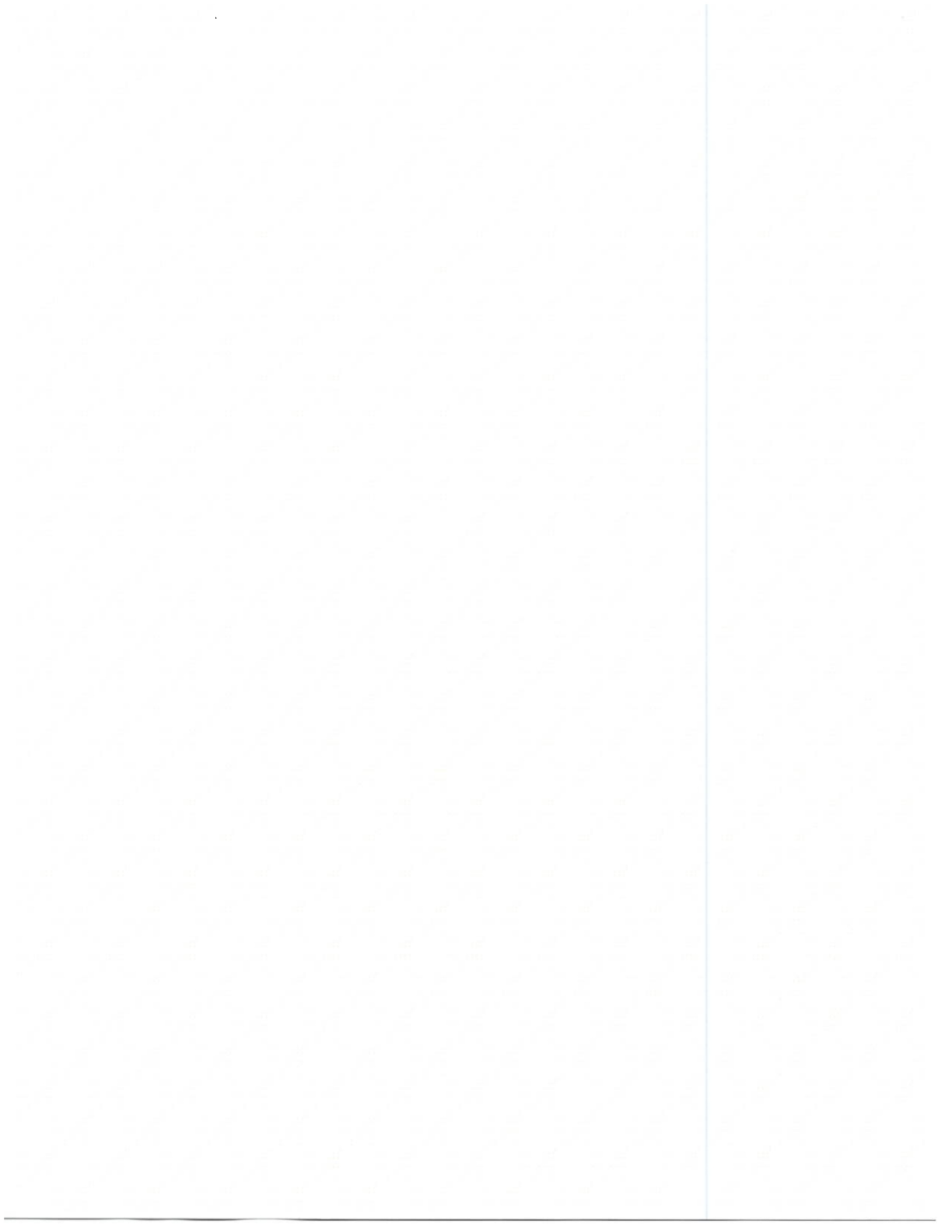
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# THANK YOU!

To continue the conversation:

[Shannon.Harner@nifa.org](mailto:Shannon.Harner@nifa.org)







Executive Summary

# Nebraska's 2022 Strategic Housing Framework

Developed by the Strategic Housing Council  
Convened by Nebraska Investment Finance Authority



## Introduction

Nebraska is at a crossroads. **Our state's competitiveness and economic future hinge on solving the housing crisis.** If we don't ensure enough affordable and attainable housing Nebraska will not only lose out on billions of dollars economically, but it will also lose the people that call it home. Rural communities will decline, struggling to attract and retain the spectrum of employees, from CEOs to frontline workers, as new housing remains both unavailable and unaffordable. Nebraskans will move to other states. Businesses won't locate or expand here. Veterans, people with disabilities or other conditions, older adults, essential workers, low-wage single parents, and others experiencing extreme poverty will face increasingly severe long-term consequences. Failure to act on this crisis will result in shrinking and fragmented neighborhoods, diminishing community vitality, stagnant and declining economies, and worse outcomes for peoples' health and education.

In short, if we do nothing, Nebraska and Nebraskans will lose out.



**Shannon Harner**  
*Executive Director,  
Nebraska Investment  
Finance Authority*

## Problems

- 1 Housing is unaffordable.** 44% of Nebraskan households who earn \$75,000 per year or less spend more than 30% of their gross income on housing, leaving them less money for necessities and reducing their ability to contribute to the economy and build personal wealth.
- 2 There is insufficient diverse housing.** There are inadequate safe and diverse housing options across Nebraska, leading to a limited workforce for employers and less vibrant communities, especially for the lowest-income Nebraskans, including seniors.

## Shared Priorities - Objectives

- 1 By 2028, reduce the number of households that are housing cost burdened by 44,000,** decreasing it from 44% of low- to middle-income households to 33% or less.
- 2 By 2028, develop and rehabilitate 35,000 affordable and attainable low- to middle-income rental and ownership housing units,** including rehabilitating or infilling 3,000 unsafe or dilapidated properties, reducing the gap in the number of these types of units by approximately 33%.

## Vision

All Nebraskans have safe, affordable, quality housing choices to rent or own. As a result, affordable housing is the driver of community wellbeing and economic opportunity.

“A shortage of quality, affordable housing has become a barrier to job growth, community development, talent attraction and retention, and overall quality of life for Nebraska and its communities.”

-2022 Nebraska Housing Needs Assessment



## Economic Benefits

In just the first year of construction, every 100 units of affordable housing on average generates ...



**\$28.7M**

for single family and **\$11.7M** for multifamily in local income.



**394**

jobs for single family and **161** jobs for multifamily.



**\$3.6M**

for single family and **\$2.2M** for multifamily in local taxes.

Addressing Shared Priority 2 could generate ...

**\$7.5B+**

to local economies

during the year of construction and \$5.8B continued economic benefit in the following five years.

Benefits of addressing chronic homelessness:

- › Taxpayers pay about \$36,000 per year to provide emergency health services for each individual experiencing chronic homelessness.
- › It costs \$13,000 per year to provide supportive housing to an individual who previously experienced homelessness.
- › Providing supportive housing to just 300 chronically homeless individuals could save a net of nearly **\$7 million** in local services like emergency, medical and law enforcement.



## Strategies - Areas of Concentration

### Pillar 1. Financial Support and Incentives for Development

Develop new systems to incentivize and support development of diverse housing based on the identified needs of each community.

- › Streamline and improve housing funding at a statewide level and explore and establish new, dedicated funding for housing development.
  - › Review and make recommendations to improve flexibility, efficiency, cross-funding opportunities, and other enhancements to existing housing programs and tax incentives. Maximize federal resources.
  - › Evaluate use of ARPA and other innovative funds in Nebraska to determine what is most effective and use these results to inform future investments.
- › De-risk development for rural and small developers by providing tools or programs such as credit enhancements and guarantees.
  - › Develop an understanding of financial policies that would reduce risk, time-to-market and the greatest barriers to developer participation in underserved housing markets.
  - › Develop recommendations for state policies to impact local housing finance initiatives.
  - › Explore additional funding options to finance infrastructure that can be used for urban infill and suburban development and is accessible to small developers.
  - › Support existing or establish new housing innovation programs to spark and share new and better housing solutions.



“ Affordable housing is critical to the continued success of our State. ... Nebraska must continue to grow our communities so future generations will continue to live, work and thrive in their hometowns.”

-Gov. James D. Pillen



- Leverage private, employer, foundation and local funds to help effectively and efficiently meet the economic development and housing needs of interested communities.
  - Assess current collaboratives and identify any support/ resources needed to work effectively. Support the creation of new collaboratives where there are gaps.
  - Identify incentives for regions/communities who develop funding collaboratives.
  - Provide technical assistance to support the formation/ strengthening of collaboratives.
- Pilot a social impact bond with private investors to invest in local supportive housing.



## Pillar 2. Education and Policy

Provide a starting point that balances the needs of each community with the realities developers and housing experts face, such as finite staff time and funding.

- Create a model toolkit for local communities to use to develop affordable, attainable housing.
- Engage state, community and municipal leaders on the need for diverse housing options to create healthy, vibrant housing markets where people want to live.

## Pillar 3. Safety Net and Special Populations

- Support the development of 10,000 affordable housing units for those earning \$22,000 per year or less, with special concern for elderly, developmentally disabled, physically disabled, those with behavioral health needs, and those reentering society after incarceration.
- In partnership with community-based organizations, develop and expand support services to promote self-sufficiency for low-income and safety net populations.

## Pillar 4. Workforce and Community Capacity

- Develop a home building academy that supports and expands existing efforts to increase those being educated in the construction trades.
- Encourage homeownership by offering incentives to Nebraska's workforce, such as low-cost mortgage rates, down payment assistance and other homebuyer supports.
- Incentivize manufactured housing to support affordable and attainable housing in rural Nebraska to alleviate workforce challenges.

“We must continue to find ways to recruit and retain workers if we hope to continue achieving economic success in Nebraska. And it is essential in this effort that quality, affordable housing is readily available in communities throughout the state.”

-Gov. Pete Ricketts



## Implementation

Each Strategic Pillar will be headed by a Chair or Co-Chairs and statewide committee members from the Housing Council and as otherwise identified will serve on the Pillar committees beginning in 2023. Regular meetings and action steps will be implemented.

Persons or organizations wishing to join a Pillar group may contact NIFA at [info@nifa.org](mailto:info@nifa.org).

A full copy of the 2022 Nebraska Strategic Housing Framework and its appendices can be found at [nifa.org/housing-framework](http://nifa.org/housing-framework).

# Strategic Housing Council

| Name               | Position Title                                   | Affiliation   |
|--------------------|--|---|
| Kyle Arganbright   | Mayor  | City of Valentine   |
| K.C. Belitz        | Chief Operating Officer                          | Nebraska Community Foundation   |
| Jamie Berglund     | Executive Director                               | Spark   |
| Matthew Cavanaugh  | Executive Director                               | Holy Name Housing Corporation   |
| Caitlin Cedfeldt   | Attorney   | Legal Aid of Nebraska   |
| Jeff Chambers*     | Senior Project Director                          | Center on Children, Families, and the Law                                   |
| Dan Curran         | Deputy Director of Programs                      | University of Nebraska-Lincoln  |
| Meridith Dillon*   | Executive Director                               | Nebraska Department of Economic Development                                 |
| Mary Emery         | Director   | Front Porch Investments   |
| César Garcia       | Executive Director                               | Rural Prosperity Nebraska   |
| Robyn Geiser       | Housing Director                                 | University of Nebraska-Lincoln  |
| Anthony Goins*     | Director   | Canopy South  |
| Alec Gorynski      | President & Chief Executive Officer              | Cozad Development Corporation & Gothenburg Improvement Co.                  |
| Amy Haase          | Principal  | Nebraska Department of Economic Development                                 |
| Shannon Harner*    | Executive Director                               | Lincoln Community Foundation  |
| Dennis Hoffman     | Executive Director                               | RDG Planning & Design   |
| Jake Hoppe         | Principal  | Nebraska Investment Finance Authority                                       |
| Lara Huskey*       | Executive Vice President                         | Family Service Lincoln  |
| Quelbin Izaguirre  | Chief Operating Officer                          | Hoppe Development   |
| Timothy Keelan     | Principal Partner, Community & Regional Planner  | Midwest Housing Development Fund  |
| Lynn Kohout        | Director of Housing                              | NeighborWorks Northeast Nebraska  |
| Tera Kucera        | Chief Executive Officer                          | Hanna:Keelan Associates, P.C.   |
| Chris Lamberty*    | Executive Director                               | Nebraska Department of Economic Development                                 |
| Colin Large        | Interim Policy Administrator II                  | Care Corps' LifeHouse   |
| Khalilah LeGrand   | Director of Communications                       | Lincoln Housing Authority   |
| Ty Lucas           | Executive Vice President & Chief Lending Officer | Nebraska Health and Human Services – Division of Developmental Disabilities |
| Scott Mertz        | Managing Attorney                                | Nebraska Department of Health and Human Services                            |
| Kathy Mesner*      | Owner  | NebraskaLand Bank   |
| Cliff Mesner       | Owner  | Legal Aid of Nebraska   |
| Wayne Mortensen    | Chief Executive Officer                          | Mesner Development Co.  |
| Miranda Newton     | Program Coordinator                              | Mesner Development Co.  |
| Gary Person        | President & Chief Executive Officer              | NeighborWorks Lincoln   |
| Carolyn Pospisil   | Executive Director                               | Nebraska Health and Human Services – Division of Developmental Disabilities |
| Todd Stubbendieck  | State Director                                   | North Platte Area Chamber & Development Corporation                         |
| Lacey Studnicka    | Homeownership and Volunteer Services             | Housing Foundation for Sarpy County   |
| Jason Thiellen     | President  | Nebraska AARP   |
| Sen. Justin Wayne* | Senator, District 13                             | Habitat for Humanity of Omaha   |
| Rob Woodling       | President  | Welcome Home  |
| David Young        | Chief Technology and Operations Officer          | State of Nebraska   |
|                    |  | Foundations Development, LLC  |
|                    |  | Nebraska Investment Finance Authority                                       |

\* Core Team Member

## Additional Advisors

In addition to members of the Council, this process was supported by various housing experts during Council, workgroup, and other meetings.

NEBRASKA

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT



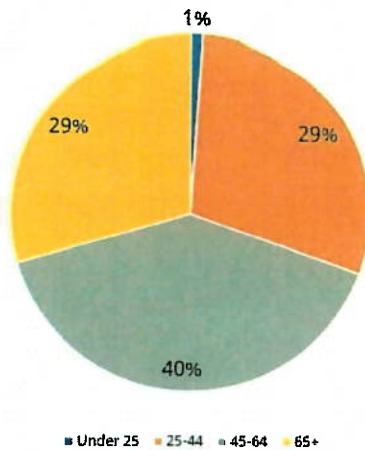
# Who can afford homeownership in today's market?

## Occupation, Salary and Affordable Units in NE

| Occupation                      | Average Income | Home Price | Units Available |
|---------------------------------|----------------|------------|-----------------|
| Food Prep & Serving             | \$28,850       | \$86,550   | 1,736           |
| Office & Admin Support          | \$41,370       | \$124,110  | 2,215           |
| Sales                           | \$45,040       | \$135,120  | 2,418           |
| Construction                    | \$51,250       | \$153,750  | 2,550           |
| First Responder                 | \$53,429       | \$160,287  | 2,620           |
| Education & Library             | \$56,130       | \$168,390  | 2,674           |
| Business & Financial Operations | \$72,570       | \$217,710  | 3,097           |

Source: US Bureau of Labor Statistics

## Homeowner Age



Source: US Census Bureau

## Median Household Income by Age



Source: US Census Bureau

Median Household Income  
 Owner Occupied  
**\$83,791**

Source: US Census Bureau

## Estimated income requirements based on a \$280,000 purchase price and 10% Down

| Month (2023) | NIFA Conv First Home Interest Rate | Monthly Payment | Income Required | Conv Market Rate Interest Rate | Monthly Payment | Income Required |
|--------------|------------------------------------|-----------------|-----------------|--------------------------------|-----------------|-----------------|
| January      | 5.988                              | \$1,944         | \$77,756        | 6.221                          | \$1,982         | \$79,274        |
| February     | 6.283                              | \$1,992         | \$79,681        | 6.543                          | \$2,035         | \$81,398        |
| March        | 6.478                              | \$2,024         | \$80,967        | 6.732                          | \$2,066         | \$82,658        |
| April        | 6.243                              | \$1,985         | \$79,418        | 6.497                          | \$2,027         | \$81,093        |
| May          | 6.494                              | \$2,027         | \$81,073        | 6.739                          | \$2,068         | \$82,705        |
| June         | 6.661                              | \$2,055         | \$82,183        | 6.922                          | \$2,098         | \$83,935        |
| July         | 6.763                              | \$2,072         | \$82,866        | 7.012                          | \$2,114         | \$84,544        |
| August       | 6.975                              | \$2,107         | \$84,293        | 7.233                          | \$2,151         | \$86,047        |

# Who can afford homeownership in today's market?

## Value of all homes versus current home prices in Nebraska



Source: US Census Bureau

The Federal Reserve has found that homeowners have a median net worth 40 times that of renters.

April 20, 2023

## Changes to household size, home size and purchase price



Source: Federal Reserve Bank St. Louis, US Census Bureau, National Association of Realtors



## **Nebraska Demographics Relevant to Early Childhood Education**

For the past 30 years, Voices for Children in Nebraska has released an annual Kids Count in Nebraska Report. By compiling and reporting key indicators of child wellbeing in Nebraska, Kids Count provides an accessible snapshot of how economic, educational, health, child welfare, and juvenile justice systems are performing for children and families living in Nebraska. Today, I was asked to present relevant materials from our recent report featuring data from the year 2021. I will focus on demographics relevant to early childhood education and the differing needs of children in the state, including key indicators that contribute to a child being ready to learn and develop.

### **Nebraska's Child Population**

The state of Nebraska has 130,400 children under the age of 5. The big three urban counties of Douglas, Lancaster, and Sarpy account for 74,760 of those children, or 57% of the state's children under the age of 5. However, as seen in the second slide of the presentation, counties vary in the percentage of population consisting of children under the age of 5. Counties with a darker shade of red represent "younger" counties in the sense that a higher percentage of its population is under the age of 5, while counties with a blue shading have a lower percentage of children under the age of 5.

Slide 3 features the same data except for children under the age of 18. Across the state, there are 485,910 children under the age of 18. The big three urban counties (Douglas, Lancaster, Sarpy) account for 273,590 of these children, or 56% of the state's total child population. Again, each county is shown with its total estimate of its total child population and the percentage those children make up of the county's overall population. As with the previous slide, red shaded counties have a larger percentage of children living in its population and blue shaded counties have a smaller percentage of children in its population.

The most recent data we have compiled shows that 24,609 babies were born in Nebraska in 2021. Of the new babies born in Nebraska that year, 1.0% are American Indian, 3.7% Asian/Pacific Islander, 6.2% are Black/African American, 16.1% are White, Hispanic, 4.8% are multiracial, and 68.1% are White, non-Hispanic.

### **Infant and Child Health and Safety**

With regards to infant and child deaths, there were 136 infant deaths in Nebraska in 2021. The infant mortality rate in Nebraska is 5.7 per 1,000 births. Disaggregating these data by race and ethnicity shows that the rate of infant mortality is substantially higher for American Indian (22.2) and Black/African American (12.3) infants. Meanwhile, among children ages 1 to 19, the number of deaths in 2021 totaled 144, a number trending slowly up since 2009.

94.6% of Nebraska's children had health coverage in 2021, with employer-based (55.7%) and public options (26.3%) the most common. Disaggregated by race/ethnicity, data show a larger proportion of American/Indian (9.8%), Hispanic (9.5%), and multiracial/other (10.0%) children remain uninsured.

### **Family Structures and Living Arrangements**

Moving on to the family structures, as seen in slide 7, 71.5% of Nebraska's children live in married-couple households, 8.2% live in cohabiting couple households, 15.8% live in single female households, and 4.6% live in single male households. In addition, there were 1,698 children living in group quarters, 4,076 living with their grandparent(s) without a parent present, and 3,848 children were living in non-family households in 2021.

### **Labor Force Participation and Economic Status of Families with Children**

Labor force participation is high among families with children, however, the lack of access to affordable and quality child care may prevent some parents from working. Nationwide, 13% of parents of children ages 0 to 5 quit, did not take, or greatly changed their job because of child care issues. Nebraska did, however, have the lowest percentage in the nation with only 6.0% of parents experiencing job changes due to child care issues.

In Nebraska, labor force participation among families with children under age 6 is 72.7%. However, labor force participation is considerably higher at 78.3% among parents with children ages 6 to 17, ages in which access to education for the child is free and publicly provided. At the county level, the most recent data for Douglas, Lancaster, and Sarpy counties further highlight this difference. Here, Sarpy County shows the biggest gap—an 11-point difference in the percentage of parents with children under age 6 (71.6%) and parents with children ages 6 to 17 (82.6%) who work.

Overall, though, across the state, families with children under the age of 6 have a high labor force participation rate. Slide 10 provides a visualization of these rates by county with the red shading representing higher participation rates and blue shading representing lower labor force participation in the county.

Regarding the economic status of families and children, Nebraska's 2021 poverty rate for children was 12.1%, which was 1.5% points higher than Nebraska's poverty rate for all persons. In addition, 2020 data show Nebraska's poverty rate for those under age 5 is 14%. The map on slide 11 also shows the poverty rate for children under age 5 in Nebraska with the darker shaded

counties experiencing higher poverty rates and the lighter shaded counties experiencing lower poverty rates.

Median income data show that families with children vary substantially based on household type and race/ethnicity. The median income for Nebraska families with children in 2021 was \$85,162. However, the median income of single households was significantly lower, with male households (with no spouse) making just over \$51,000 and female households (with no spouse) making just under \$34,000.

Meanwhile, median income for White, non-Hispanic (\$90,614) and Asian (\$83,761) family households were the highest, while American Indian (\$57,300), Black (\$51,614), and Hispanic (\$59,341) family households' incomes were on the lower end.



# NEBRASKA DEMOGRAPHICS RELEVANT TO EARLY CHILDHOOD EDUCATION

JOSH SHIRK, RESEARCH COORDINATOR, VOICES FOR CHILDREN IN  
NEBRASKA



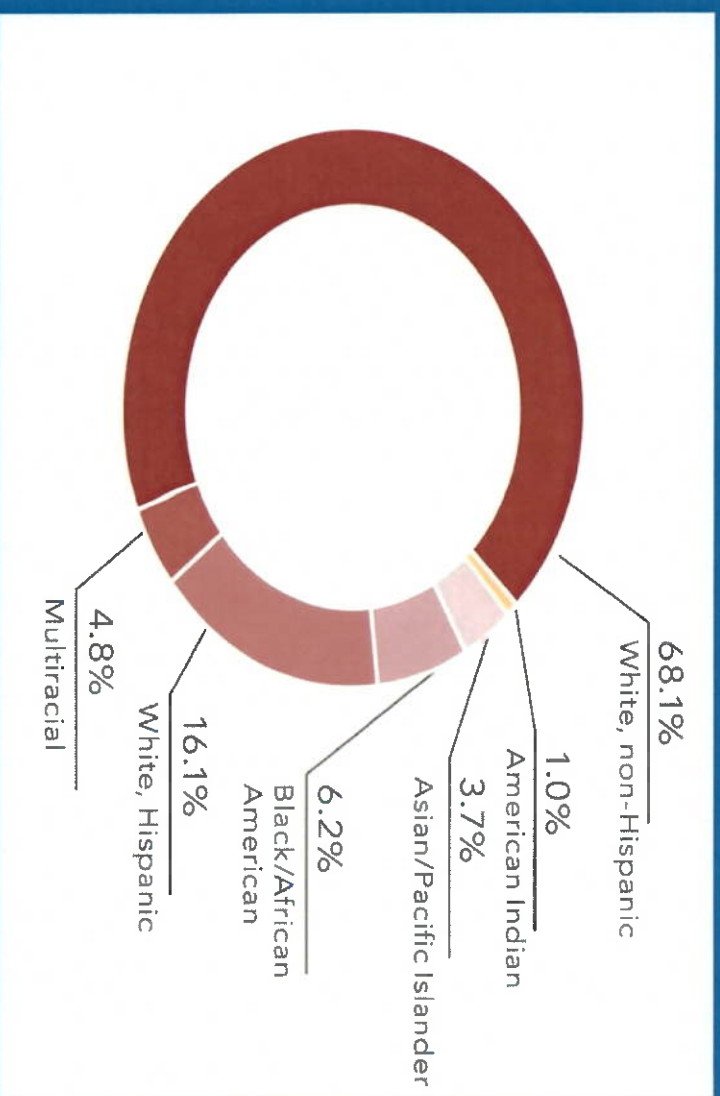




# Nebraska Births (2021)

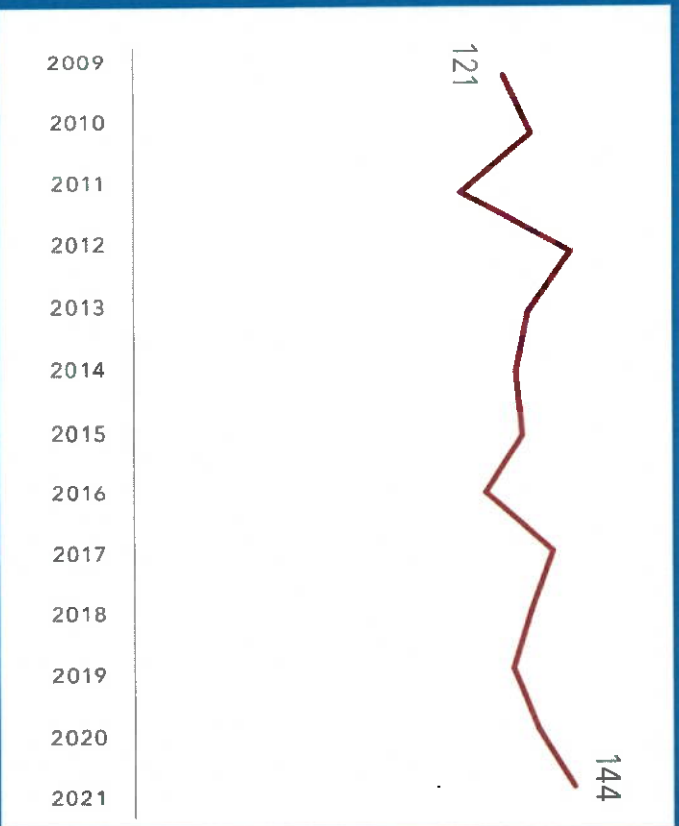
24,609 Babies  
were born in  
2021

## Births by Race & Ethnicity (2021)

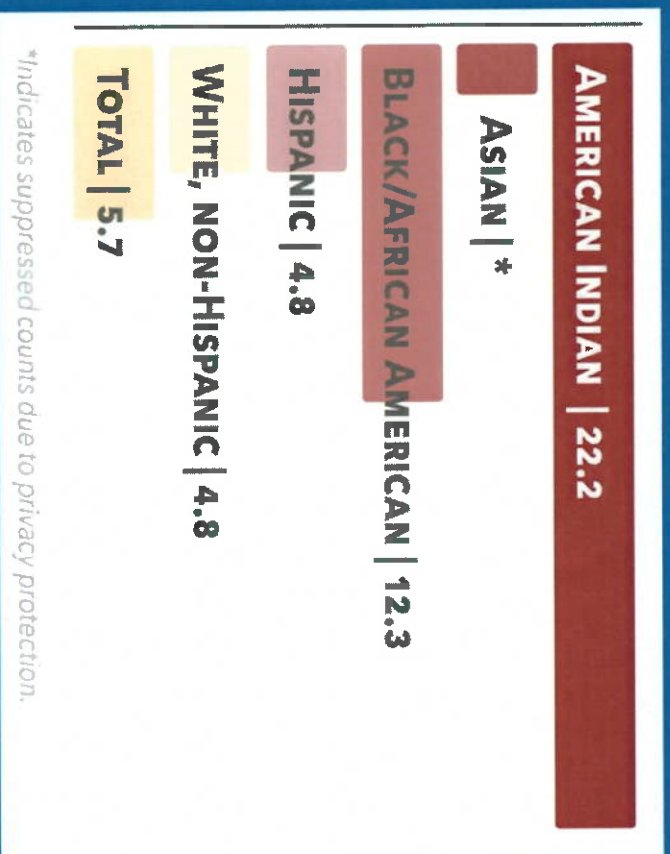


Source: United States Department of Health and Human Services (US DHHS), Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS), Division of Vital Statistics (DVS), Natality on CDC WONDER Online Database, for years 2016-2021 available February 2023.

