INTRODUCTION

Nebraska strives to expand opportunities for all its citizens. The exploration and advancement in new and existing industries, increasing availability of affordable housing, and development of new tourism attractions are some ways the state is working to improve the quality of life for citizens from Omaha to Ogallala.

The goal of the Nebraska Department of Economic Development is to not only meet Nebraskan's needs, but also exceed their expectations. DED accomplishes this by providing quality leadership and services that enable communities, businesses and people to readily improve their standard of living.

DED BUDGET FY 2000-2001

<table>
<thead>
<tr>
<th>FEDERAL FUND EXPENDITURES BY SOURCE</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Association</td>
<td>$2,666</td>
</tr>
<tr>
<td>Housing and Urban Development</td>
<td>$22,042,646</td>
</tr>
<tr>
<td>National Institute of Standards and Technology</td>
<td>$993,198</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>$14,668</td>
</tr>
<tr>
<td>Department of Labor/School-to-Career</td>
<td>$3,071,216</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$26,124,216</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FUND EXPENDITURES BY SOURCE</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patent Development</td>
<td>$29,649</td>
</tr>
<tr>
<td>Administrative Cash</td>
<td>$329,022</td>
</tr>
<tr>
<td>Visitors Promotion Tax</td>
<td>$2,659,962</td>
</tr>
<tr>
<td>Job Training</td>
<td>$317,638</td>
</tr>
<tr>
<td>Affordable Housing Trust</td>
<td>$4,674,582</td>
</tr>
<tr>
<td>Nebraska Environmental Trust</td>
<td>$31,137</td>
</tr>
<tr>
<td>Homeless Trust Fund</td>
<td>$1,366,574</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,408,564</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENERAL FUND EXPENDITURES BY SOURCE</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration and Research</td>
<td>$1,690,171</td>
</tr>
<tr>
<td>Community and Rural Development</td>
<td>$311,776</td>
</tr>
<tr>
<td>Business Development</td>
<td>$2,173,915</td>
</tr>
<tr>
<td>Tourism and Film</td>
<td>$220,736</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,396,598</strong></td>
</tr>
</tbody>
</table>
Dear Nebraska Neighbors:

At the dawn of a new century and new economic era for our state, Nebraskans can proudly reflect back over more than a century of solid, steady progress as they anticipate and prepare for the challenges that lie ahead. This 2000 annual report reflects the tremendous strides in community and economic development that Nebraska now makes in the quick turn of a year’s time. It also offers a plan for aligning Nebraska’s assets with the demands of the new world economy to facilitate future growth.

Improving the quality of life for all Nebraskans is the foundation on which the state was formed in 1867, and the springboard from which we embark into the future. In communities across the state, we see quality in the form of new businesses, updated public works infrastructure, expanded tourism offerings, and volunteers and organizations providing more needs-based programs for people of all ages.

In today’s global marketplace, strengthening and growing Nebraska’s economy especially depends on adding value to the state’s diverse agricultural products to meet the growing demands of consumer’s changing nutritional needs, as well as new and fast-growing fields, such as biotechnology. During the past year, I led delegations to Australia, Korea, Malaysia, Singapore and Taiwan to strengthen our trade relations and increase the number of exported Nebraska goods.

Growth would appear to play a big role in Nebraska’s economic future as well. The Bureau of Business Research at the University of Nebraska-Lincoln estimates that non-farm employment in the state will grow 1.2 percent in 2001, that non-farm personal income will grow 5.7 percent in 2001, and our total taxable retail sales will grow about 4.9 percent in 2001.

By continuing to aggressively recruit new and expanding businesses, build more affordable housing, attract new and retain existing employees, and develop new opportunities as these come available, Nebraska will secure its place among the global leaders in the 21st century.

Sincerely,

Mike Johanns
Governor
Dear Governor Johanns,
Speaker Kristensen, Members of the Legislature
and Citizens of Nebraska:

On behalf of the Nebraska Department of Economic Development (DED), I present our fiscal year 1999-2000 Annual Report.