## Child Deaths, Ages 1 to 19 (2009-2021)



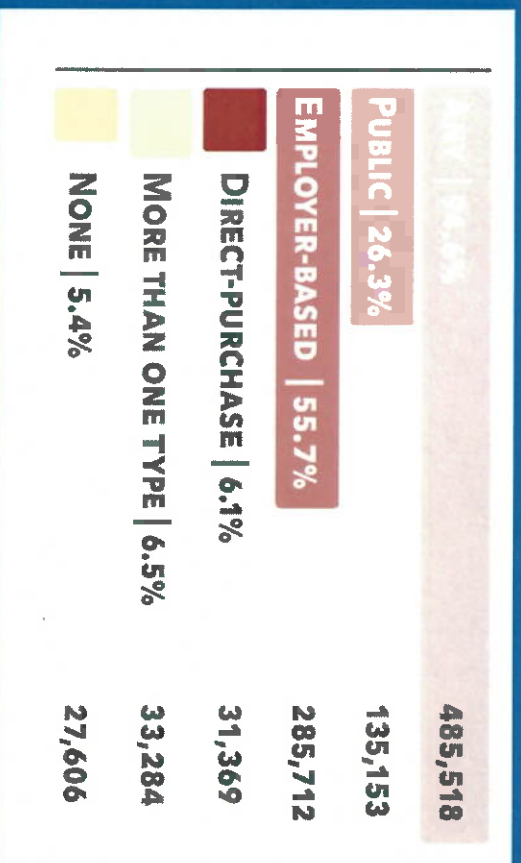
## Infant Mortality by Race/Ethnicity Per 1,000 Births (2020)



Sources: Vital Statistics, Nebraska Department of Health and Human Services; United States Department of Health and Human Services (US DHHS), Centers for Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS), Division of Vital Statistics (DVS), Natality on CDC WONDER Online Database, for years 2017-2020 available February 2023.

# Health Insurance 2021

## Health Coverage for Kids 18 & Under by Type

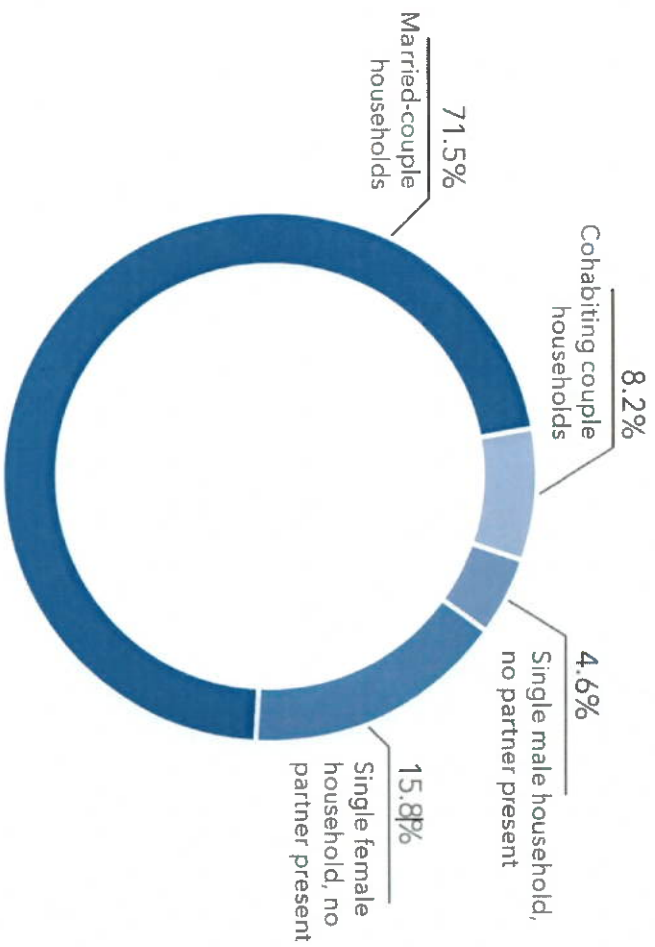


## Uninsured Children by Race/Ethnicity

|                        |        |       |
|------------------------|--------|-------|
| AMERICAN INDIAN        | 847    | 9.8%  |
| ASIAN                  | 343    | 3.1%  |
| BLACK/AFRICAN AMERICAN | 1,152  | 4.2%  |
| HISPANIC               | 8,894  | 9.5%  |
| OTHER/MULTIRACIAL      | 8,452  | 10.0% |
| WHITE, NON-HISPANIC    | 11,942 | 3.5%  |

Sources: U.S. Census Bureau, 2021 American Community Survey 5-year estimates, Table B27010; U.S. Census Bureau, 2021 American Community Survey 1-year estimates, Table C27001B-1.

# Nebraska Households with Children by Household Type (2021)



Source: U.S. Census Bureau, 2021 American Community Survey 5-year Estimates, Table B09005.

# Children in Non-Traditional Living Arrangements

**1,698**

NEBRASKA KIDS  
WERE LIVING IN  
GROUP QUARTERS\*  
IN 2021.<sup>3</sup>

**4,076**

NEBRASKA  
CHILDREN WERE  
LIVING WITH THEIR  
GRANDPARENT(S)  
WITHOUT A PARENT  
PRESENT IN 2021.<sup>4</sup>

**3,848**

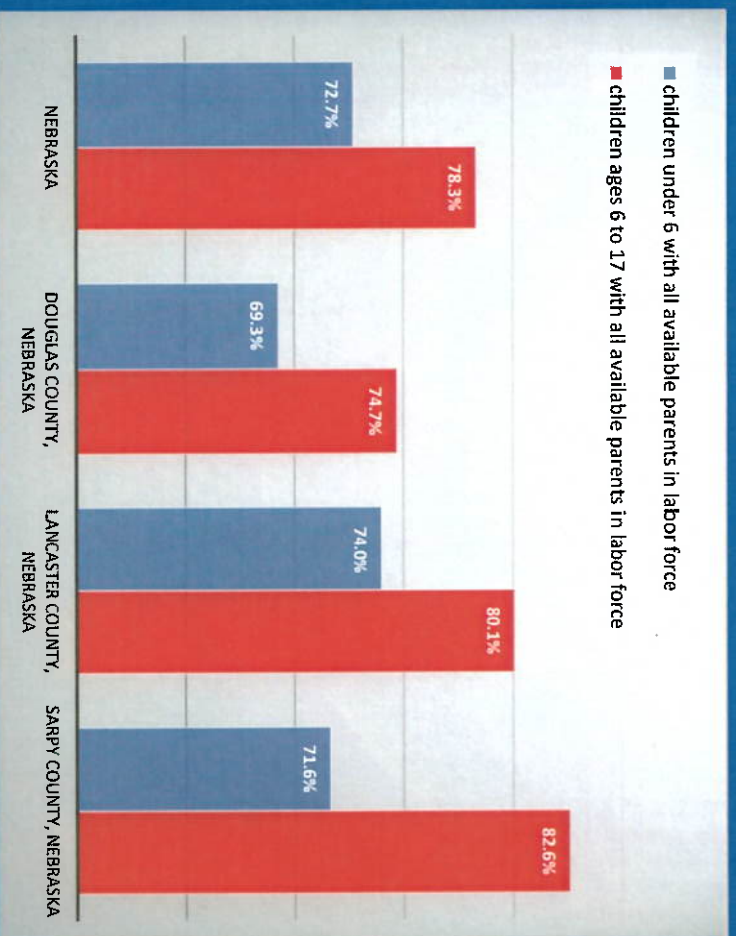
NEBRASKA KIDS  
WERE LIVING  
IN NON-FAMILY  
HOUSEHOLDS  
IN 2021.<sup>5</sup>

**28.5%**

OF NEBRASKA KIDS  
WERE LIVING WITH  
AN UNMARRIED OR  
SINGLE PARENT  
IN 2021.<sup>2</sup>

2. U.S. Census Bureau, 2021 American Community Survey 5-year Estimates, Table B09005.  
3. U.S. Census Bureau, 2021 American Community Survey 5-year Estimates, Table B09001.  
4. U.S. Census Bureau, 2021 American Community Survey 5-year Estimates, Table B10002.  
5. U.S. Census Bureau, 2021 American Community Survey 1-year Estimates, Table B09010.

# Labor Force Participation Among Families with Children Under Age 6 is 72.7%



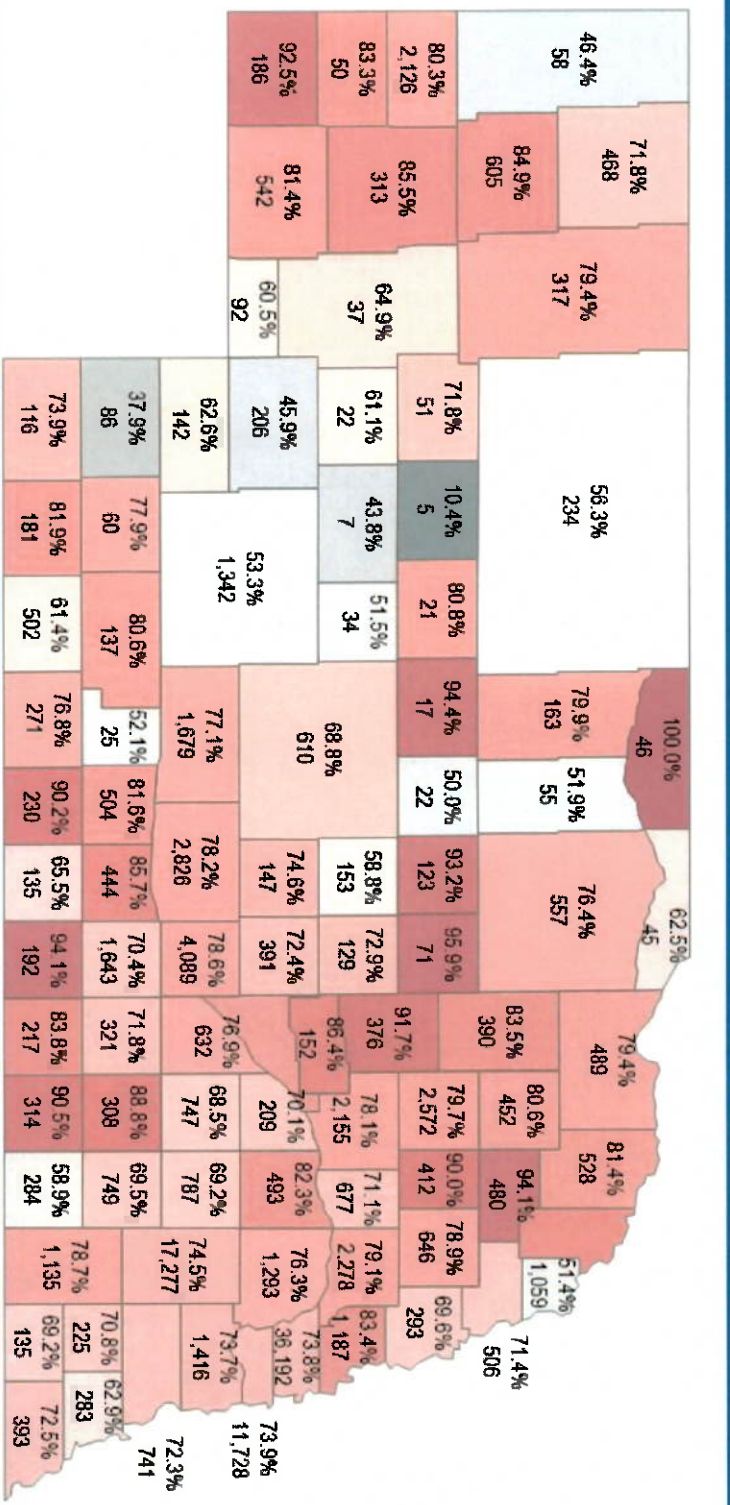
- Nationwide, 13% of parents of children ages 0 to 5 quit, did not take, or greatly changed their job because of childcare issues.
- Nebraska had lowest percentage in nation with only 6.0% of parents experiencing job changes due to childcare issues.

Source: U.S. Census Bureau, American Community Survey, 2021, 2022; 2020-21 National Survey of Children's Health.

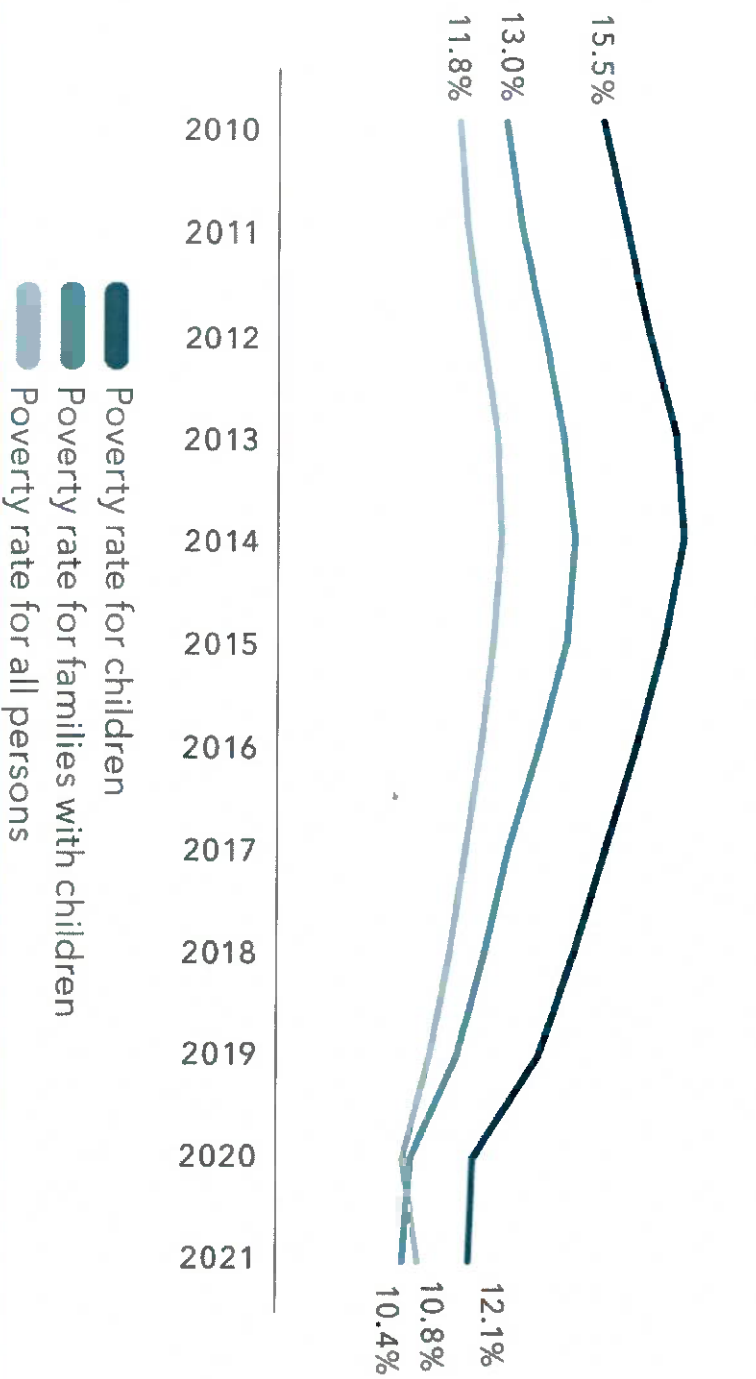




# Across the State Families Have a High Labor Force Participation Rate for Parents with Children Under 6



# NEBRASKA POVERTY (2010-2021)<sup>1</sup>



1. U.S. Census Bureau, 2010-2021 American Community Survey 5-year estimate, Table B17001, B17024.



# Families and Income

## MEDIAN INCOME FOR FAMILIES WITH CHILDREN (2021)

|                                |                  |
|--------------------------------|------------------|
| All families                   | <b>\$85,162</b>  |
| Married couple                 | <b>\$105,802</b> |
| Male householder (no spouse)   | <b>\$51,182</b>  |
| Female householder (no spouse) | <b>\$33,550</b>  |

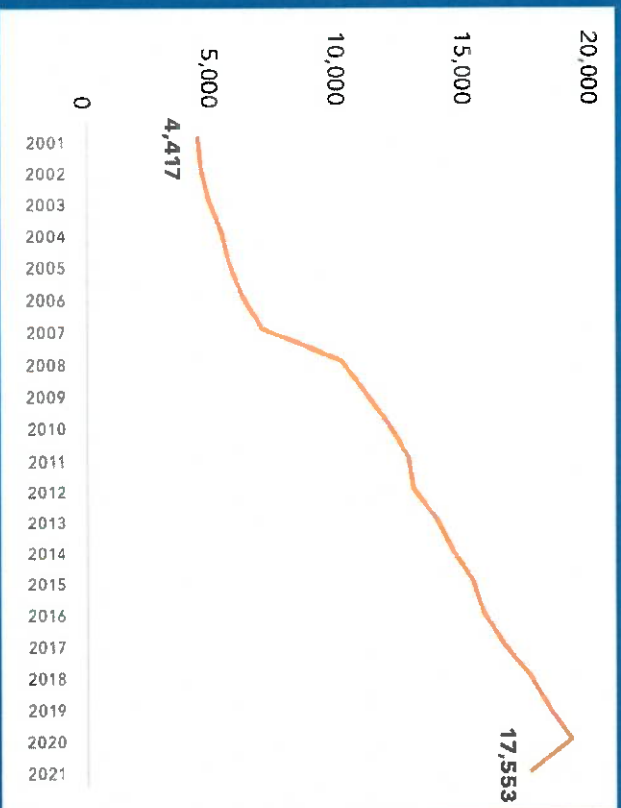
## MEDIAN INCOME FOR FAMILIES BY RACE & ETHNICITY (2021)

|                        |                 |
|------------------------|-----------------|
| American Indian        | <b>\$57,300</b> |
| Asian                  | <b>\$83,761</b> |
| Black/African American | <b>\$51,614</b> |
| Hispanic               | <b>\$59,341</b> |
| Multiracial            | <b>\$67,625</b> |
| Other                  | <b>\$60,222</b> |
| White, Non-Hispanic    | <b>\$90,614</b> |

Source: U.S. Census Bureau, American Community Survey, 2021.

# Early Childhood Education

## Public Preschool Enrollment (2001/02-2020/21)



- In the 2020/21, public preschool enrollment declined (8.3%) for first time this century.
- Enrollment bounced back up to 18,841 in 2021/2022 but is still below 2019/2020 enrollment numbers.

Sources: Nebraska Department of Education.



# Child Care in Nebraska: Availability, Access and Quality

Insights from Recent Nebraska Data

## Key Points

- ▶ **Significant portions of the state have seen a net decrease in child care programs.** The majority of these closures occur among family child care home programs in metropolitan and rural areas.
- ▶ **Earnings and benefits offered by child care lag significantly behind other professions.** Resulting attrition in the early childhood professional workforce limits child care options for Nebraska families.
- ▶ **The gap between what child care providers must charge to remain open and what families can afford to pay is vanishing.** The economics of child care affordability in Nebraska simultaneously undermines the viability of child care businesses, the financial security of families and the development of our state's workforce.

## Introduction

Early childhood care and education programs play a widely recognized role in creating a stronger quality of life for all Nebraskans, regardless of their age, family composition or socioeconomic status. High-quality child care and early education is a critical asset that enables workforce participation, increases families' financial stability, builds community cohesion, and creates social, educational and economic opportunity on a broad scale. Research also indicates that high-quality early childhood programming improves children's near- and long-term academic, social, professional and health outcomes producing an estimated annual return of 13% for each dollar invested.<sup>1</sup>

Despite its importance, child care in Nebraska has long operated under regulatory and economic conditions that are fundamentally unsustainable for programs, early childhood professionals and families alike. Even prior to the onset of COVID, the supply of licensed child care was insufficient to meet demand for these services in most parts of the state.<sup>2</sup> This comes at a significant cost to our state and its residents. According to a University of Nebraska-Lincoln Bureau of Business Research study commissioned by First Five Nebraska, pre-pandemic child care shortfalls resulted in a direct, statewide economic losses amounting to \$745 million from reduced family earnings, business productivity and tax revenues each year.<sup>3</sup>

Child care is critical to our plans for moving our state forward in the decades ahead. This brief examines some of the key challenges and dynamics that will affect our progress.

Figure 1: Net Percentage of Change in Child Care by County 2020-23<sup>4</sup>

All program types serving children under age 6

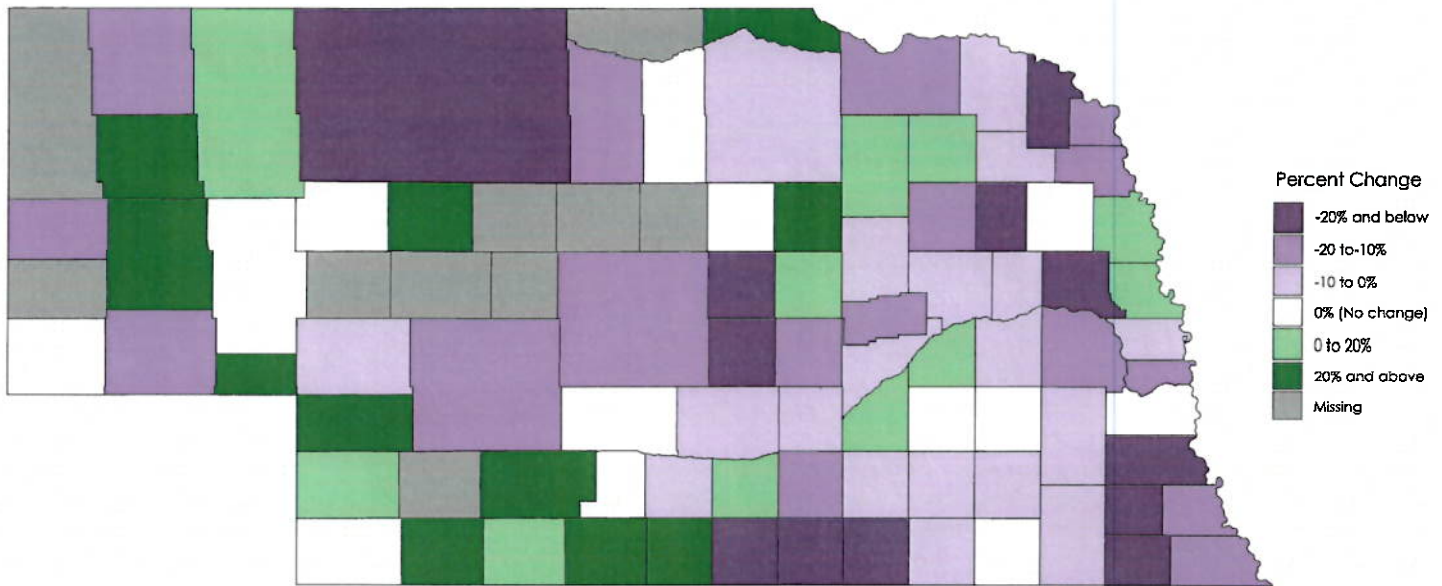
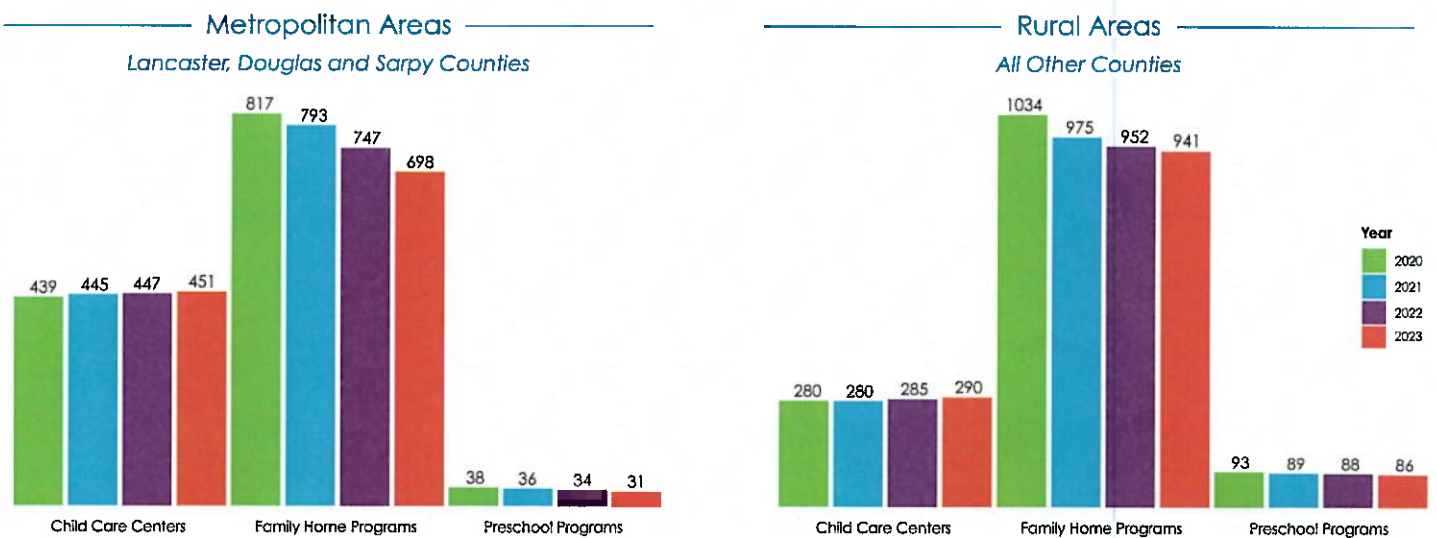


Figure 2: Child Care Attrition by Program Type 2020-23<sup>4</sup>

Programs serving children under age 6



### Change in child care availability

Of the 83 Nebraska counties that had licensed child care providers in 2020, 58% experienced a decrease in programs, 27% experienced an increase and 16% experienced no change from 2020 to 2023.<sup>4</sup> Instances of net increases or no change suggest that federal stabilization aid and related supports may have been effective in mitigating some of the threats to child care viability in certain parts of the state.

In counties where child care options increased, this represented very modest gains in the number of center-based child care programs. In contrast, family child care home programs experienced the highest rates of attrition, with the heaviest losses occurring in metropolitan areas (see Figure 2).

Family child care homes represent the largest segment of all licensed child care programs in Nebraska. They are especially critical resources in communities where residents depend on the flexibility and accessibility of smaller programs and lack sufficient resources to sustain center-based care. Loss of family child care home programs in both metropolitan and rural areas indicates an overall decrease in parents' choice regarding the settings they need and prefer for the care of their children.

### Program revenues and child care closures

A wide array of factors contribute to child care program closures. In general, these point to the fact that child care services are expensive for providers to deliver and families to purchase. Rising costs associated with supplies, payroll, insurance, quality improvement and regulatory compliance often outweigh provider income, sometimes forcing them to operate at a financial loss for extended periods.

While child care program revenues have always been extremely vulnerable to fluctuations in enrollment, attendance, staffing and the timely collection of fees from parents, these changes became particularly severe with the onset of COVID and continue to threaten program sustainability.

According to a recent provider survey conducted by the Buffett Early Childhood Institute, 51% of center-based providers reported at least a 25% reduction in their program revenues between 2021 and 2022, while over two-thirds (67%) of family home child care providers reported similar losses in the same time frame.<sup>5</sup>

In any other area of business, a 30% turnover in the total skilled workforce within the space of a single year would be recognized as an industry-wide crisis.

### Workforce attraction and retention

Delivering quality child care requires a significant amount of professional education, practical experience and individual commitment. In most other skilled professions, these requirements would correspond to a degree of compensation, benefits and supports enabling employers to recruit, retain and develop an effective workforce.

In reality, child care in Nebraska struggles to compete with other employment opportunities offering better pay, stability, working hours and benefits—especially health care insurance. Between 2022 and 2023, about 30% of Nebraska's child care workforce turned over, an improvement on previous 40% worker attrition rate between 2021 and 2022, but still far from ideal.<sup>6</sup> Provider survey responses indicated that most of the turnover in center-based programs resulted from early childhood professionals finding jobs outside of child care.<sup>5</sup>

Figure 3: Median Hourly Wage<sup>7</sup>  
Child Care Workers vs. All Other NE Occupations

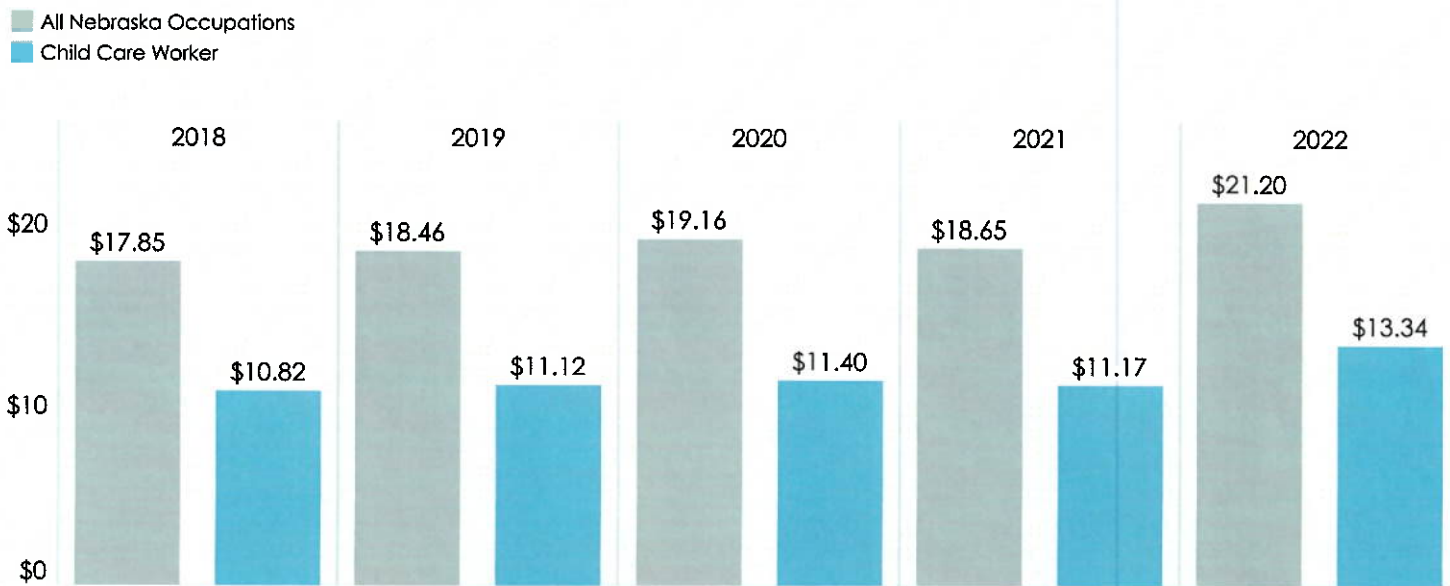
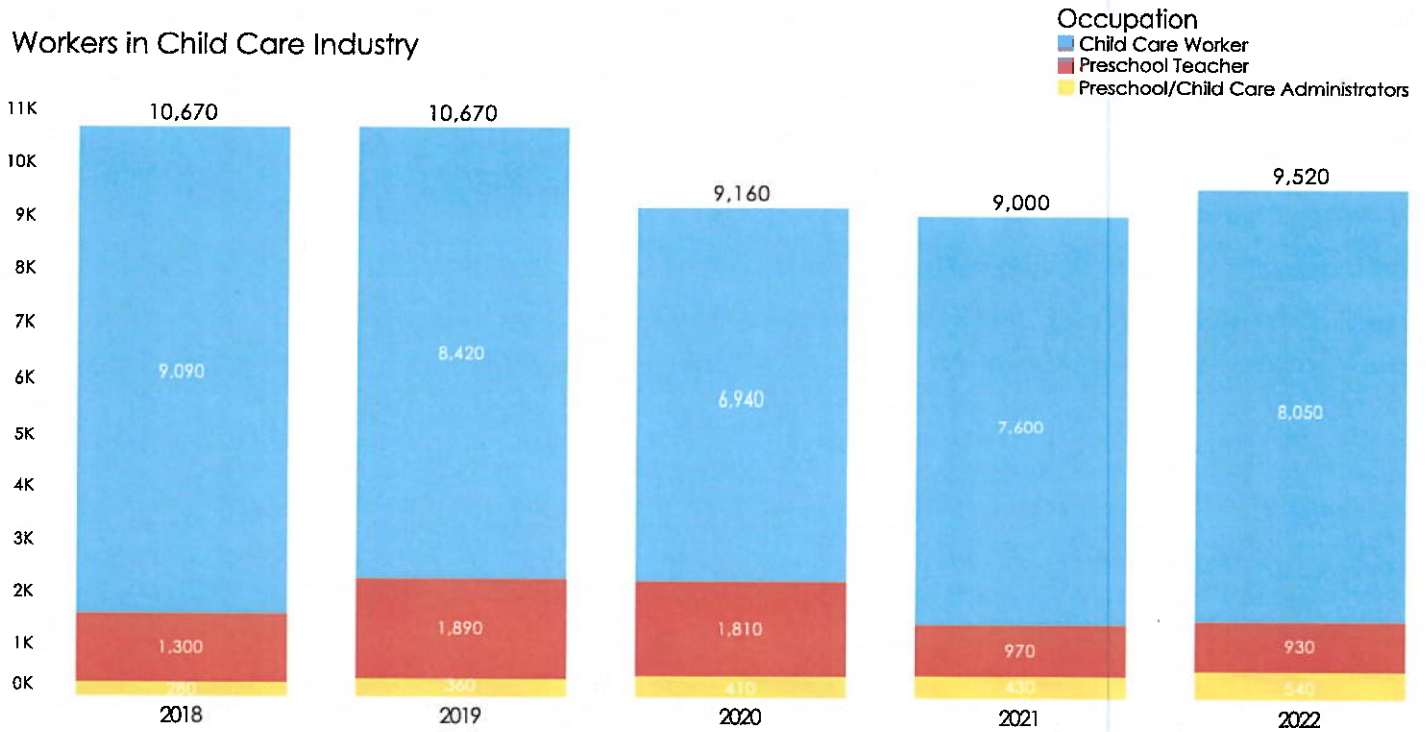




Figure 4: Change in Size of Nebraska Child Care Workforce 2018-22<sup>7</sup>



Many of the same issues that are driving early childhood professionals out of child care also define the challenges employers face in replacing them. More than three-quarters (78%) of child care center employers reported that their principal difficulty in hiring new staff was an overall lack of applicants. These employers also pointed out their inability to offer high enough pay (66%), lack of qualified applicants (56%) and slowness in the fingerprinting/background check process (51%).<sup>5</sup>

Overall, child care in Nebraska has lagged behind other industries in recovering from the pandemic. As of 2022, the state's total child care workforce was only 89% of

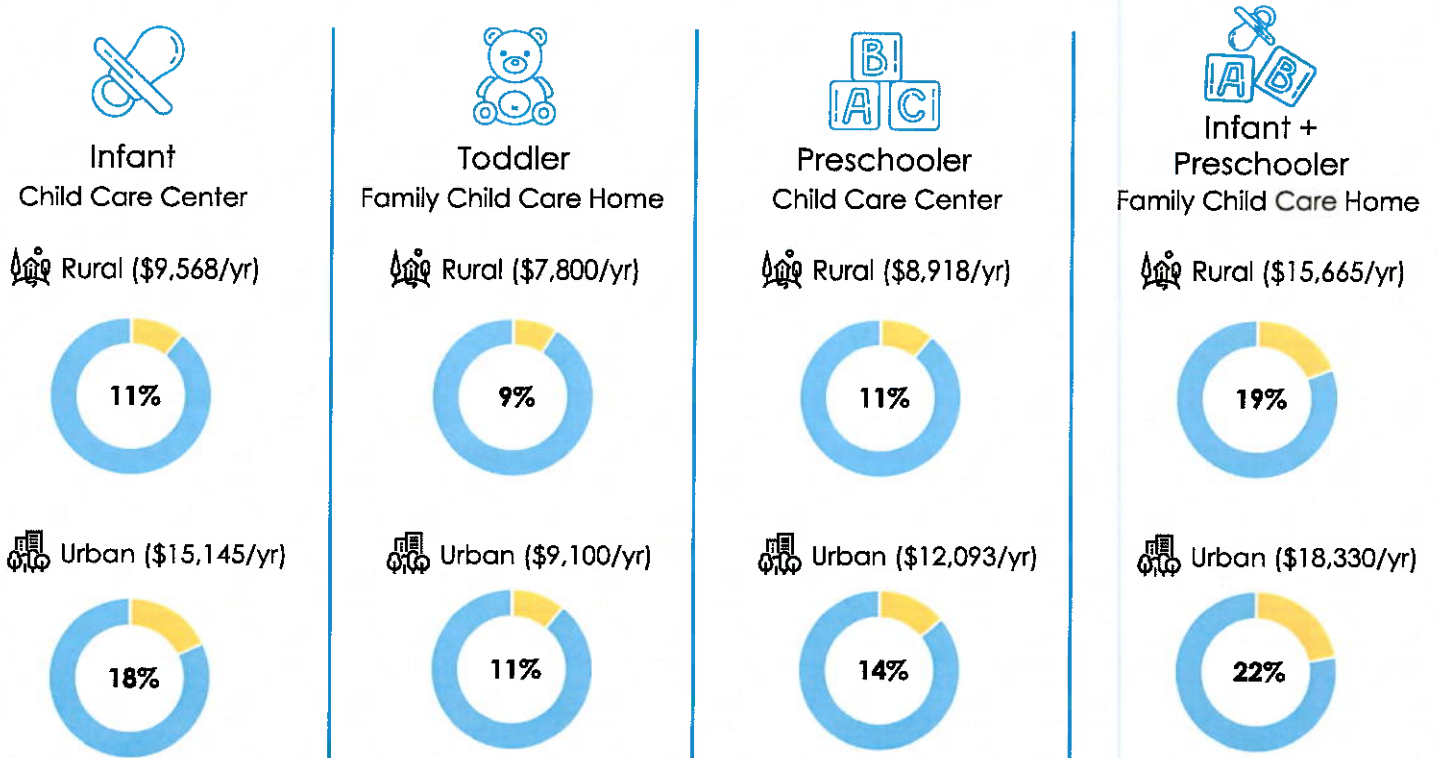
its size in 2018 (see Figure 4). By comparison, the total Nebraska workforce has returned to 99% of its 2018 size within the same timeframe.<sup>7</sup>

Without a stable and consistent supply of professional talent to staff their child care programs, providers struggle to maintain required teacher-to-child ratios and deliver safe, high-quality early developmental experiences for children in care. As a result, many providers find themselves operating below program capacity, which undercuts their ability to meet local demand for child care and becomes a self-perpetuating drain on program revenues.

## Figure 5: Affordability of Full-Day, Licensed Child Care in Nebraska<sup>8</sup>

Sample scenarios showing annual child care expenses as a percentage of median income of Nebraska households with children under age 18 (\$84,153)

Based on the 75th percentile of the current market rate



### Affordability and availability of child care

Our state routinely leads national averages for the percentage of children under age 6 with all parents in the labor force.<sup>9</sup> Consequently, reliance on paid child care is non-negotiable for a great many hardworking Nebraska families.

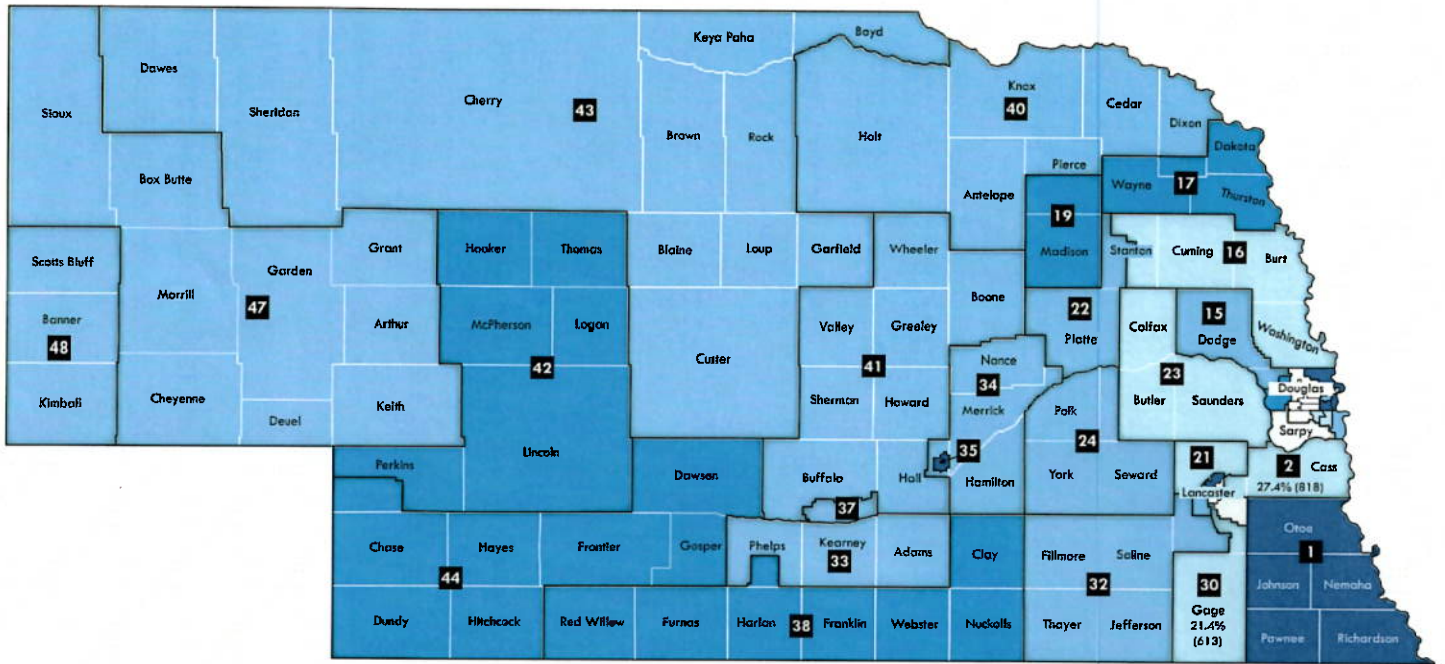
The decisions parents make about their children's care and learning environments depend on the earnings left after the expenses of rent/mortgage, food, utilities, insurance, health care and other factors have been deducted. The expense of purchasing child care can vary widely based on where a family lives, the type and quality of programs available and the number and age of children requiring care (see Figure 5).

Unfortunately, even when providers price their services at the lowest possible rates necessary to keep their businesses open, the overall financial impact of paid child care can be severe for many families. This dynamic is driving more parents to a threshold where the costs of child care

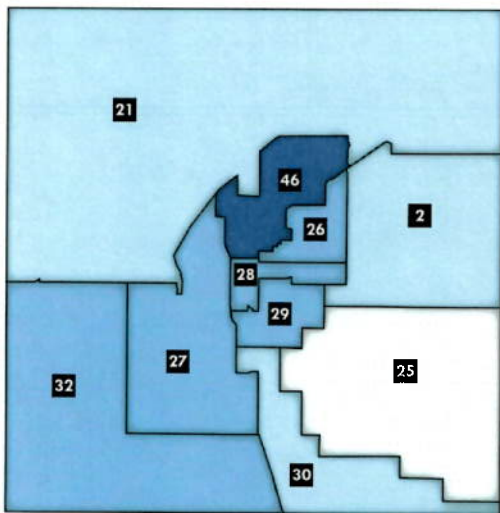
outweigh the benefits of workforce participation, or necessitate a change in employment that could reduce their family income. These challenges are further complicated by overall decreases in the supply of child care, leaving fewer available slots for parents who do not have the option to choose between staying home with their children or working to meet the basic needs of their families.

According to Kidsights, a national research initiative of the University of Nebraska Medical Center, College of Public Health, 18% of Nebraskans reported that they left their jobs or changed employment due to child care problems.<sup>10</sup>

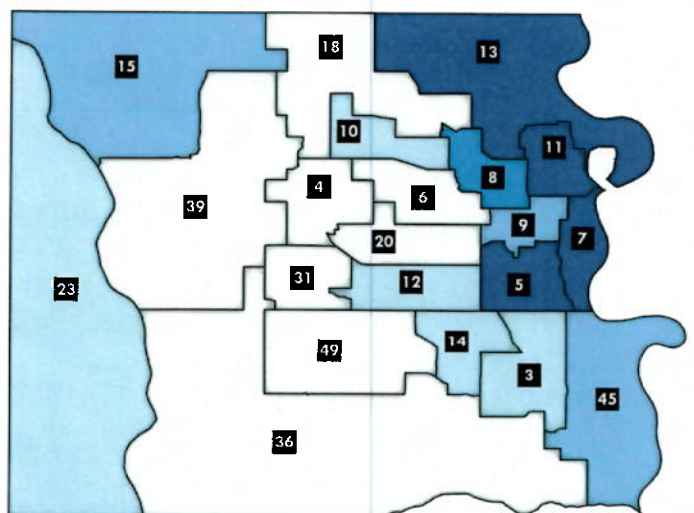
Figure 6: Percentage of Children Age Under Age 6 in Households  $\leq$  185% of the Federal Poverty Level by Legislative District<sup>11</sup>



LINCOLN



OMAHA



## Access to the child care subsidy

Nebraska's child care subsidy is a key support for families of low income, enabling parents to pursue education or employment and better ensure the financial stability of their households. While funding for the subsidy is sourced through the federal Child Care and Development Block Grant (CCDBG), individual states exercise a large degree of discretion in setting the income thresholds that determine a family's eligibility for subsidized and transitional child care assistance. The subsidy is the largest source of state funding to promote access to child care in Nebraska.

Historically, Nebraska's household income eligibility requirements for the child care subsidy have been among the most restrictive in the nation. In 2002, Nebraska reduced the maximum qualifying household income from 185% of the Federal Poverty Level (FPL) to 120% FPL,

where it remained for nearly two decades. In 2019, the income threshold was raised slightly to 130% FPL.

In response to growing financial pressures on Nebraska families due to the pandemic, the State Legislature passed LB485 in 2021, temporarily raising the income eligibility threshold from 130% to 185% FPL for subsidized care and from 185% to 200% FPL for transitional child care assistance until October 2023. In 2023, the Legislature passed LB227, including provisions to extend the expanded income requirements until October 2026.

LB485 required an impact study to evaluate how the new income eligibility thresholds affected Nebraska families, providers and communities. First Five Nebraska is leading this project in collaboration with the Nebraska Department of Health and Human Services (NDHHS) and will present its findings to the Nebraska Legislature in 2024.

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- <sup>2</sup> Bipartisan Policy Center. (2020). Child care in 35 states: What we know and what we don't know. [https://bipartisanpolicy.org/wp-content/uploads/2022/03/BPC\\_Working-Family-Solutions\\_V7.pdf](https://bipartisanpolicy.org/wp-content/uploads/2022/03/BPC_Working-Family-Solutions_V7.pdf)
- <sup>3</sup> Bureau of Business Research, & First Five Nebraska. (2020). The bottom line: Economic impact of inadequate child care access in Nebraska. [https://www.firstfivenebraska.org/wp-content/uploads/2021/07/Bottom\\_Line\\_Report-FINAL.pdf](https://www.firstfivenebraska.org/wp-content/uploads/2021/07/Bottom_Line_Report-FINAL.pdf)
- <sup>4</sup> Nebraska Department of Health and Human Services. (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.
- <sup>5</sup> Daro, A., Gallagher, K., & Cunningham, K. M. (2022). The Nebraska COVID-19 Early Care and Education Provider Survey III. Buffett Early Childhood Institute, University of Nebraska. <https://buffettinstitute.nebraska.edu/-/media/beci/docs/covid-iii-report-05162022.pdf>
- <sup>6</sup> Nebraska Department of Labor. (2023). Childcare Industry Employment Data requested by First Five Nebraska and received 9/13/2023.
- <sup>7</sup> Bureau of Labor Statistics. (2022). Occupational Employment and Wage Statistics, Nebraska, May 2018- May 2022. Accessed 9/12/2023. <https://www.bls.gov/oes/tables.html>
- <sup>8</sup> Daro, A., Welch, G., & Bryant, V. (2023). Nebraska Child Care Market Rate Survey Report 2023. Buffett Early Childhood Institute, University of Nebraska. Accessed 9/20/2023. <https://dhhs.ne.gov/Child%20Care%20Market%20Rate%20Surveys/2023%20Market%20Rate%20Survey%20Report.pdf>
- U.S. Census Bureau (2022). 2021 American Community Survey 5-year estimates. Subject Table S1903.
- <sup>9</sup> U.S. Census Bureau (2022). 2012 through 2021 American Community Survey 5-year estimates. Detailed Table B23008.
- <sup>10</sup> Raikes, A., Waldman, M., Hepworth, K. (2023). Nebraska Spotlight: Key findings that highlight connections among early childhood development, families and communities. University of Nebraska Medical Center, College of Public Health. [https://www.unmc.edu/publichealth/kidsights/\\_images/kidsights-data\\_ne-spotlight\\_6-23\\_report.pdf](https://www.unmc.edu/publichealth/kidsights/_images/kidsights-data_ne-spotlight_6-23_report.pdf)
- <sup>11</sup> U.S. Census Bureau. (2020). American Communities Survey 5-year estimates. Analysis by the Center for Public Affairs Research, University of Nebraska Omaha at the request of First Five Nebraska. Received June 8, 2022.