‘Change’ remained the operative word this fiscal year as the department focused its efforts on providing more in-depth programs and services to Nebraskans right where they live. Several home office positions were restructured into field staff positions, to enable DED to respond more thoroughly and immediately to communities’ needs. The regional team has grown to 22 staff, while the department’s Lincoln staff was reduced by four. Additionally, a rotation of management responsibilities resulted in a fresh approach to programming.

Change also was a primary characteristic of a new Target Industry Study undertaken in June by DED and a host of partnering organizations. The study outlined ways that the state could change and grow in its existing strengths of agribusiness, metal products manufacturing and financial services, as well as in new knowledge-based areas of biotechnology, electronics manufacturing and information technology/software development.

With these study results, DED has set out to develop a statewide strategic implementation plan for economic expansion. Implementing this plan will require the united vision and participation of people at the local and state levels, in both the public and private sectors.

The need for a quality Nebraska workforce in the face of a changing global economy also remained a top priority. The increasing demand for quality workers continues to strain Nebraska’s available human resources. While the state still boasts the lowest or second lowest unemployment rate in the U.S. — 2.9% in 1999 compared with 4.2% nationwide — the need is great for experienced workers. DED continues to work with communities in developing a workforce capable of changing and adapting to the demands of employers in the 21st century.

While change does not guarantee progress, progress absolutely requires change. DED is proud of the positive changes made during this past year and the progress that has resulted from these changes. The department will continue on this course of positive change and adaptation to help meet the development needs of all Nebraskans.

Sincerely,

Al Wenstrand
Director
ECONOMIC PERFORMANCE INDICATORS

During FY 1999-2000, Nebraska began a new century with record high employment and a continuing low unemployment rate. The state benefited from being part of a strong national economy. Data from the Nebraska Department of Labor shows that the state’s unemployment rate was below 3.0 percent in every month of the fiscal year. In June 2000, it was 2.9 percent — the same as in June 1999 — and below the national average of 4.0 percent.

Business demand for workers in Nebraska remained strong, producing more job choices than ever before. Self-employment opportunities also rose. But the state’s largest sector for home-based business — agriculture — contended with continued low farm commodity prices, especially for grains.

INDUSTRY GROWTH

Nebraska’s total employment grew by 825 jobs from June 1999 to June 2000 (see Table 1). Increases occurred in five of seven major sectors: government; transportation, communications and public utilities; construction and mining; finance, insurance and real estate; and manufacturing. Trucking growth was the major contributor to job increases in transportation. Banks and other depository institutions had most of the employment gains in finance, insurance and real estate. And in the manufacturing sector, increased food processing, especially of meat products, led the advance.

Faced with a tight market for workers, some labor-intensive industries in the trade and services sectors had significant losses in employment. In the wholesale and retail trade sector, two-thirds of the total employment decline from June 1999 to June 2000 occurred at eating and drinking establishments. In the services sector, a drop in business services employment caused most of the decrease.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Non-Farm Payroll Employment by Place of Work in Nebraska</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Breakdown</td>
<td></td>
</tr>
<tr>
<td>June 1999-June 2000</td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td><strong>June 1999</strong></td>
<td><strong>June 2000</strong></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Total Employment</td>
<td>901,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>117,746</td>
</tr>
<tr>
<td>Construction and Mining</td>
<td></td>
</tr>
<tr>
<td>Transportation,</td>
<td></td>
</tr>
<tr>
<td>Communications,</td>
<td></td>
</tr>
<tr>
<td>Public Utilities</td>
<td>57,7695</td>
</tr>
<tr>
<td>Trade</td>
<td>217,567</td>
</tr>
<tr>
<td>Finance, Insurance, and Real Estate</td>
<td>61,608</td>
</tr>
<tr>
<td>Services</td>
<td>246,372</td>
</tr>
<tr>
<td>Government</td>
<td>153,672</td>
</tr>
<tr>
<td>Source: Nebraska Department of Labor</td>
<td></td>
</tr>
</tbody>
</table>
GEOGRAPHIC DISTRIBUTION

Nebraska’s employment and population continued to grow more in the Lincoln and Omaha metropolitan areas than in the rest of the state in FY 1999-2000. In June 2000, the two metropolitan areas together had more than 60 percent of the state’s non-farm jobs, up from 59.5 percent a year earlier. Nebraska's portion of the Omaha metropolitan area (Cass, Douglas, Sarpy and Washington counties) had an increase of 1,323 jobs from June 1999 to June 2000; the Lincoln metropolitan area (Lancaster County) gained 4,160 (see Table 2).