# **Child Care Access in Nebraska: Access, Affordability, and Quality**

**Katie Bass, Ph.D.**  
Data & Policy Research Advisor


September 29, 2023  
Nebraska Legislature's Planning Committee



# The Bottom Line: Costs of Inadequate Childcare

## Child care gaps in Nebraska

 112,410 children have the potential need for care

 Supply of 92,780 care slots

 Families of **20,740 children** do not have access to care

**18.5%** gap of potential need

Bipartisan Policy Center. (2020). [Child Care Gaps Assessment: Nebraska](#)

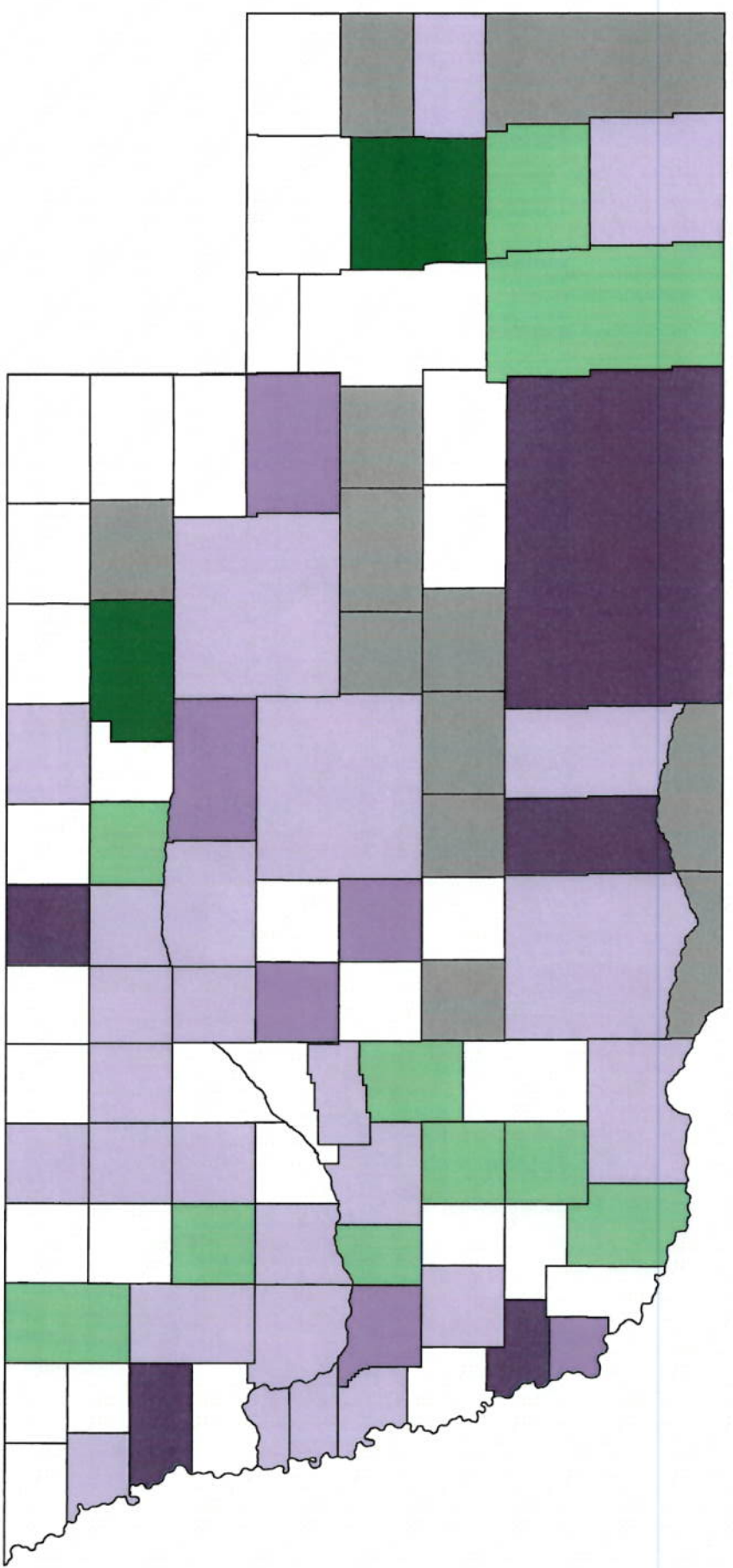


Bureau of Business Research, & First Five Nebraska. (2019). [Economic Impact of Inadequate Child Care Access in Nebraska](#)

# Change in Licensed Childcare Providers since 2020

2021

2020 to 2021 Total Net Percent Change

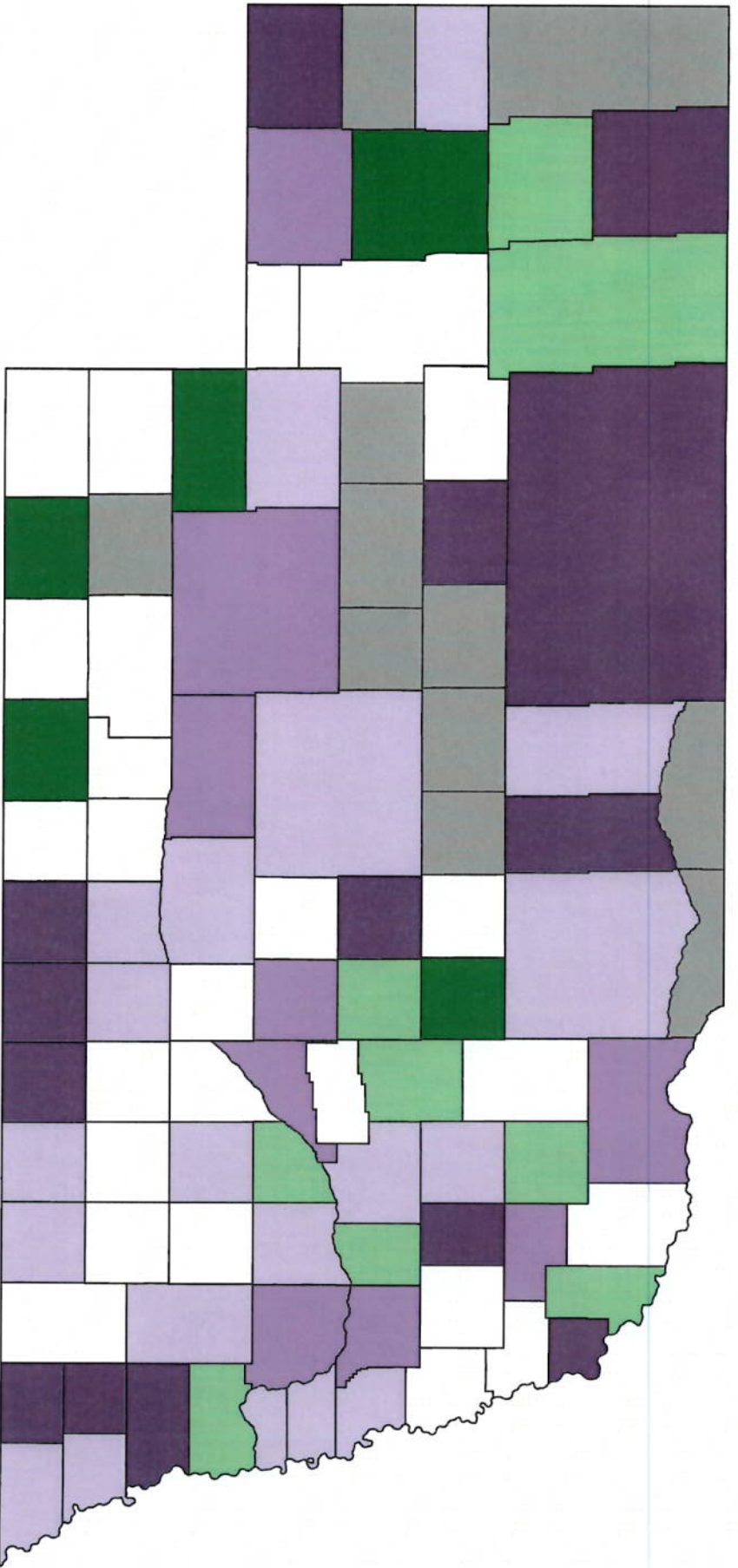


Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Change in Licensed Childcare Providers since 2020

2020 to 2022 Total Net Percent Change

2022



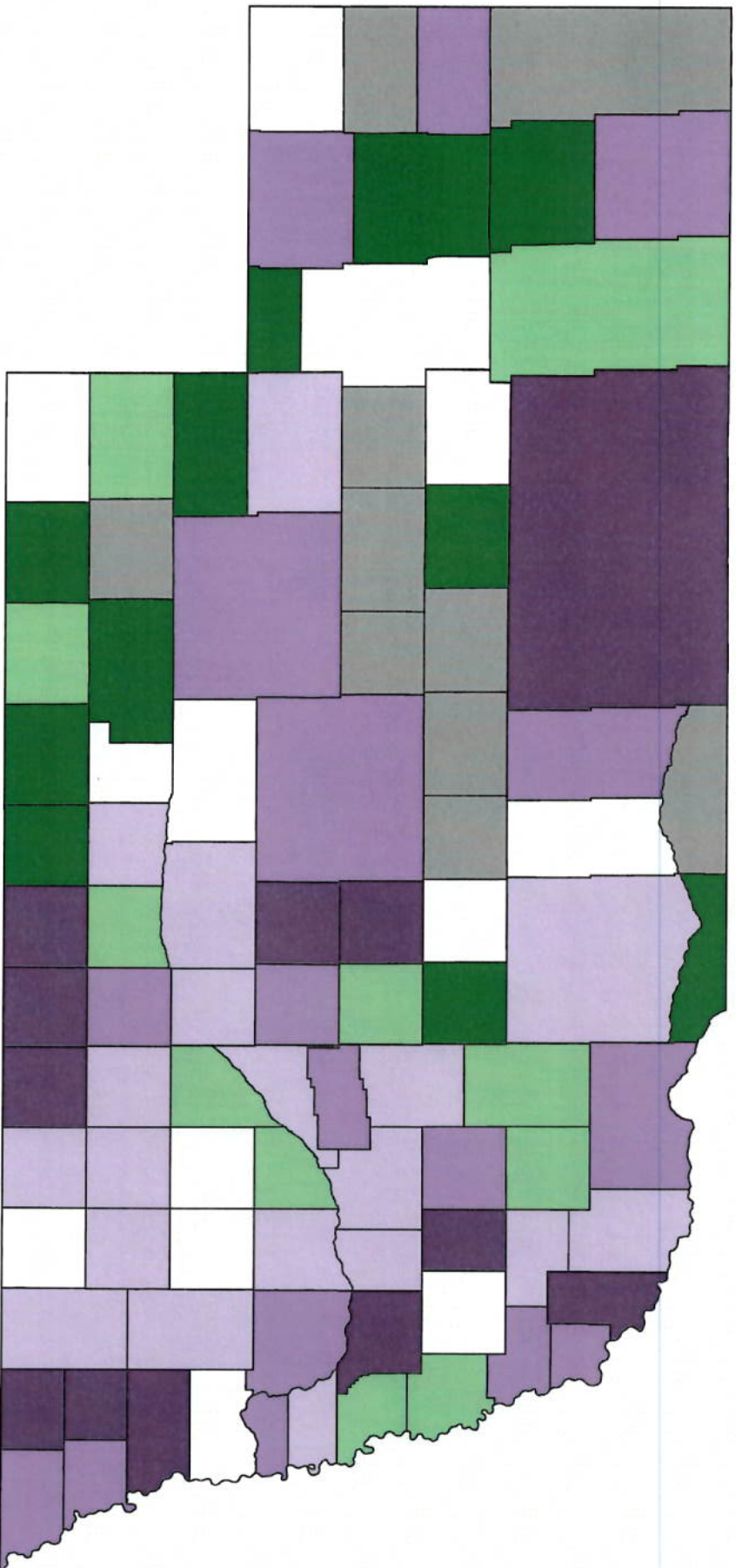
Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.



# Change in Licensed Childcare Providers since 2020

2020 to 2023 Total Net Percent Change

2023

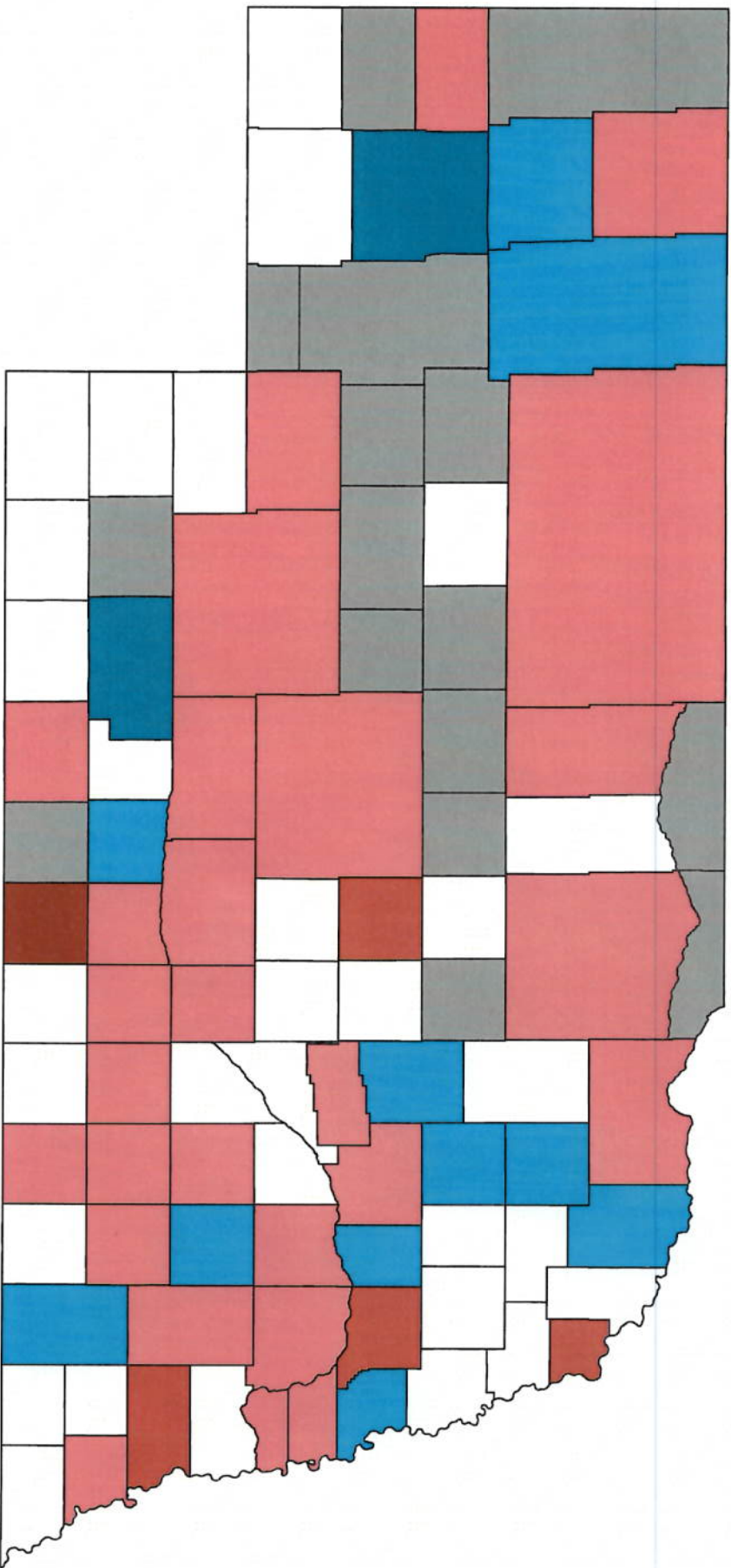


Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Change in Family Child Care Homes

2021

2020 to 2021 Family Net Percent Change

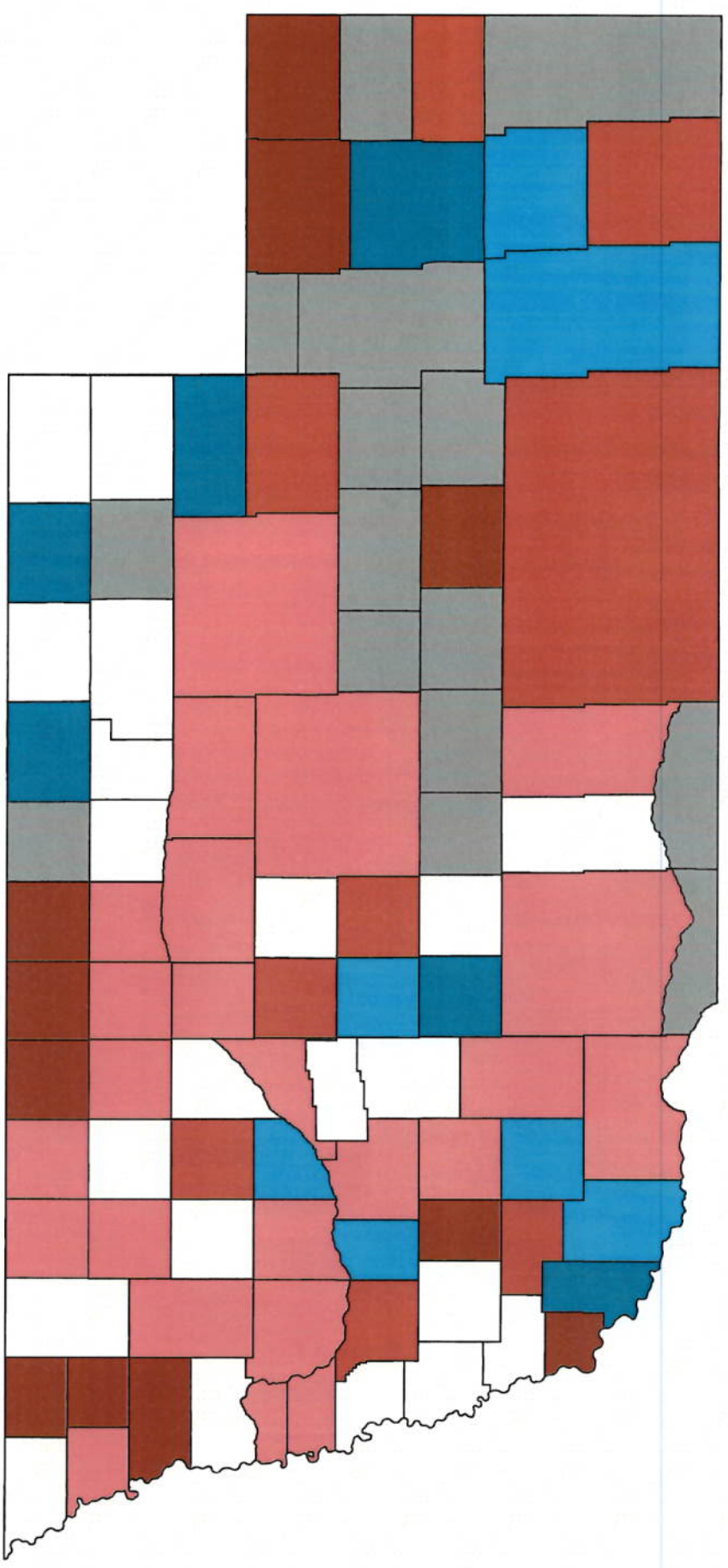


Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Change in Family Child Care Homes

2020 to 2022 Family Net Percent Change

2022

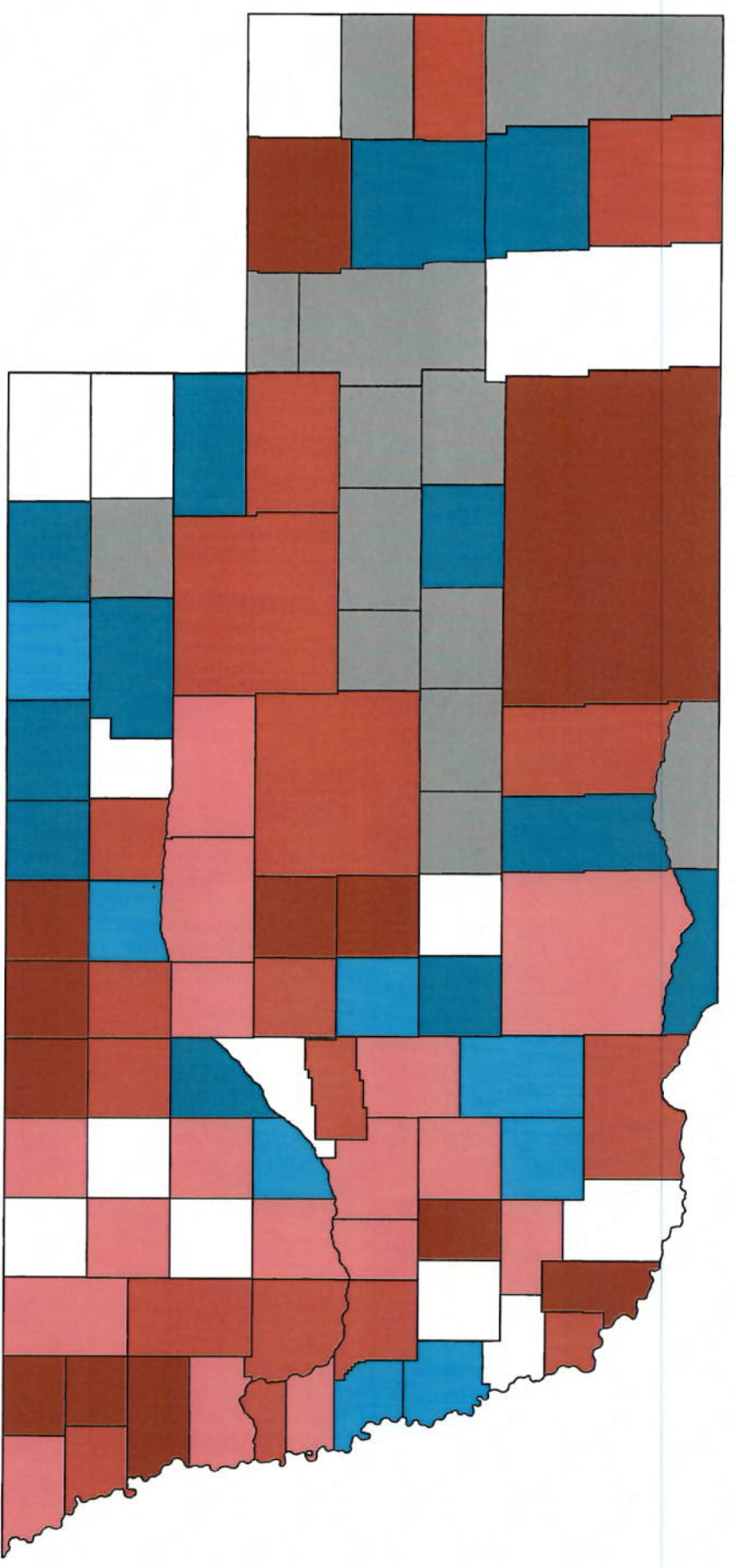


Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Change in Family Child Care Homes

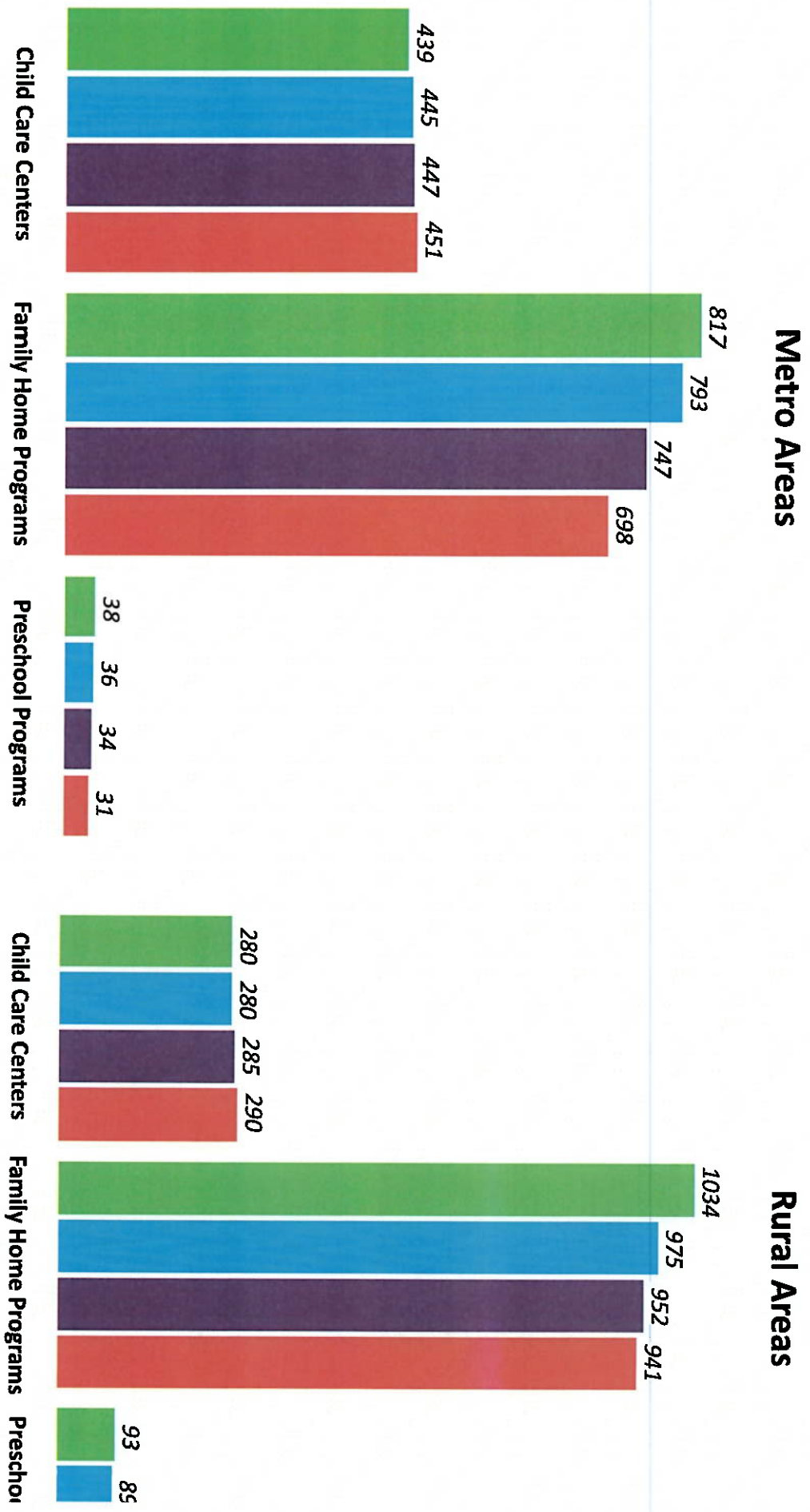
2020 to 2022 Family Net Percent Change

2023



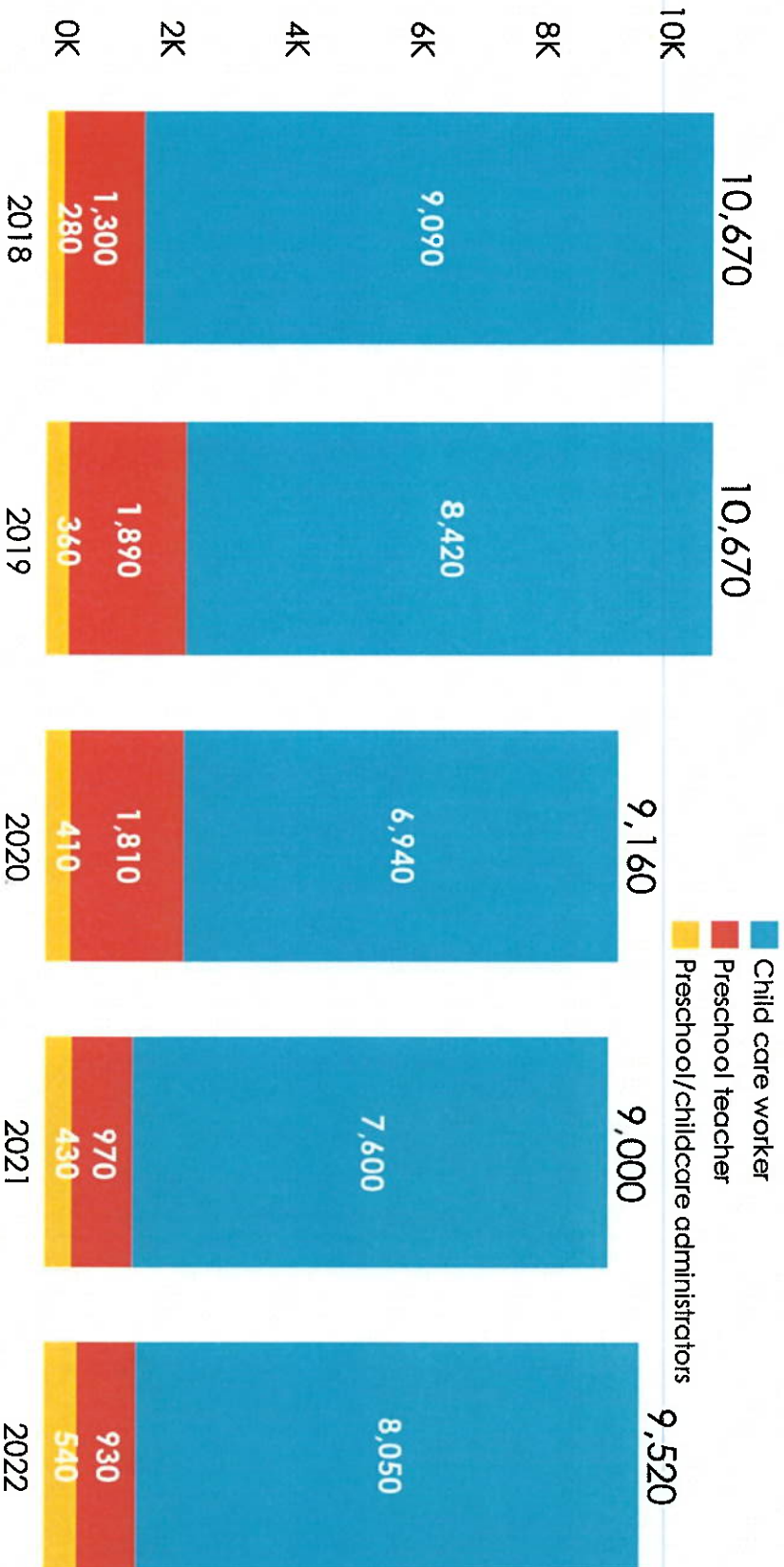
Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Licensed Child Care for Children 0-5



Nebraska Department of Health and Human Services (2023). Child Care Licensing Data requested and analyzed by First Five Nebraska.

# Nebraska's Child Care Industry

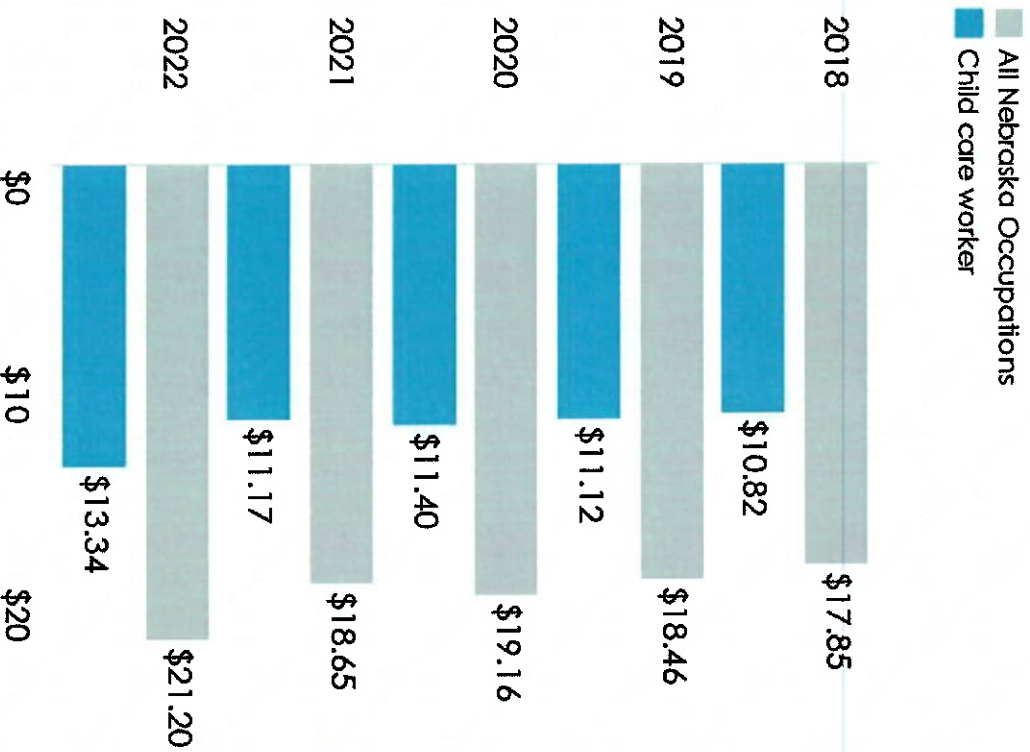


## Child Care

- 11% fewer workers to 2018
- In 2018 child ca 1,000 N
- In 2022 child ca 1,000 N

Bureau of Labor Statistics. 2022. Occupational Employment and Wage Statistics, Nebraska, May 2018-May 2022. Accessed 9/12/2023.

# Child Care Workers



Bureau of Labor Statistics. 2022. Occupational Employment and Wage Statistics, Nebraska, May 2018-May2022. Accessed 9/12/2023.

## Turnover Rate

Q1 21 - Q1 22:  
Q1 22 - Q1 23:

Nebraska Department of Labor. 2023. Childcare Industry Eir requested by First Five Nebraska and received 9/13/2023.



## Labor is 60-80% of the cost for child care centers

| Age of Child             | Ratio of Staff to Children |
|--------------------------|----------------------------|
| Infant (6 weeks-18 mos)  | 1:4                        |
| Toddler (18 mos – 3 yrs) | 1:6                        |
| 3-year-olds              | 1:10                       |
| 4- and 5-year-olds       | 1:12                       |
| School-age               | 1:15                       |

Workman, S. (2018). *Where Does Your Child Care Dollar Go?* Center for American Progress. Nebraska Department of Health and Human Services. (2013). *Title 391 Children's Services: Care Centers*. Accessed 9/21/2023



# Child Care Affordability

Monthly Child Care Price at the 75<sup>th</sup> Percentile of the 2023 Market Rate  
Dakota, Douglas, Lancaster and Sarpy Counties

|                        | Infant  | Toddler | Preschooler |
|------------------------|---------|---------|-------------|
| Family Child Care Home | \$769   | \$758   | \$758       |
| Child Care Center      | \$1,262 | \$1,116 | \$1,008     |

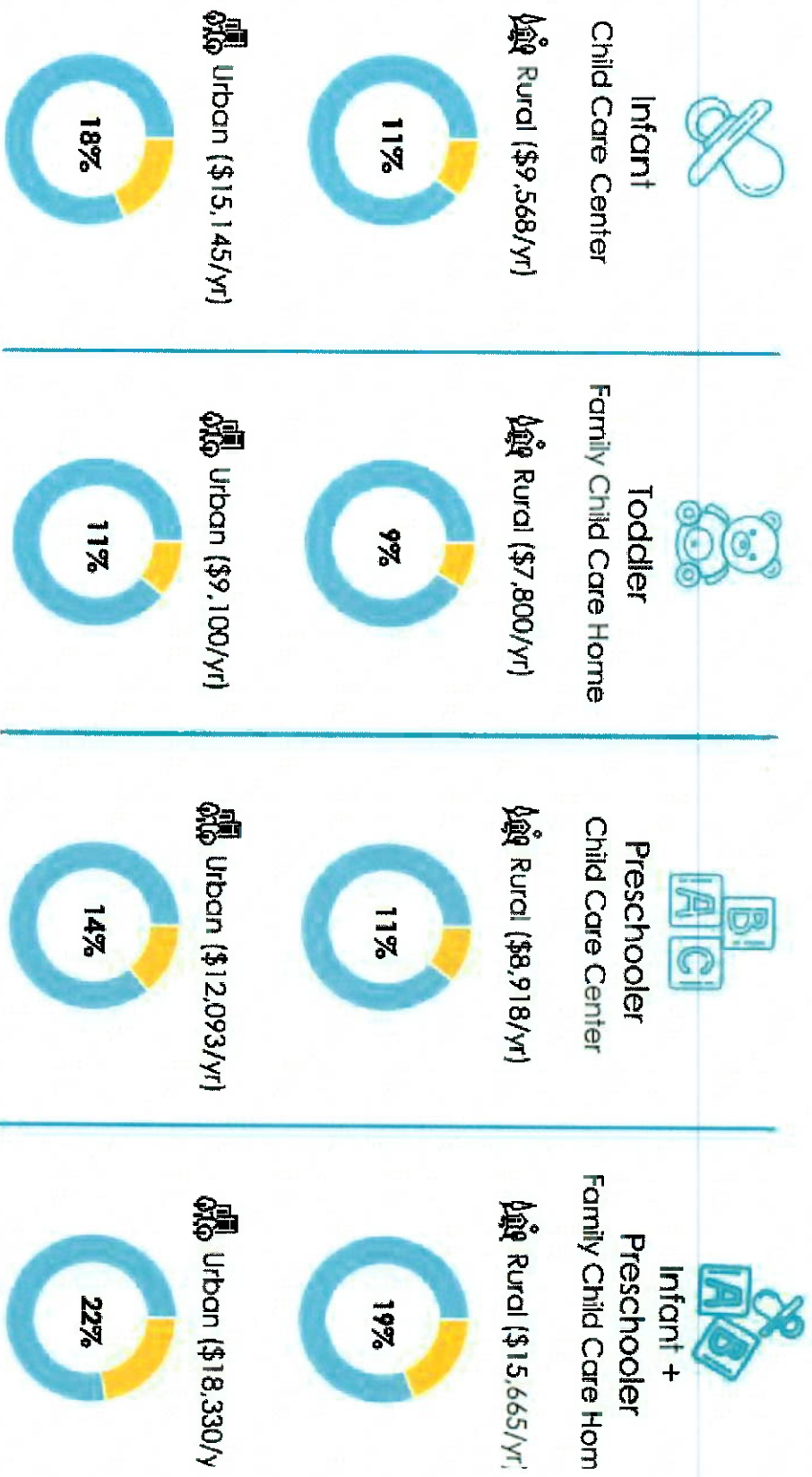
Monthly Child Care Price at the 75<sup>th</sup> Percentile of the 2023 Market Rate  
All Other Nebraska Counties

|                        | Infant | Toddler | Preschooler |
|------------------------|--------|---------|-------------|
| Family Child Care Home | \$655  | \$650   | \$650       |
| Child Care Center      | \$797  | \$758   | \$743       |

Daro, A., Welch, G., and Bryant, V. 2023. [Nebraska Child Care Market Rate Survey Report 2023](#). Accessed 9/20/2023.

# Child Care Affordability

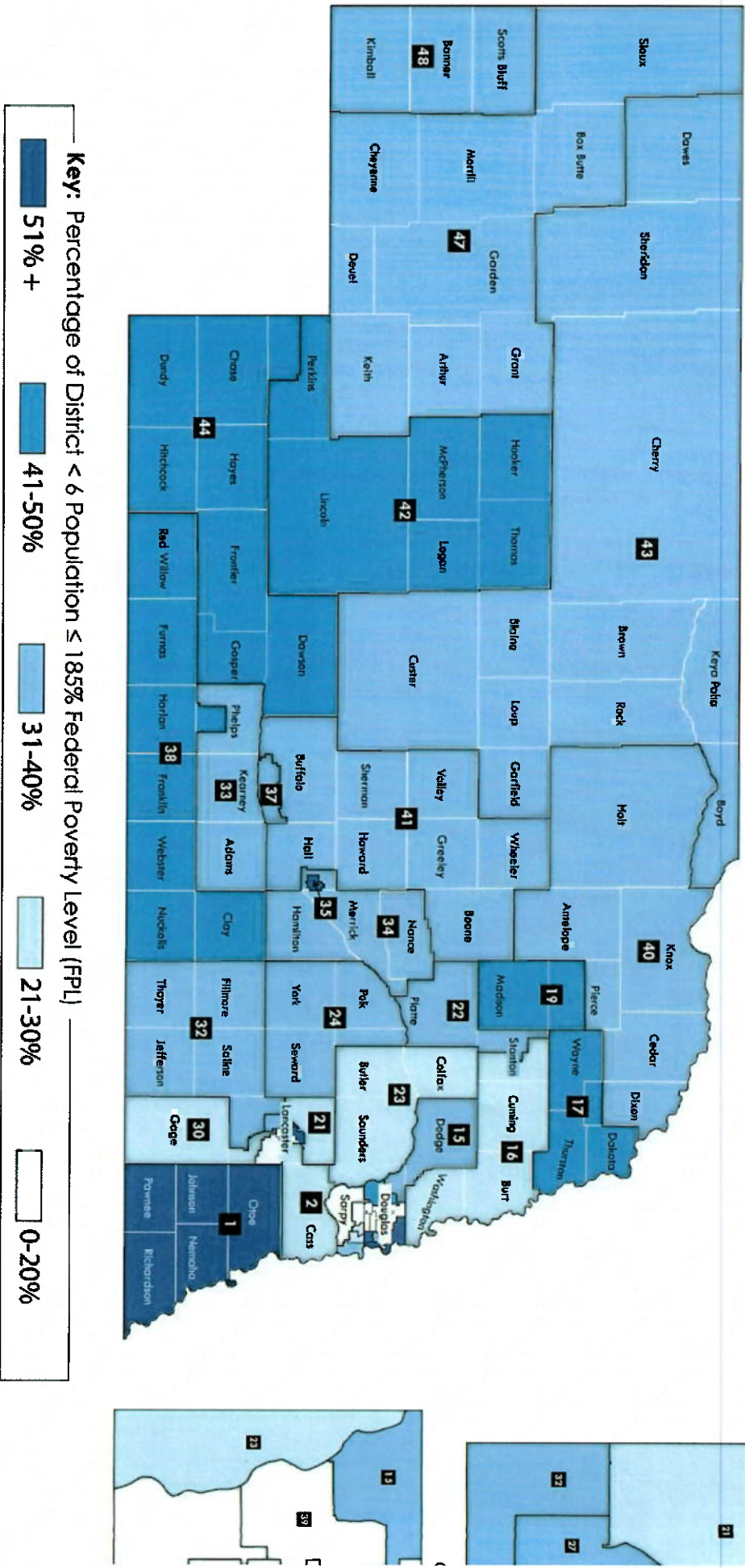
## Child Care Expenses Relative to Median Household Income for Families with Childre



Daro, A., Welch, G., and Bryant, V. 2023. Nebraska Child Care Market Rate Survey Report 2023. Accessed 9/20/2023.  
 U.S. Census Bureau (2022). 2021 American Community Survey 5-year estimates. Subject Table S1903. Accessed 9/20/2023.

# Children Under 6 ≤ 185% FPL

## Children Under 6 Years from Households ≤ 185% Federal Poverty Level by Legislative District

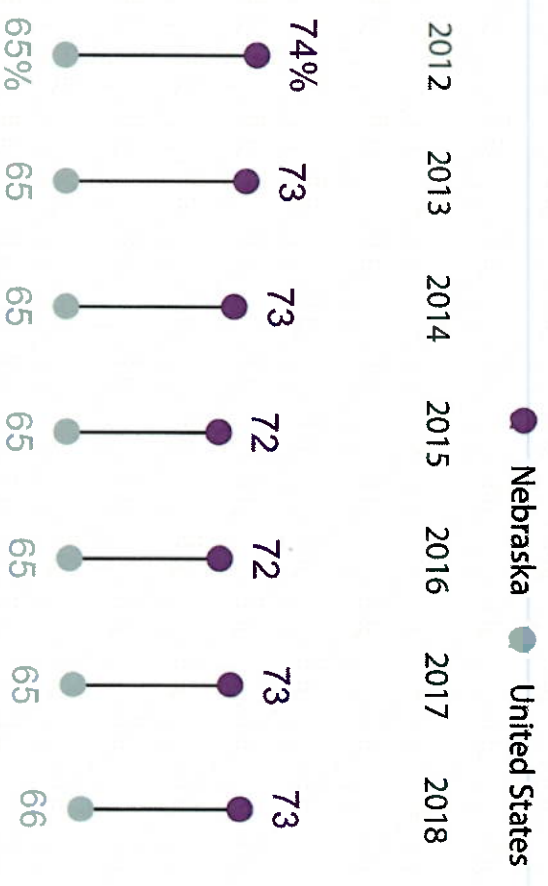


U.S. Census Bureau. (2020). American Communities Survey 5-year estimates. Analysis by the Center for Public Affairs Research, University of Nebraska Omaha at the of First Five Nebraska. Received June 8, 2022.

# Nebraska's Working Parents



## Percentage of Children Under 6 with All Parents

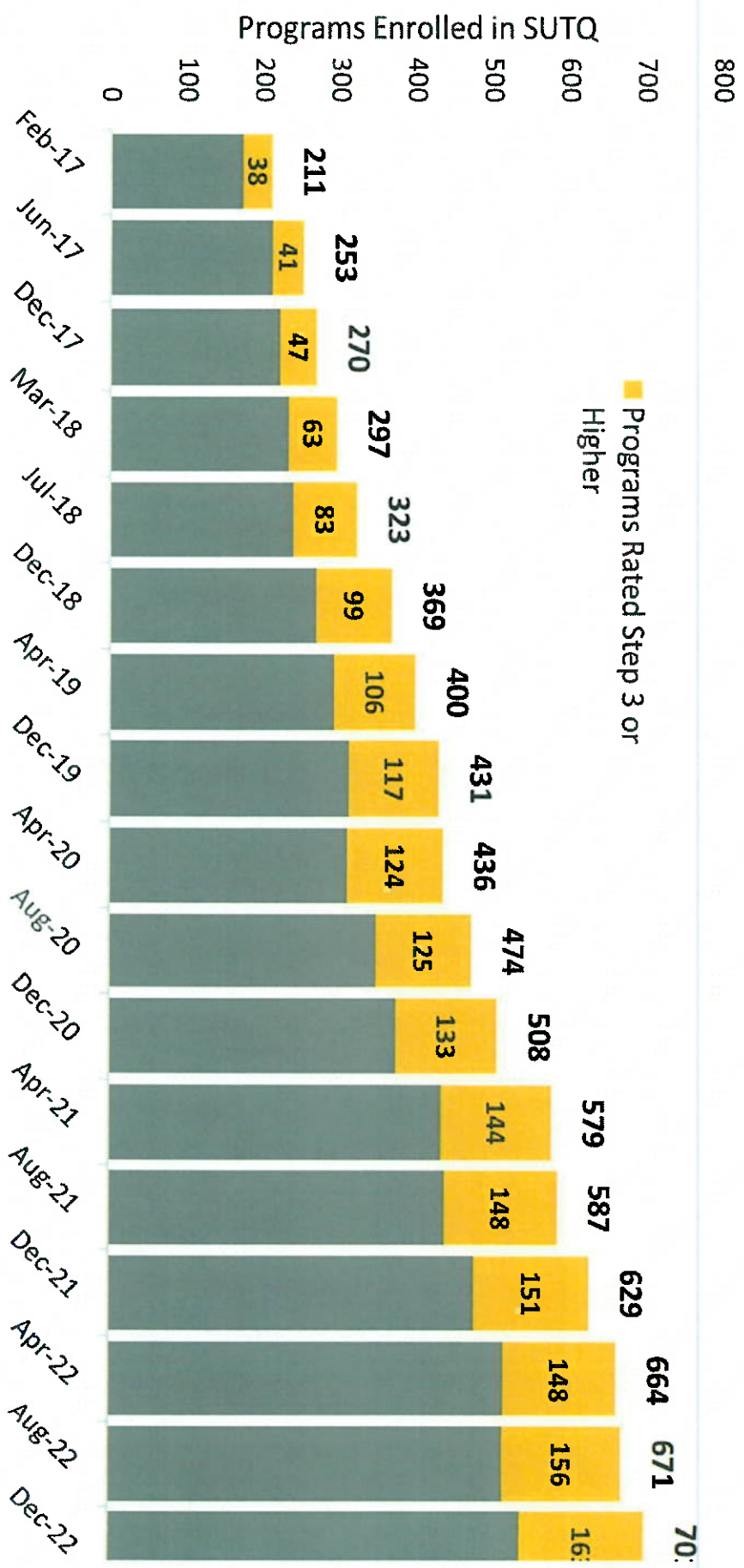


U.S. Census Bureau. (2022). 2012 through 2021 ACS

- Safe
- Stable
- Nurturing
- Stimulating



# Step Up to Quality (SUTQ)



Office of Early Childhood Education (2023). Nebraska Early Childhood Professional Record System Weekly Update[Email]. Nebraska Department of Education analyzed by First Five Nebraska.




**Katie Bass, Ph.D.**

**Data & Policy Research Advisor**

**[kbass@FirstFiveNebraska.org](mailto:kbass@FirstFiveNebraska.org)**



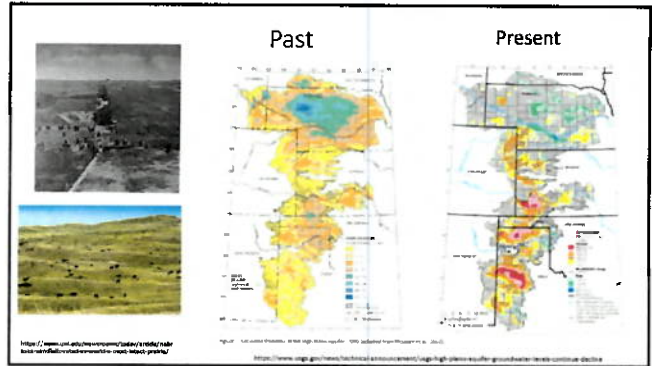


## Nebraska Drinking Water Past, Present, and Future

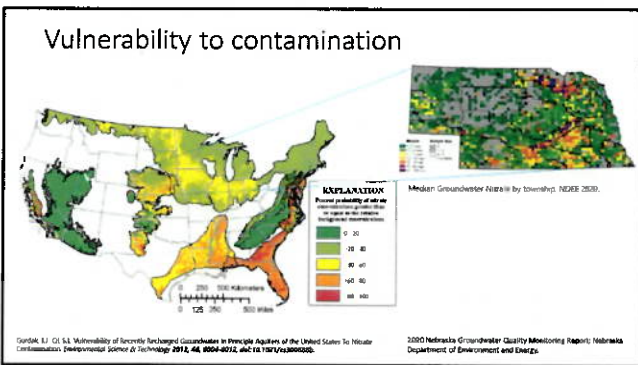
**Daniel D. Snow, PhD**  
Research Professor and Director  
University of Nebraska  
Lincoln, NE

Nebraska State Legislature Planning Committee Meeting, October 26, 2023

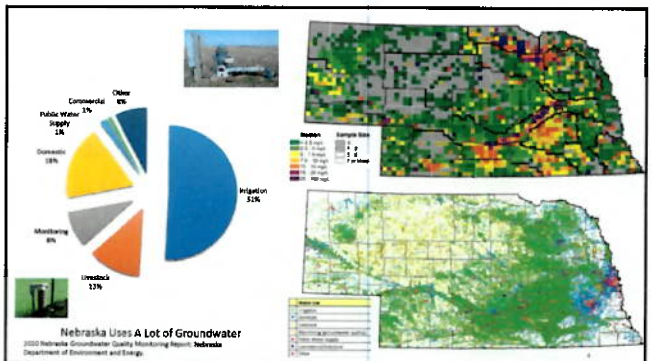
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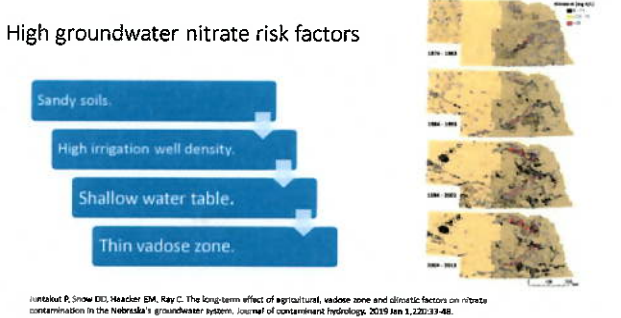


3



4

### High groundwater nitrate risk factors




- Sandy soils.
- High irrigation well density.
- Shallow water table.
- Thin vadose zone.

Jurtaikul, P. Snow, D.D., Heeder, D.M., Ray, C. The long-term effect of agricultural, vadose zone and climatic factors on nitrate contamination in the Nebraska's groundwater system. Journal of contamination hydrology. 2019 Jan 1, 220:33-48.

5

### Well installation, registration, and regulation

- Nebraska Title 178 Water Well Standards effective in 1988.
- Domestic and livestock well registration started in 1993.
- Drinking water for ~85% of Nebraskans are from a public or private supply well.
- Roughly 200,000 domestic wells in Nebraska while only 34,000 (~17%) registered.



6



### Public Well Water Quality

- Public water supply quality regulated by the USEPA under the Safe Drinking Water Act.
- Subject to Annual Monitoring & Reporting Requirements enforced by NDHHS.
- < 30 (~5%) of the 550 public systems required to treat source water.



7

### USEPA Safe Drinking Water Act regulated contaminants

- Regulated contaminants
  - 16 inorganic (includes nitrate and nitrite)
  - 55 organic (includes pesticides)
  - 4 radioactive
  - 7 microbiological
  - 7 disinfectants and Disinfection By-Products
- Maximum allowable concentrations are based on literature supported health effects from long-term *chronic* low-level exposure
- Most public water supplies in the U.S. have a very low probability of maximum contaminant level (MCL) violations

8

### Nitrate in public water systems

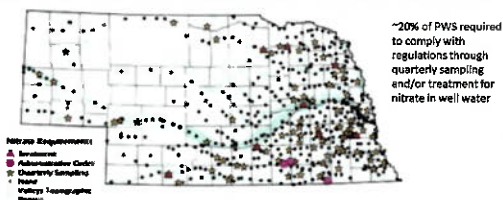


Figure 14. Community public water supply systems with requirements for nitrate (Source: Nebraska Department of Health & Human Services, November 2020)

2020 Nebraska Groundwater Quality Monitoring Report Nebraska Department of Environment and Energy

9

### Domestic Well Water Quality

- Not subject to monitoring under the Safe Drinking Water Act
- Domestic well water quality is voluntarily monitored by well owners or water users
- Some counties may require testing when property is sold



10



Domestic wells are not regulated in the U.S  
Nationally about 20% contained a chemical above health benchmarks

<https://www.epa.gov/604/using-epa-domestic-supply-wells-square-kilometer>

11

### Number and distribution of domestic wells in Nebraska

- Actual number/locations unknown
- National (USGS) study estimated 250,000 people using domestic wells in Nebraska
- Likely to be 120,000-150,000 wells
- Frequency of testing unknown
- Registered wells tested at least once in the last 30 years



Locations of 33,754 registered domestic wells 2022

~20-30% tested???