The metropolitan areas share of Nebraska’s total jobs was much greater than their share of the state’s total workers by residential location. According to the Nebraska Department of Labor, counties in the state outside of the Lincoln and Omaha metropolitan areas had more than 57 percent of the state’s employed residents in June 2000, little changed from the previous June. But a majority of the state’s total population — workers plus others — now live in the metropolitan areas. The U.S. Bureau of the Census estimates that on July 1, 1999, Nebraska had a total population of 1,666,028, of which 850,107, or more than 51 percent, resided in metropolitan Lincoln and Omaha.

<table>
<thead>
<tr>
<th>Region</th>
<th>June 1999</th>
<th>June 2000</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nebraska</td>
<td>901,700</td>
<td>902,525</td>
<td>825</td>
</tr>
<tr>
<td>Metropolitan Omaha</td>
<td>383,236</td>
<td>384,559</td>
<td>1,323</td>
</tr>
<tr>
<td>Metropolitan Lincoln</td>
<td>153,322</td>
<td>157,482</td>
<td>4,160</td>
</tr>
<tr>
<td>Rest of State</td>
<td>365,142</td>
<td>360,484</td>
<td>(4,658)</td>
</tr>
</tbody>
</table>

WAGES AND INCOME

Strong demand for workers in many industries helped boost wages in Nebraska in FY 1999-2000. The average hourly earnings of manufacturing production workers reported by the Nebraska Department of Labor rose from $12.72 in June 1999 to $12.83 in June 2000. In the services sector, there was an increase from $11.49 to $12.33 per hour. Wage increases were especially large in business services, where the average hourly earnings went from $11.17 to $12.73, a jump of almost 14 percent.

The average income of Nebraskans (including wages, interest, dividends, transfer payments, etc.) has historically been below the national average. The U.S. Bureau of Economic Analysis reports that per capital personal income in Nebraska in 1999 was $27,049, or 94.8 percent, of the U.S. average of $28,542. Much of this difference is offset by a cost of living that also is below the national average. The first quarter 2000 cost of living survey by the American Chamber of Commerce Researchers Association found that general living costs in Nebraska communities surveyed averaged 4.4 percent below the national average.

NEBRASKA DATABOOK

Much of the above information and other data on Nebraska can be seen in The Nebraska Databook, accessible via DED’s internet home page at: http://www.neded.org
COMMUNITY AND RURAL DEVELOPMENT

FY 2000 HIGHLIGHTS

• Assistance provided to 613 housing units from Community Development Block Grant (CDBG) and HOME funding.
• More than 30% of all CDBG funds went to communities with populations less than 1000.
• 230 housing units and 462 homeowners were assisted from the Nebraska Affordable Housing Trust Fund.
• 19,090 people were served through the Nebraska Homeless Assistance Program.
• 211 client-businesses received loans and more than 2,200 clients received business training through the Microenterprise Loan program, which helped create or retain 889 jobs.
• 29 communities received strategic planning assistance.
• 65 communities were assisted through the Nebraska Community Improvement Program.

Communities and nonprofit organizations are encouraged to enlist services and funding offered through the department to help plan for future needs.

NEBRASKA COMMUNITY IMPROVEMENT PROGRAM (NCIP)

NCIP provides statewide recognition for outstanding community and economic development efforts, helping 65 communities in FY99-00 with planning and implementing projects. These efforts were further supported and sustained by hundreds of volunteers who invest their own time and talents to ensure each project’s success. Another 29 communities and nonprofit organizations received help with strategic planning.

COMMUNITY DEVELOPMENT ASSISTANCE ACT (CDAA)

CDAA provides tax credits to local governments and nonprofit organizations, which in turn, use the credits as incentives for businesses to donate funds to their organization for specific development projects. In FY99-00, four community betterment organizations received $62,400 in state tax credits to assist in developing nearly $1 million worth of projects, including a museum, youth program, part and recreational activities.