<http://clearinghouse.nebraska.gov>

12

Nitrate is not the only issue

- Nationally there is a strong relationship between nitrate and other contaminants
- Radon, strontium, arsenic, manganese, uranium, boron and fluoride found above health benchmarks
- Evidence these are also an issue in Nebraska



13

Future of Nebraska Drinking Water

- Reduced misperceptions, promote value of Nebraska groundwater.
- Help public water systems improve compliance.
- Address uncertainty about domestic well water testing and treatment.
- Increase scale and frequency of domestic well testing.
- Improve land management practices to control effects to groundwater quality.

Daniel Snow, [dsnow1@unl.edu](mailto:dsnow1@unl.edu)  
Water Sciences Laboratory and Nebraska Water Center,  
a part of the Daugherty Water for Food Global Institute



14

# Water Quality and Health

## Jesse E. Bell, PhD

Claire M. Hubbard Professor of Water, Climate and Health  
Executive Director of Water, Climate and Health Program at UNMC  
Director of Water, Climate and Health at Daugherty Water for Food Global Institute  
Associate Professor - UNL School of Natural Resources

Department of Environmental, Agricultural, and Occupational Health  
College of Public Health  
University of Nebraska Medical Center



THE DAUGHERTY  
**WATER for FOOD**  
GLOBAL INSTITUTE  
*at the University of Nebraska*

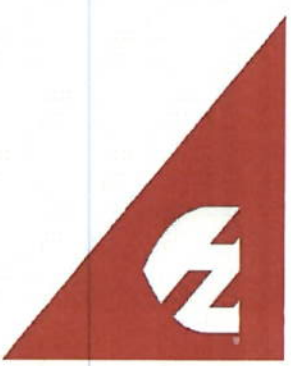
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COLLEGE OF AGRICULTURAL SCIENCES  
AND NATURAL RESOURCES



University of Nebraska  
Medical Center



**Public Health is the science of protecting  
and improving the health of people and  
their communities**



# Water Quality & Health

Research  
Interests



# Nitrate and Drinking Water

- **Sources:** Nitrogen fertilizers, animal and human waste
- **Regulatory limit:** 10 mg/L as NO<sub>2</sub>-N (USA)
- **Greatest exposure**
  - Agricultural areas
  - Private wells
  - Not regulated
  - Sparse measurements

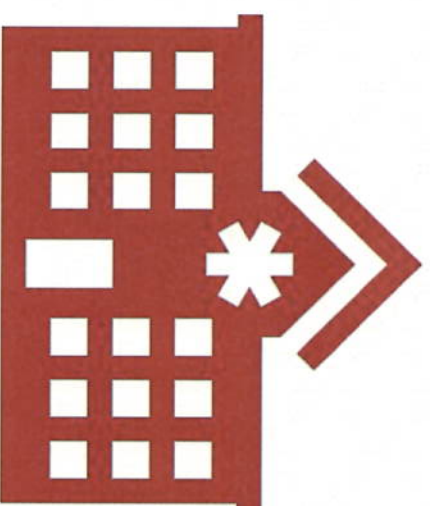


[www.shutterstock.com](http://www.shutterstock.com) • 1737529889



# Nitrate and Human Health

- Regulatory limits of nitrate in drinking water are set for infant development of methemoglobinemia, not for other health outcomes
- Numerous scientific studies have looked at the relationship of nitrate in drinking water on human health
- High concentration of nitrate in drinking water has been linked to adverse health outcomes
- Strongest links:
  - Minor health ailments
  - Methemoglobinemia
  - Preterm birth issues
  - Birth defects
  - Pediatric cancers
  - Adult cancers



# Adult Health Issues

- Increased heart rate, nausea, headaches, and abdominal cramps
- Cancers
  - Colorectal cancer ( 5 studies; 4 positive)
  - Thyroid disease (3 positive studies)
  - Kidney cancer (2 studies; 2 positive)
  - Bladder cancer (4 studies; 2 positive)
  - Non-Hodgkin Lymphoma (3 studies; 1 positive)
- Alzheimer's, Diabetes And Parkinson's Disease





# Health Issues in Children

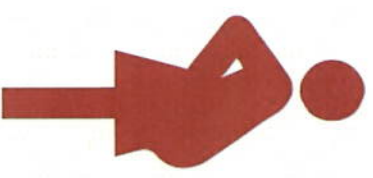
Multiple health issues have been identified in children

- Methemoglobinemia (Infants less than 6 months)
- Pediatric brain cancers (2 studies; 2 positive)
- Non-Hodgkin Lymphoma (3 studies; 1 positive)
- Non-Hodgkin Lymphoma had a three-fold increase in risk with nitrates and atrazine in Nebraska study (Rhoades et al 2013)



# Maternal and Fetal Health Issues

- CDC report 1996 showed a cluster of spontaneous abortions (miscarriages) in rural Indiana
  - Private wells 19-26 mg/L
- California study found an increase in spontaneous preterm births with drinking water nitrate of 5 to 10 mg/L (Sherris et al. 2021)
- Fetal growth restriction with exposure of high nitrate in drinking water (Coffman et al. 2021)
- Fetal hemoglobin is particularly susceptible to oxidation
  - Study shows elevated methemoglobin cord blood with exposure to nitrate during pregnancy (Tabacova et al. 1998)
- Central Nervous System (CNS) Malformations
  - 5 of 6 studies found a positive association with nitrate
  - 4 of the studies had concentrations less than 10mg/L





# **What populations are susceptible to water quality issues?**



# Most Vulnerable Populations

- Pregnant women and their fetus
- Young infants (< 6 months of age)
- Children
- People with oxygen transport or delivery conditions like anemia, cardiovascular disease, lung disease, sepsis and presence of other structural hemoglobin variants
- People with high nitrate in their well water
  - Diet also plays a role



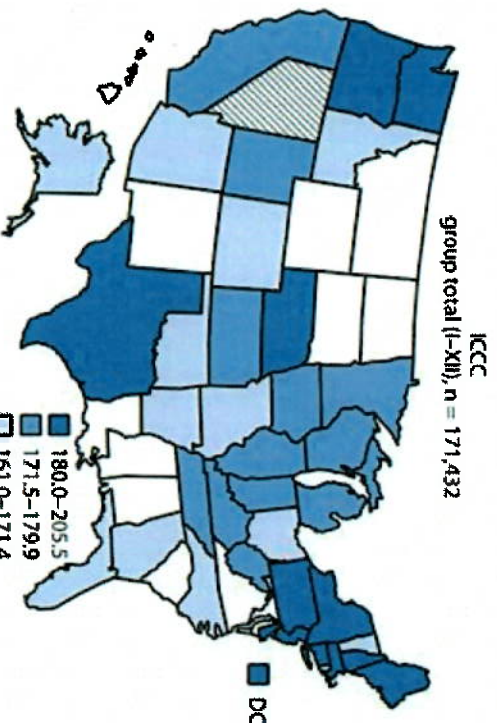
# Health Concerns in Nebraska



# Centers for Disease Control and Prevention



Data from 2003 – 2014 and reported as age-adjusted incidence rates of childhood cancer per 1 million:



ICCC: International Classification of Childhood Cancer

## United States

173.7

|               |       |
|---------------|-------|
| New Hampshire | 205.5 |
| New Jersey    | 192.3 |
| Maine         | 190.5 |
| New York      | 190   |
| Pennsylvania  | 186.6 |
| Connecticut   | 185.8 |
| Nebraska      | 183.2 |
| Texas         | 183.2 |
| Oregon        | 182.6 |
| Massachusetts | 181.5 |

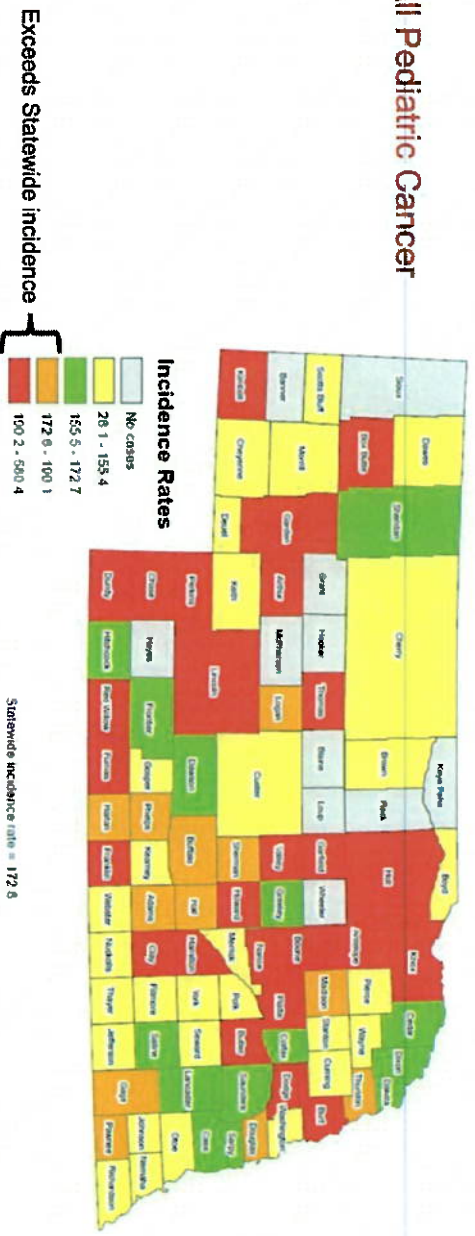
Siegel et al. Geographic Variation in Pediatric Cancer Incidence - US, 2003–2014. *MMWR*, 2018

Courtesy of Don  
Coulter MD

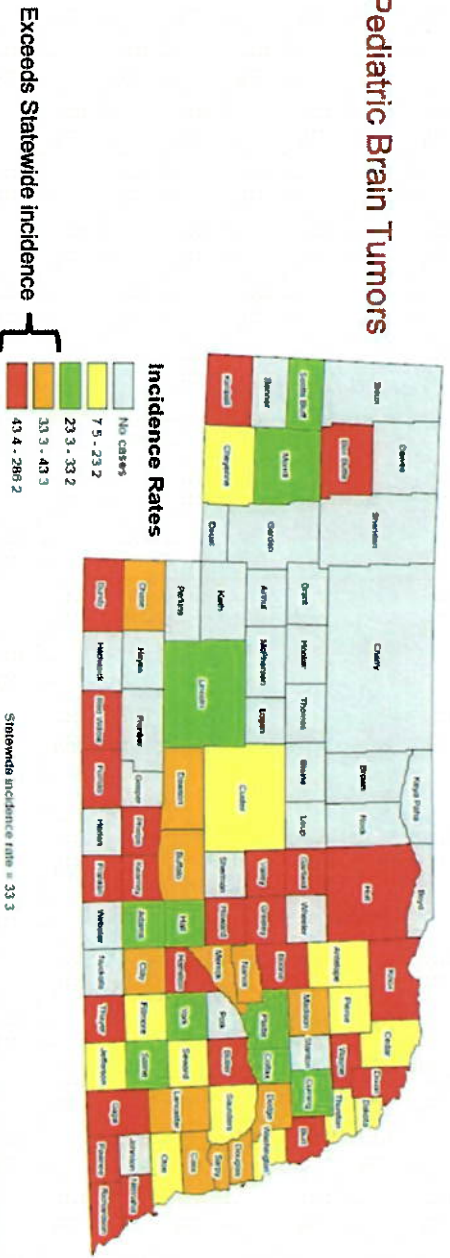
Research

# Incidence of pediatric cancers in Nebraska is among the five highest in the United States (Farazi et al., 2018).

## All Pediatric Cancer



## Pediatric Brain Tumors



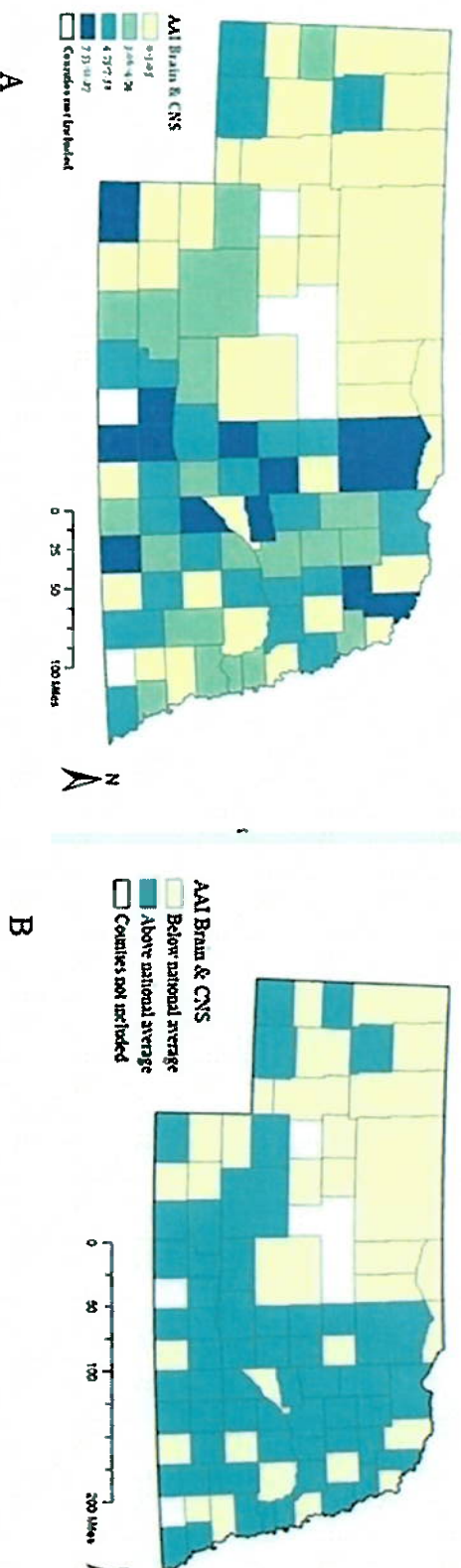
Courtesy of Don Coulter, MD

Farazi, et al. Cancer Epi, 2018

# WCHP Research: Pediatric Brain & Other CNS Cancers 1987- 2016



Nebraska counties with elevated atrazine or nitrate levels reported more childhood cancers than counties with lower levels of these chemicals.



Relative to the national average, the age-adjusted incidence of pediatric brain and other CNS cancers is higher in 63% (54/86) of the Nebraska counties.



# Watershed

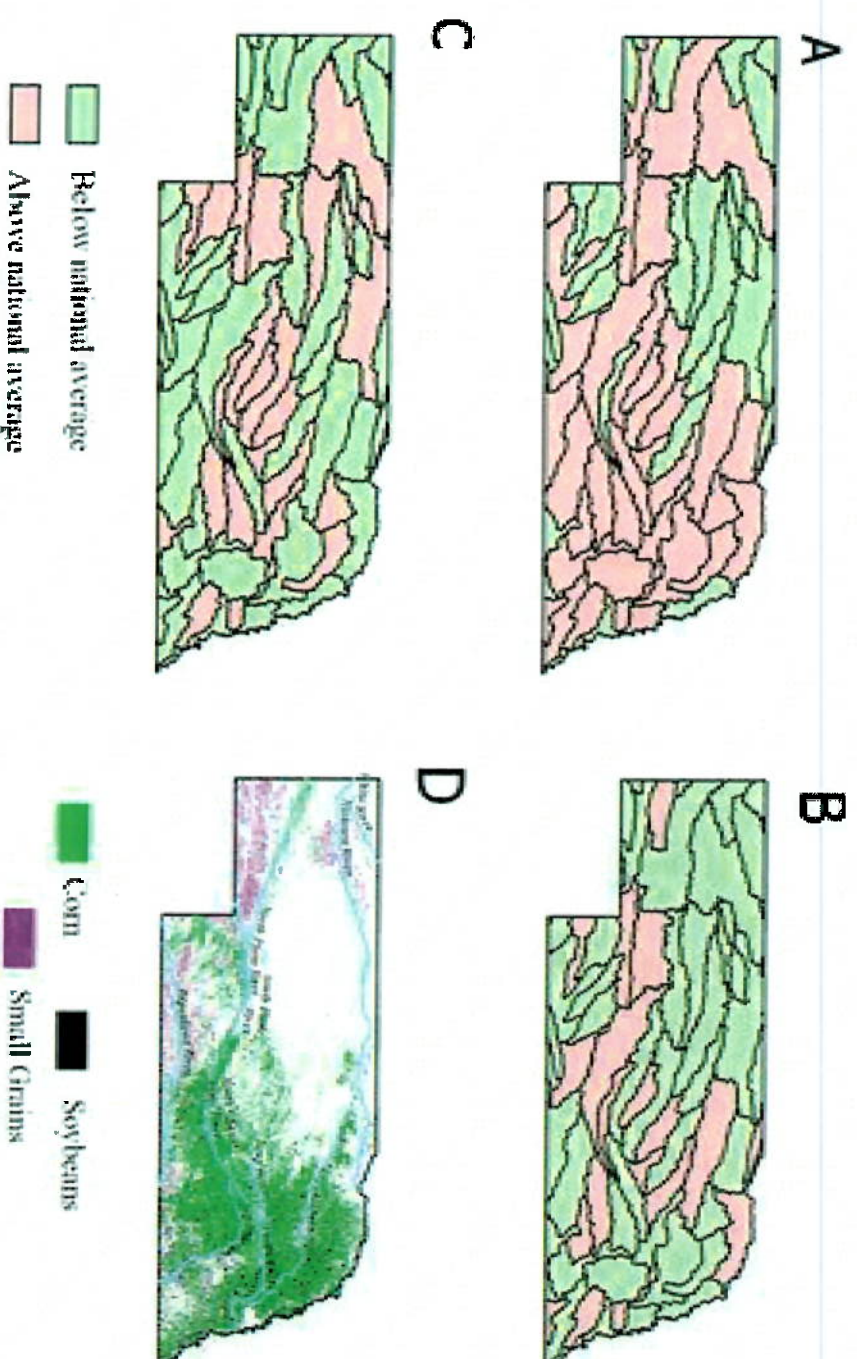
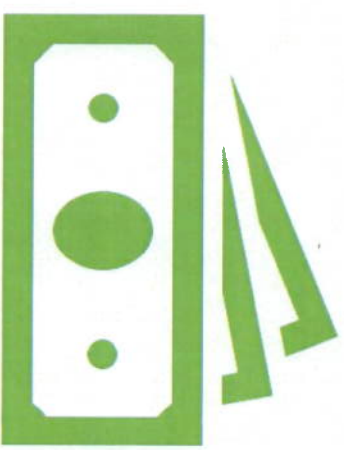


Fig 1. Age-adjusted cancer incidence in Nebraska Watersheds VS national average for (A) CNS Tumors, (B) Leukemia, (C) Lymphoma, (D) Land use



# Unexpected Costs

- Moving
- Financial burden
- Higher rates of bankruptcy
- Wisconsin study
  - \$250,000-\$1.5 billion in medical expenditures
  - \$1.3-\$6.5 billion lost in productivity



# Goals for Addressing Water Quality Issues



Identify at-risk areas  
and people



Find low-cost to no-cost  
solutions



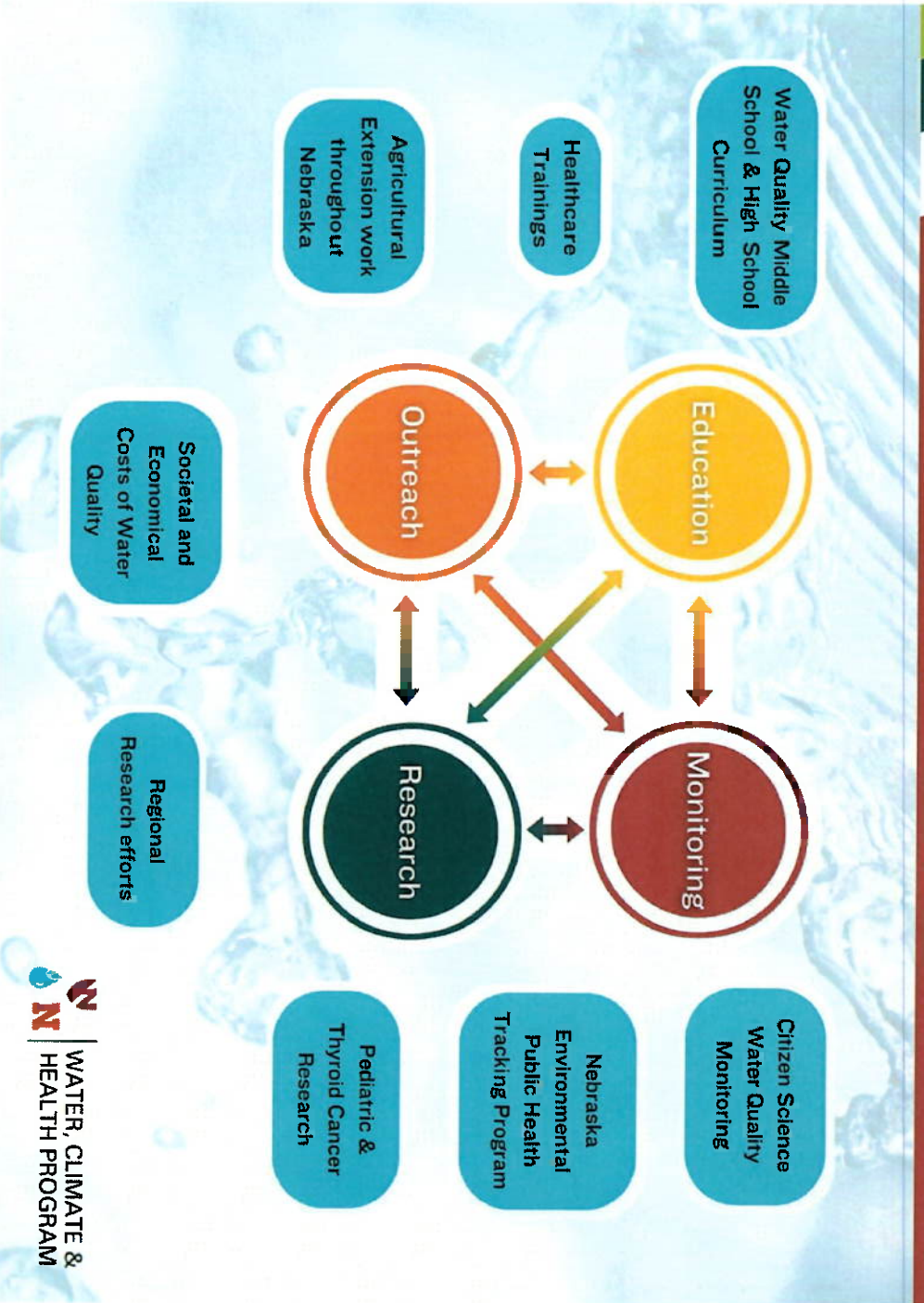
Encourage water  
testing



Maintain these water  
systems



# Water Quality at the WCHP





# Summary

**More research to better identify connections to health**

**Build collaborations with the agricultural community to address issues**

**Educate the public on water testing and mitigation options**



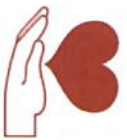
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# UNLOCKING POTENTIAL

For Affordable Housing Production

Presentation for the Planning Committee

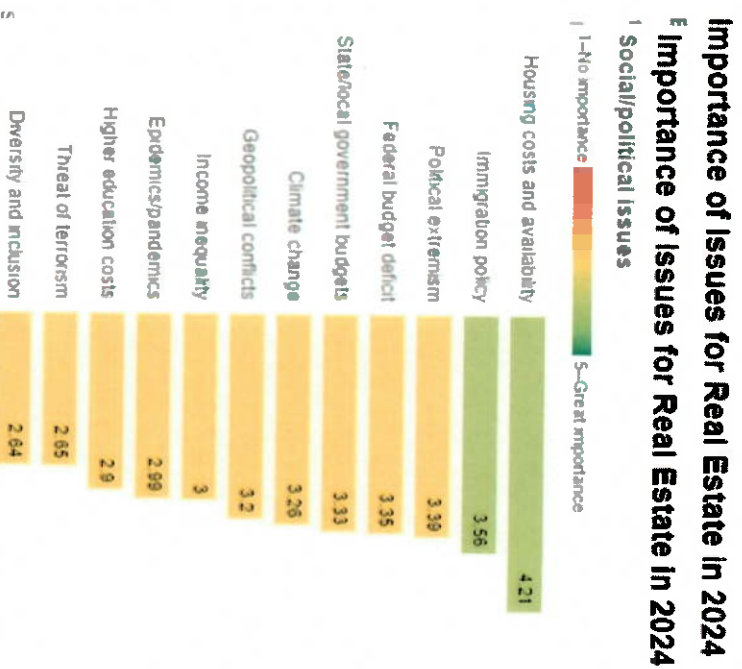
*Friday, November 17, 2023*

Learn more at [www.omahalandbank.org](http://www.omahalandbank.org).

# The Problem

ULI Report on Emerging Trends for 2024 found:

- ▶ Construction labor and materials are too expensive
  - ▶ Interest rates and cost of capital impede profit margins
  - ▶ Sale Transactions are down, and many in our industry see a negative loop where buyers and sellers cannot agree on pricing because the shortage of sales limits price clarity
- Housing costs and availability don't match demand.
- ▶ According to The Assessment of Housing Affordability, Needs, & Priorities report, the Omaha region stands to lose over 3,000 units of affordable housing over a decade if preservation and reinvestment efforts don't kick in





# The Problem

Issues the Land Bank sees:

- ▶ Vacant and abandoned properties lead to a decrease in taxable values of surrounding properties and increase the likelihood of mortgage and tax foreclosures nearby creating a harmful domino effect that creates revenue challenges for local government
- ▶ Appraisal gap and predevelopment costs threaten development costs which are passed on to end-buyers
- ▶ Financing predevelopment costs become challenging for emerging developers
- ▶ Scramble for accessing seemingly affordable land to develop from tax sales yields financial hurdles and eventually grows to become complications that funnel invested properties to renters the never-ending tax-delinquent cycle = Zombie Properties.





# The Problem

Restrictions that limit the land bank presently:

- ▶ Maintenance dollars allow OMLB to service over 300 properties across Omaha year-round to ensure the properties remain above code compliance
- ▶ OMLB finances the removal of illegal dumping, down trees, homeless encampments, and more
- ▶ The landbank cannot self-sustain on profit sales as the land bank only pursues properties rejected by the open market
- ▶ Due to the nature of the property, rejected by the open market, bringing a single property up to par can easily cost \$50k

# Shovel-Ready Lots

## Site Expenses Per Lot:

- ▶ Clearing & Grubbing, Including Tree Removal: \$35,000
- ▶ Foundation Removal: \$10,000
- ▶ Site Grading
  1. 0 – 5%: \$5,000
  2. 6 – 10%: \$10,000
  3. Above 10%: \$20,000



# Lot Transformation Methodology

By removing the legal and physical barriers that would otherwise discourage development, OMLB absorbs the risk and incentivizes developers to build affordable housing.

- ▶ Strategically leverage \$1.25 million dollars of investment to transform a minimum of 20 properties in North and South Omaha
- ▶ Shovel-lot-ready lots must support housing development, and 50% of lots must be sold to support Affordable Housing



# Benefits of Shovel Ready Lots

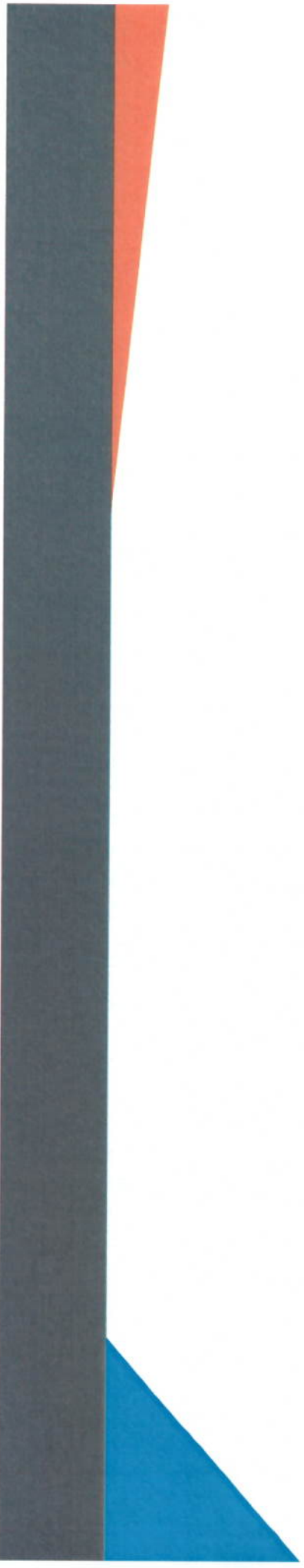
- ▶ Through this effort, developers no longer inherit predevelopment costs into proforma, removing physical barriers.
- ▶ Grant requires a minimum of 50% of serviced lots to become dedicated to affordable housing opportunities.
- ▶ With lower barriers to development, both existing and emerging businesses are able to enter the development market and generate wealth.
- ▶ With access to affordable housing stock, more homeowners will be able to participate in the American Dream – choosing Nebraska first to access wealth-building opportunities for their families.

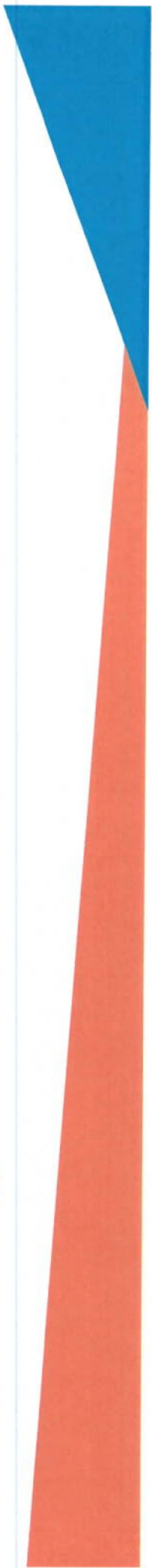


# What is Next?

Out of our current inventory, roughly half of our properties are buildable but are not shovel-ready.

- ▶ The pilot effort at a minimum will satisfy **20** out of **163 (12%)** of our current parcels that are buildable.
- ▶ Over the next year, the land bank anticipates additional property in its inventory that will arrive in varied disrepair.





# Opportunity

With proper resources, the Land Bank is positioned as a tool to Unlock the potential for housing production – especially urban affordable housing. By leveraging subsidies to sell shovel-ready lots, the Land Bank absorbs the risk so that developers (affordable + private market) can build affordable housing.





# Call to Action

Invest in the Lot Transformation effort that unlocks affordable housing in urban communities

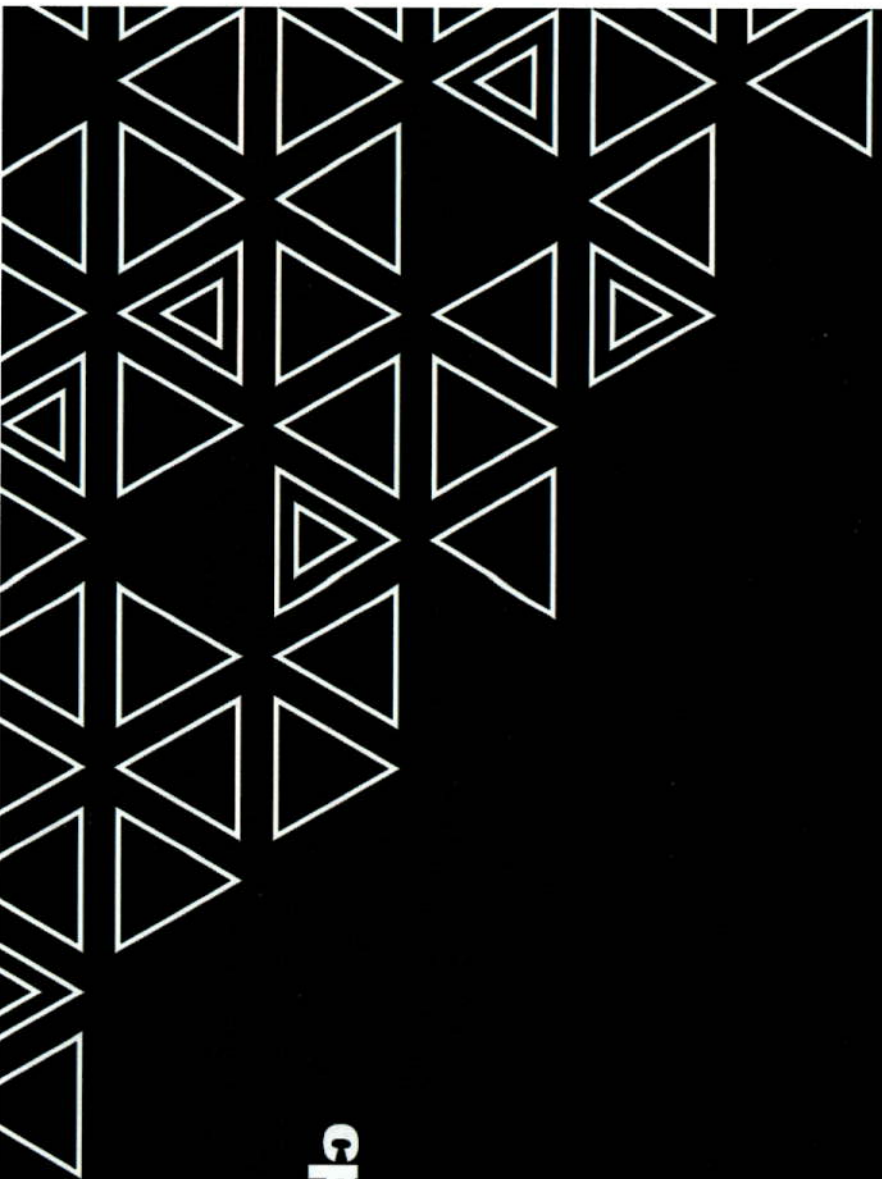
- ▶ Join the Ambassadors Bus Tour to see the properties in person
- ▶ Allow LB to present findings next year
- ▶ Support the ability of the Lot Transformation effort to be continued with additional financial investment.





# CENTER FOR PUBLIC AFFAIRS RESEARCH

**[cpar.unomaha.edu](http://cpar.unomaha.edu)**

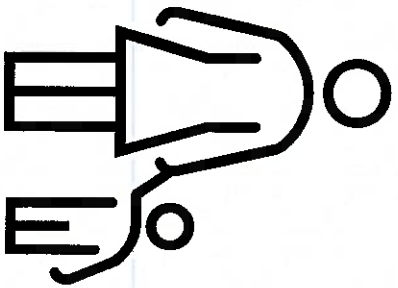




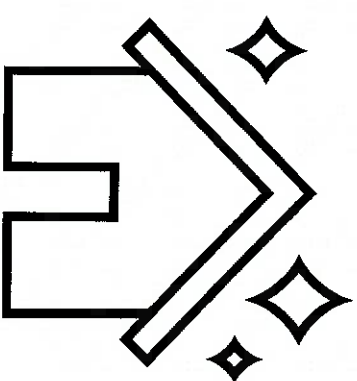
**In Nebraska for 2021 there were 766,887 households and 840,802 housing units for a 91.2% occupancy rate.**

These numbers alone obscure a complete picture of housing supply which needs to include measures such as vacancy rates and the quality of homes.

Furthermore, shifts in the demand for housing supply as a result of demographic changes and affordability have left gaps in the availability of quality homes for everyone in Nebraska.

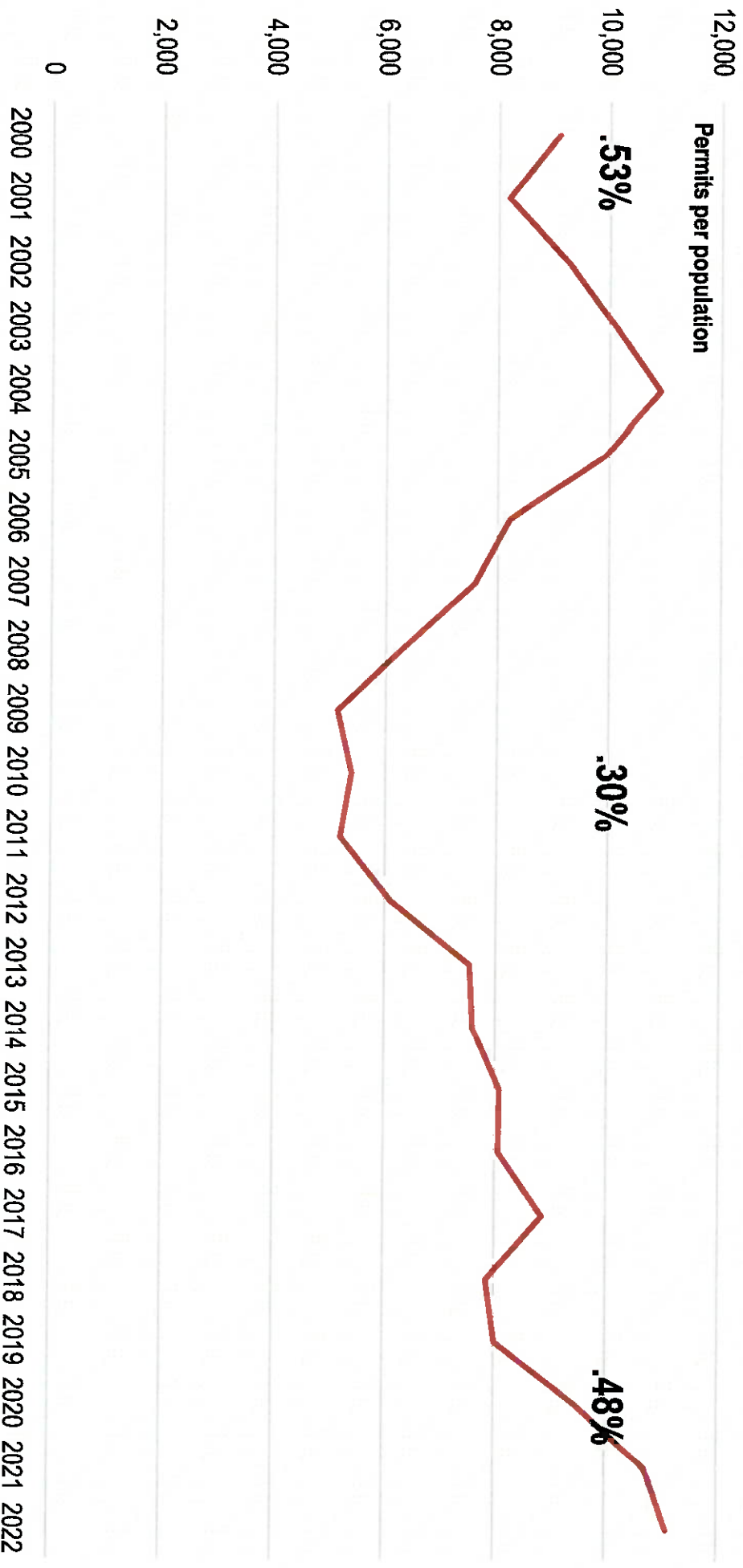


**Since 2020 in Nebraska,  
we have about 40,000  
new households  
but only added about  
17,000 housing units.**



# The number of new building permits per year has just recently reached pre-great recession levels

Annual number of building permits in Nebraska and the rate of permits per population. Overall population growth for the last decade was 7.4%.



# In 2022, housing was a main explanation for why people moved from Nebraska to another state



|   | FAMILY |       | JOB   |       | HOUSING |       | OTHER |       |
|---|--------|-------|-------|-------|---------|-------|-------|-------|
|   | 2021   | 2022  | 2021  | 2022  | 2021    | 2022  | 2021  | 2022  |
| Moved within county ≈ 88,000                  | 21.8%  | 15.0% | 4.5%  | 3.0%  | 70.6%   | 71.0% | 3.1%  | 10.0% |
| Moved within state, different county ≈ 52,000 | 41.7%  | 39.0% | 16.7% | 30.0% | 29.2%   | 19.0% | 12.4% | 12.0% |
| Moved between states ≈ 32,000                 | 19.6%  | 18.0% | 34.7% | 12.0% | 17.6%   | 34.0% | 28.1% | 36.0% |

### B. Current Population Survey Question and Options for Why Move

The question in the Current Population Survey asks, “What was [your/name’s] main reason for moving to this house (apartment)?” The following responses are offered.

Note respondents report only the “main” reason for moving for people who lived in a different residence one year ago. Typically, those that move do so for complex reasons, but the response only captures the primary reason. Data is reported for all persons one year and over even though responses are provided by only one person in the household.

| Family Reasons             | Job Reasons                  | Housing Reasons              | Other Reasons                       |
|----------------------------|------------------------------|------------------------------|-------------------------------------|
| Change in marital status   | New job or job transfer      | Wanted to own home, not rent | Attend/leave college                |
| To establish own household | To look for work or lost job | Wanted new or better housing | Change of climate                   |
| Other family reason        | For easier commute           | Wanted better neighborhood   | Health reasons                      |
|                            | Retired                      | For cheaper housing          | Other reasons                       |
|                            | Other job-related reason     | Other housing reason         | Natural disaster                    |
|                            |                              |                              | Foreclosure or eviction             |
|                            |                              |                              | Relationship with unmarried partner |



In Nebraska for 2021 there were 766,887 households and 840,802 housing units for a 91.2% occupancy rate.

**These numbers alone obscure a complete picture of housing supply which needs to include measures such as vacancy rates and the quality of homes.**

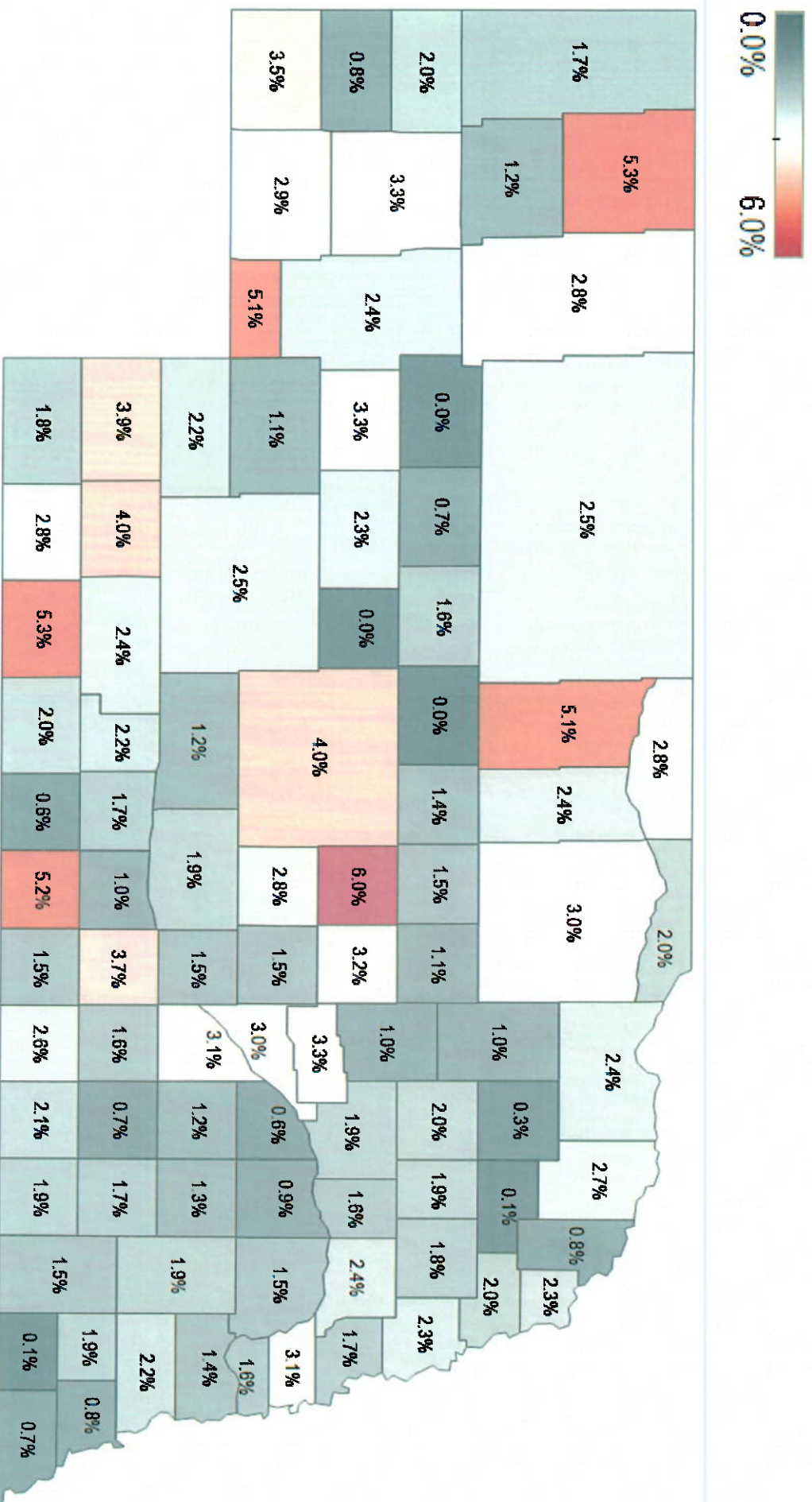
Furthermore, shifts in the demand for housing supply as a result of demographic changes and affordability have left gaps in the availability of quality homes for everyone in Nebraska.





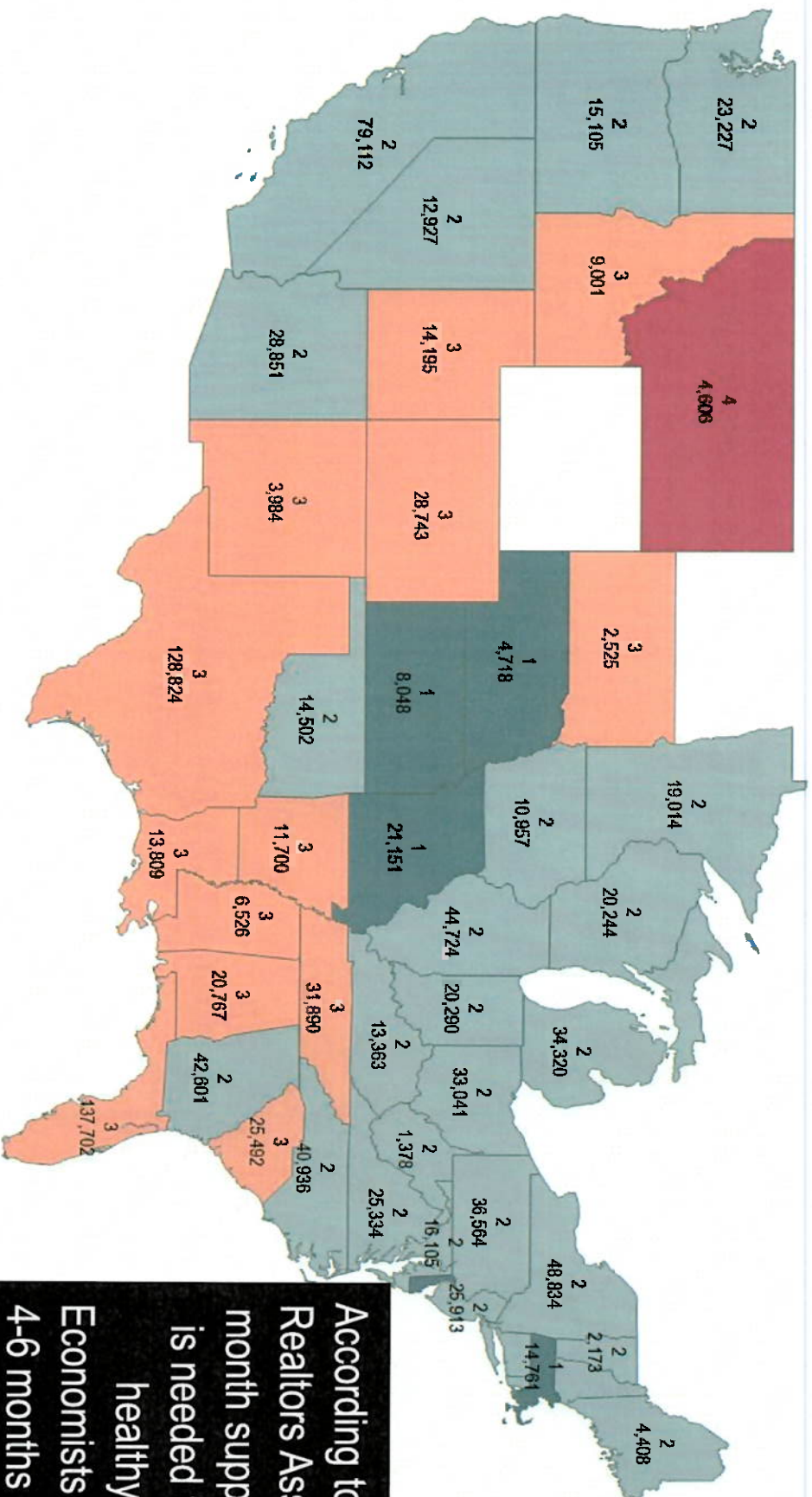
# Some of the vacant housing units are for sale, but not all

*Percent of vacant housing units that are for sale by county*



# Recently in Nebraska just under 5,000 houses were for sale or about a 1-month supply

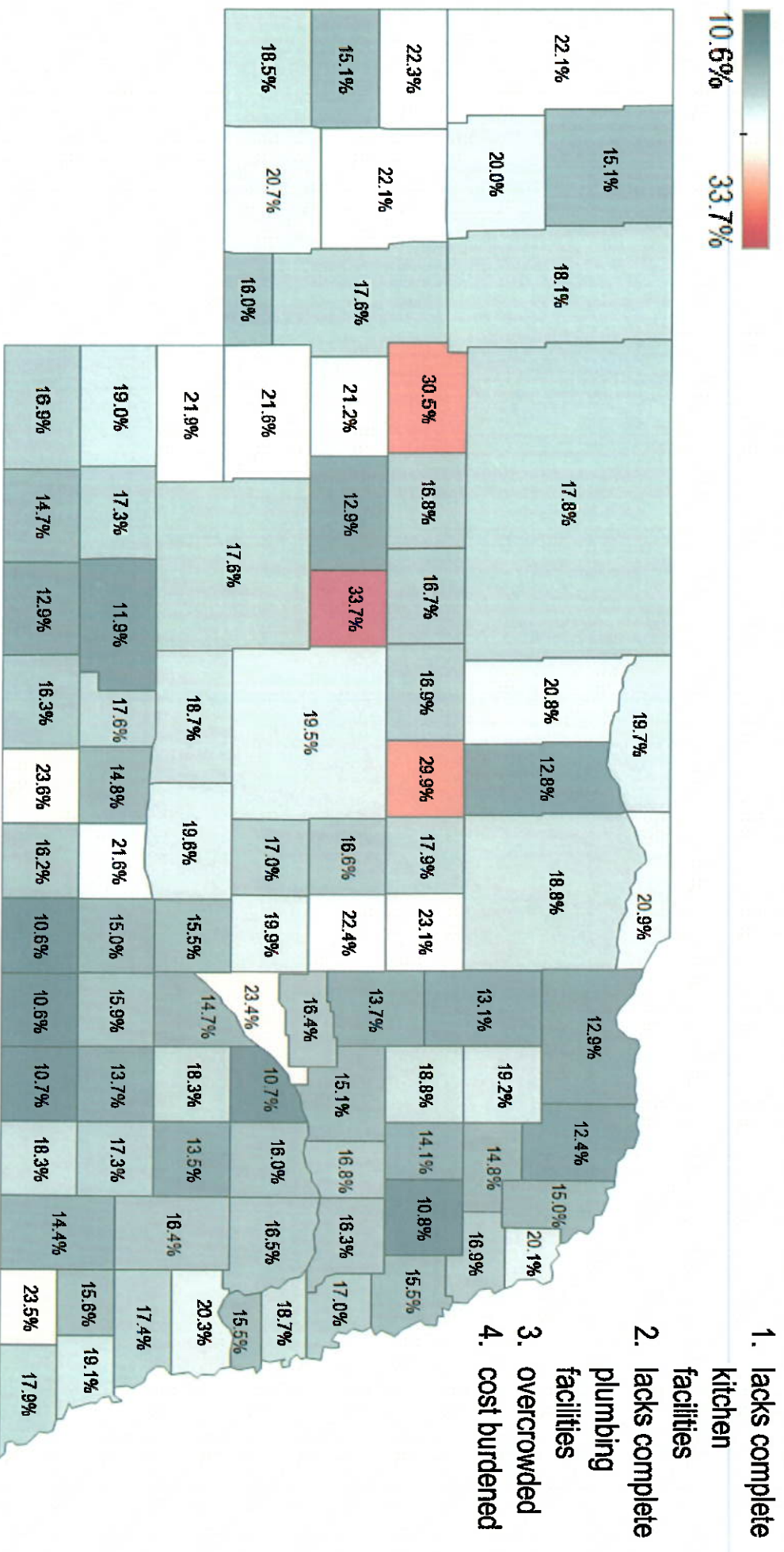
## Nebraska had 4,718 houses for sale in August 2023 an estimated 1-month supply of homes for sale



According to the National Realtors Association a 6-month supply of housing is needed to support a healthy market. Economists say between 4-6 months to hold down price increases

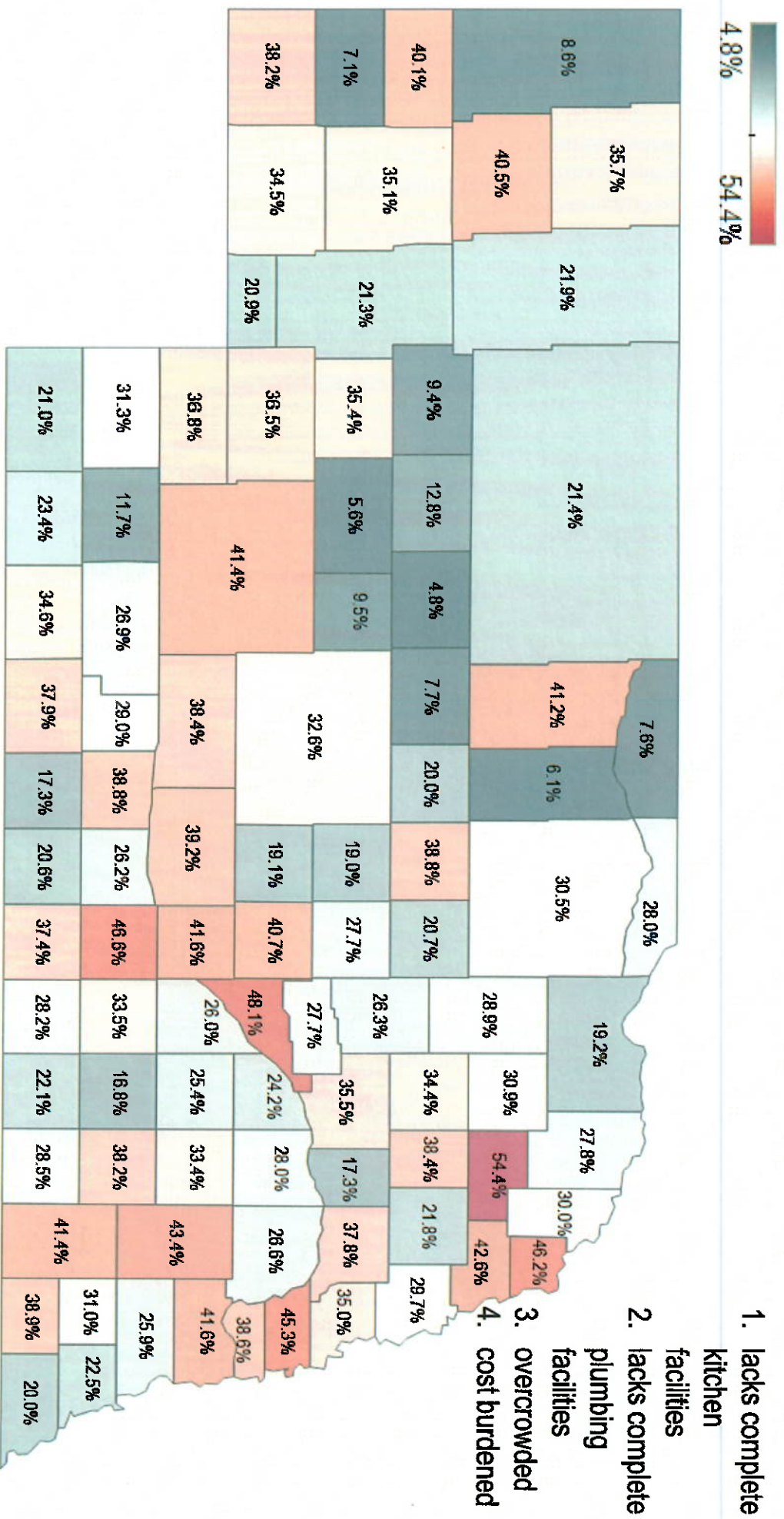
# Some owner-occupied housing units have significant quality issues reducing their value and habitability

*Percent of owner-occupied housing units with one or more severe issues*



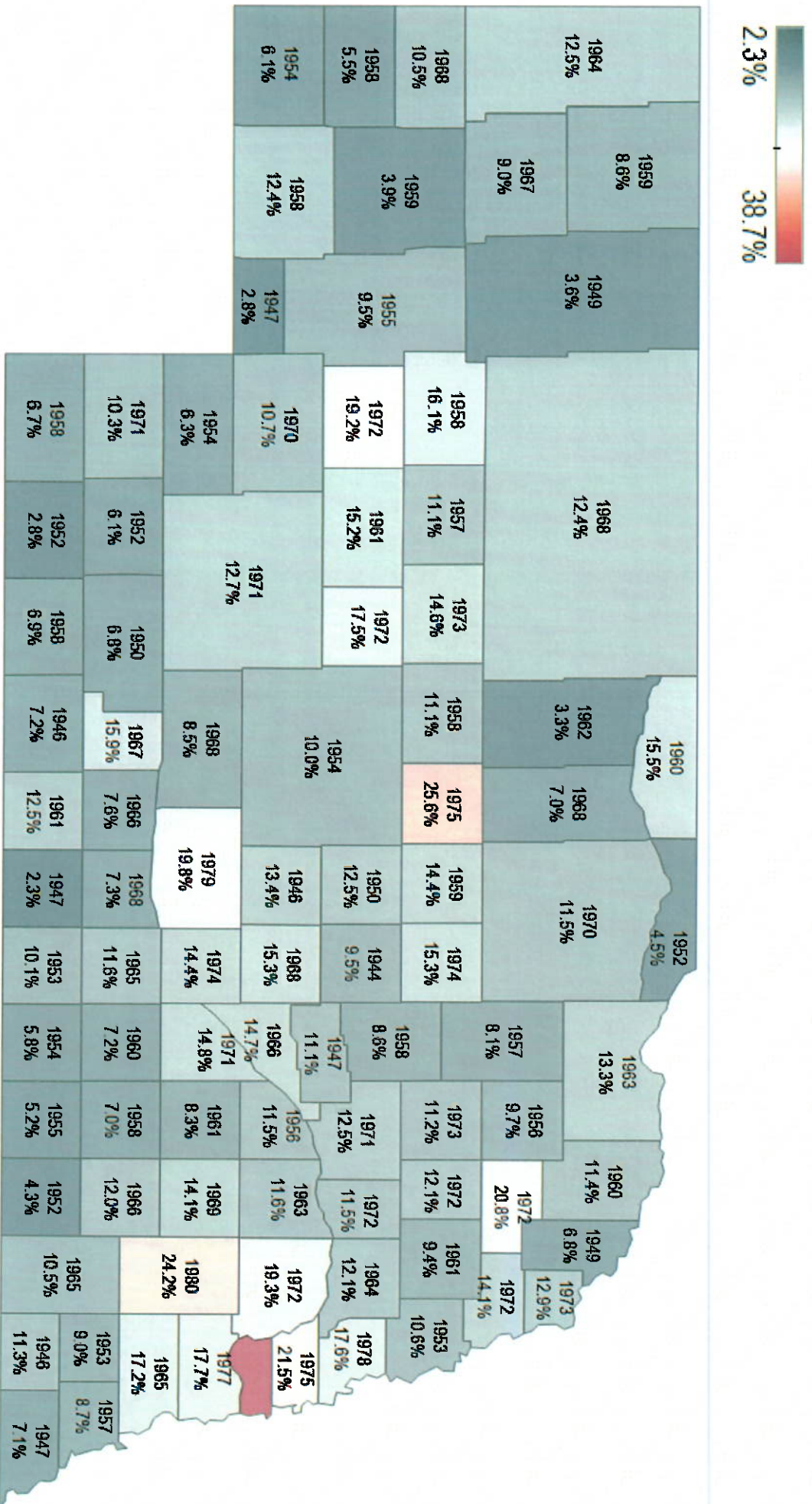
# Some renter-occupied housing units have significant quality issues reducing their value and habitability

*Percent of renter-occupied housing units with one or more severe issues*



# Many housing units are were built prior to 2000

## Median year homes were built and percent built prior to 2000

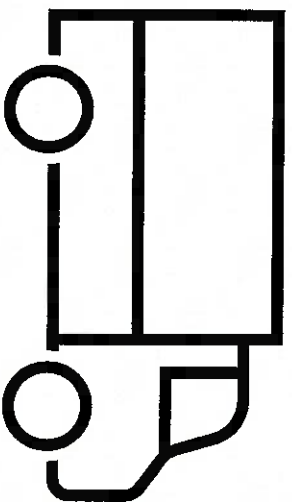




**In Nebraska for 2021 there were 766,887 households and 840,802 housing units for a 91.2% occupancy rate.**

**These numbers alone obscure a complete picture of housing supply which needs to include measures such as vacancy rates and the quality of homes.**

**Furthermore, shifts in the demand for housing supply as a result of demographic changes and affordability have left gaps in the availability of quality homes for everyone in Nebraska.**



**43% of households  
in Nebraska have  
been in the same  
housing unit since  
2010 or prior**



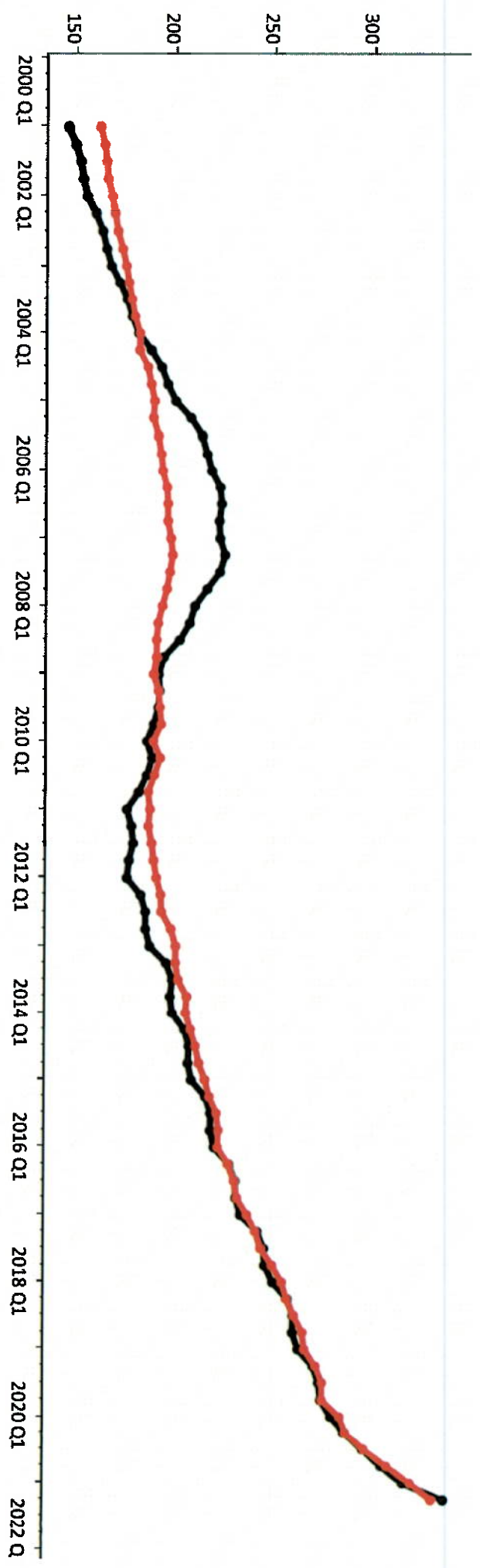
# Quarterly House Price Index (Purchase-Only)

Select Measure:  
 Index  
 Year-over-Year Change

State To Compare:  
 Multiple values  
 Nebraska

Display Date Range:  
From 1/1/2000

Nebraska  United States



NOTE: House price index values are based on sales price data and are seasonally adjusted  
SOURCE: Federal Housing Finance Agency

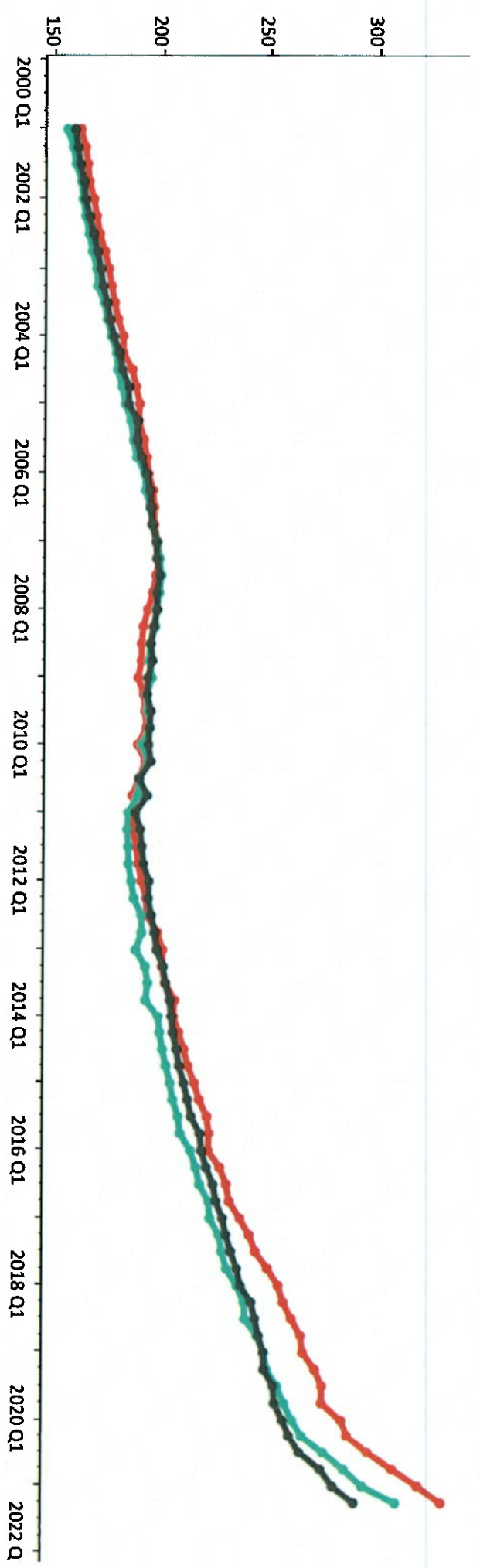
# Quarterly House Price Index (Purchase-Only)

Select Measure:  
Index  
Year-over-Year Change

State To Compare:  
Multiple values

Display Date Range:  
From 1/1/2000

- Iowa
- Kansas
- Nebraska



NOTE: House price index values are based on sales price data and are seasonally adjusted  
SOURCE: Federal Housing Finance Agency

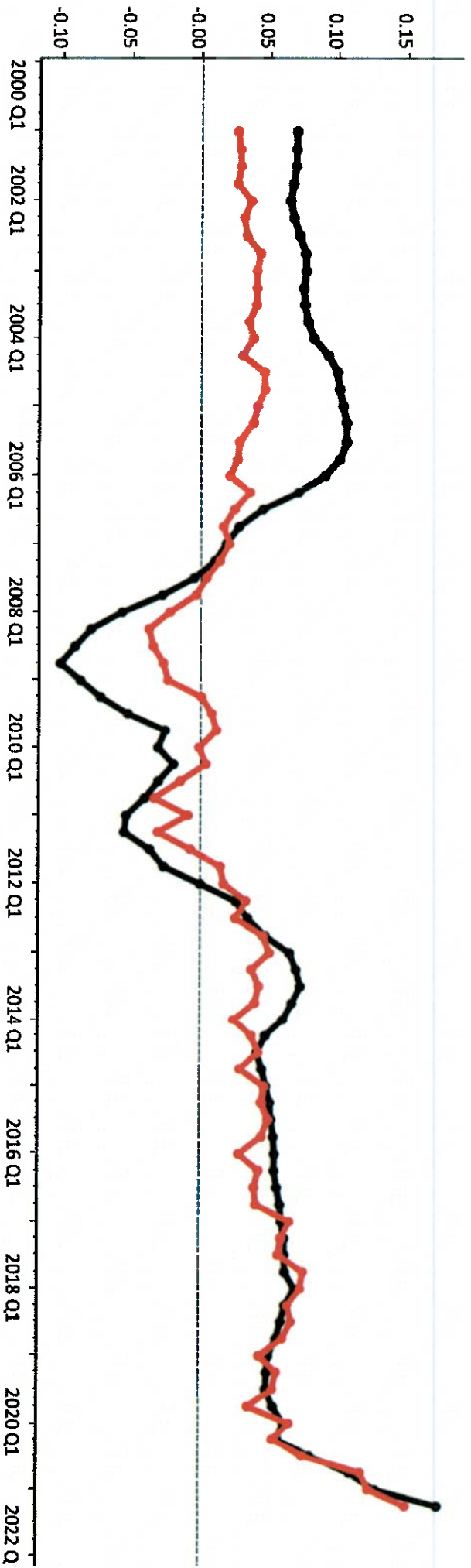
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Select Measure:  
Index  
Year-over-Year Change

State To Compare:  
Multiple values

Display Date Range:  
From 1/1/2000

■ Nebraska  
■ United States



NOTE: House price index values are based on sales price data and are seasonally adjusted  
SOURCE: Federal Housing Finance Agency

# **Policy Options**

## **Availability, Affordability, Regulation**

Colorado HB 1304 - State grants for local communities to invest in housing

Washington S5287 - Financial incentives to developers to build affordable housing

Michigan SB 145 - First time home buyers savings accounts

District of Columbia B714 - \$2,000 income tax credits to educators, emergency responders and government employees who are first time home buyers.

Kansas HB2187 First time homebuyer savings account tax free savings account to be used for buying home

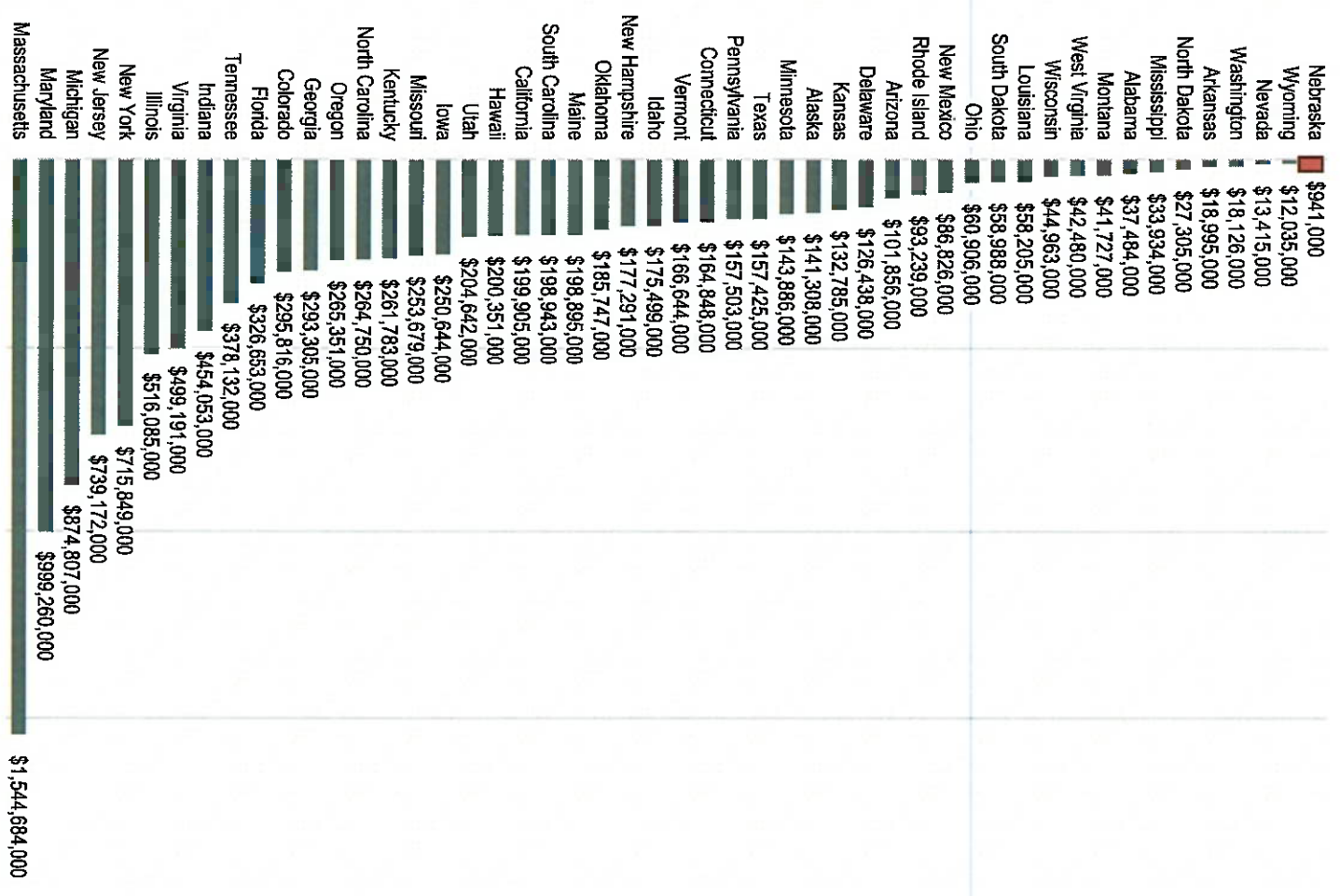
Florida established the Low-income Emergency Home Repair Program to assist low-income people, particularly older adults and those with physical disabilities, in making emergency repairs.

Utah SB 217 - Allows for local governments to establish Housing and Transit Reinvestment Zones allowing for up to 80% of future property tax revenue to be invested in affordable housing. State can contribute 15% of sales tax.

Maine LD 2003 - requires municipalities to allow Accessory Dwelling Units on land zoned for single-family.

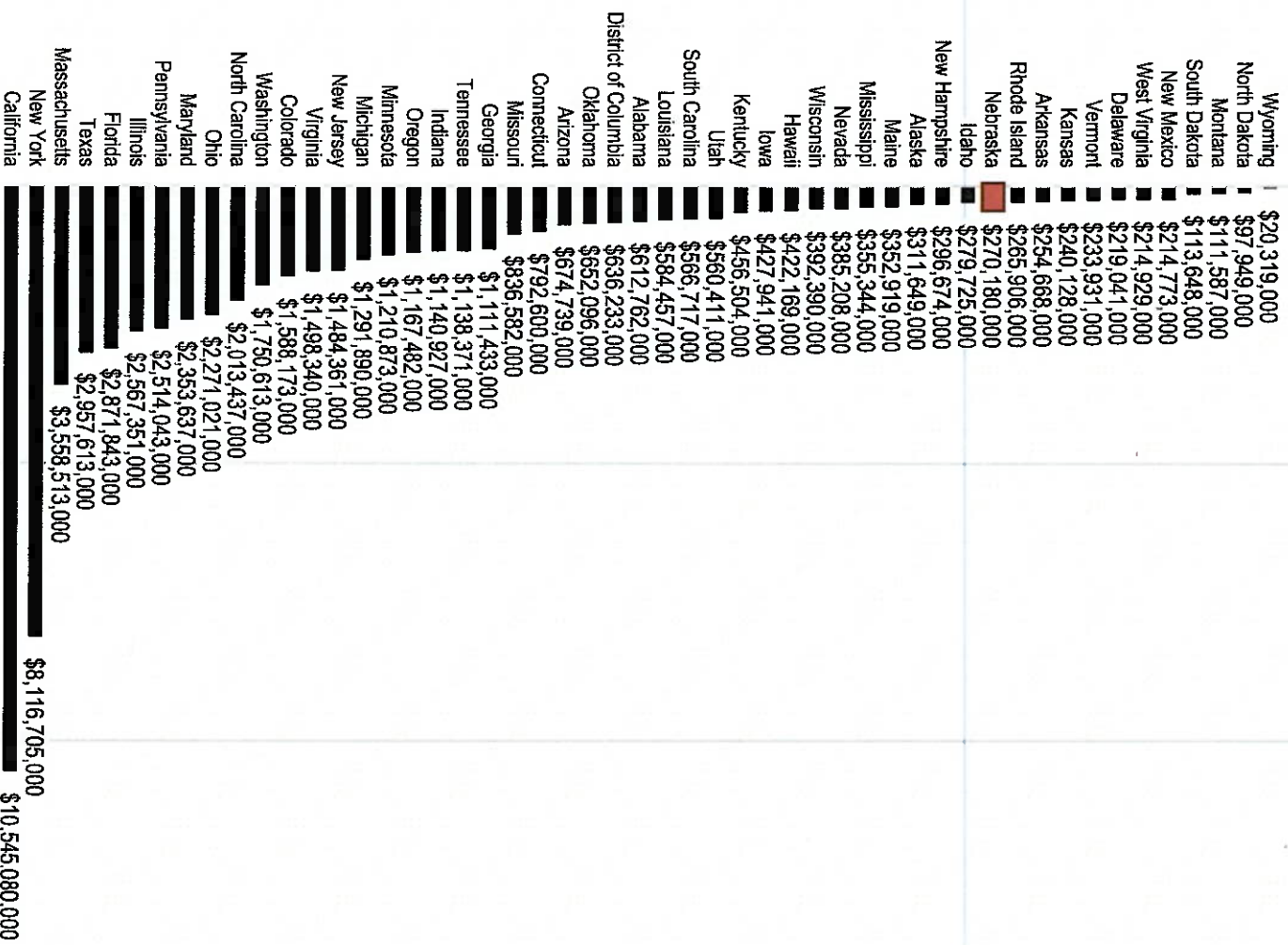
# Nebraska in 2021 spent the least among the states on housing and community development = \$941,000.

Kansas = \$132,785,000  
Iowa = \$250,644,000



# The state of Nebraska and local communities spent \$270,180,000 on housing and community development, one of the lowest in the country.

**Kansas = \$240,128,000**  
**Iowa = \$427,941,000**



**Housing:** Planning, construction, furnishing, and operation of public housing projects (generally for persons not adequately served by private sector); rent subsidies (e.g., “Section 8” assistance); housing and mortgage finance agencies; promotion of home ownership; assistance for repair and renovation of existing homes; and programs to encourage private sector housing production.

**Community development:** Urban renewal and slum clearance; redevelopment and rehabilitation of substandard or deteriorated facilities and areas; rural redevelopment; and revitalization of commercial areas.

**Excludes:** Building inspection and enforcement of housing codes or standards (report at Protective Inspection and Regulation, NEC, code \*66); direct loans to individuals, builders, landlords, or others (non-expenditure, by definition); distribution of proceeds from mortgage revenue bonds (see Chapter 6 on debt); temporary shelters or housing for the homeless (report at Public Welfare, codes \*77/\*79); and construction and maintenance of military housing by the U.S. Department of Defense (report at Federal National Defense and International Relations, code \*06).

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