TRIBAL DEVELOPMENT

DED works with Nebraska’s Native American Tribes to identify opportunities and resources for development. Last year, DED Director Al Wenstrand began meeting with Nebraska’s tribal governing councils to discuss ways to work together.

WATER/WASTEWATER AND PUBLIC WORKS

A multi-agency joint review and funding process for water/wastewater projects continued in FY99-00, reviewing 58 projects. Nine projects were received $2,193,635 in CDBG funding. An additional $3,427,000 was leveraged. Twelve projects also were funded for public works at $2,460,000 with an additional $5,580,578 of leveraged financing.

ECONOMIC DEVELOPMENT

Creating quality jobs, retaining existing businesses and providing assistance to attract new businesses is a priority for DED. The goal is to partner with the private sector and financial institutions, leading to investments in new facilities, equipment, and infrastructure that will support businesses. CDBG funds are leveraged with other funds to create and retain jobs in non-metropolitan areas of the state. A Spec Building program helped attract new businesses.

DED conducted a study of planning grants issued during the past five years to evaluate the responsiveness of the CDBG-funded plans. Local officials identified the planning activities in which their communities participated during the last five years. The following year, communities were awarded 1999 CDBG funds to carry out local initiatives as listed below:

<table>
<thead>
<tr>
<th>Community Planning Activities</th>
<th>1999</th>
<th>1993-1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Planning</td>
<td>80.69%</td>
<td>71.6%</td>
</tr>
<tr>
<td>Housing Study</td>
<td>1.24%</td>
<td>52.6%</td>
</tr>
<tr>
<td>Blight/Substandard and Redevelopment Plans</td>
<td>4.44%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>13.62%</td>
<td></td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>—</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

*Significant in FY99: 54.32% countywide plans were developed for seven counties.*
The study also revealed that Nebraska’s largest communities (outside of Omaha and Lincoln) to its smallest villages benefit from CDBG funding. City councils and county boards review needs and set priorities for program applications that target public improvements, housing and business development activities.

CDBG technical assistance funding laid the groundwork in 1999 for DED and the University of Nebraska-Lincoln (UNL) to compile and pilot two manuals for use by local planning officials — The Planning Primer and Planning and Zoning Law. Local officials not involved in the pilot program learned how to use the manuals at an annual statewide training session held in FY99-00. UNL in cooperation with its Division of Continuing Studies will place the manual on-line and develop on-line educational programs for community planning officials and citizens in 2001.

HOUSING AND HOMELESSNESS
DED blends funding from the CDBG, HOME Investment Partnership and Nebraska Affordable Housing Trust Fund into a single Nebraska Affordable Housing Program. Funds are available to local governments, nonprofit organizations, and public housing authorities to increase homeownership opportunities and affordable rental units for low-income families and individuals with down payments towards homeownership or rehabilitation of affordable housing. In program year 1999-2000, DED assisted with 613 housing units with CDBG/HOME funds at a cost of $9,181,014.80.

The department partners with a number of agencies, including Community Housing Development Organizations (CHDOs) to maximize the impact, cost savings, and long-term affordability of housing. The nonprofit CHDOs develop, own and sponsor affordable housing projects in communities. They also provide additional services, such as homeownership training, special needs housing, and help with physical accommodations in housing. The following state and federal agencies and organizations assisted DED with review and on-site consultation for affordable housing project in FY99-00: Nebraska Investment Finance Authority, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture Rural Development, and Nebraska Energy Office.

DED published the second Nebraska Affordable Housing Trust Fund Report in 2000, which identified organizations receiving funding and the location of projects. More than $14 million was leveraged by the $4.08 million in the trust fund program year 1999. The fund is expected to assist with the construction of 230 affordable housing units and help 462 homeowners make down payments on new homes, or rehabilitate existing homes. The projected economic impact is 440 new jobs and $34 million in community investment.

More than 19,000 people were served through the Nebraska Homeless Assistance Program calendar year 1999. Grants totaling $2,072,550 were made to 57 homeless shelter providers. Nebraska’s Homeless Shelter Assistance Trust Fund is combined with monies from the Emergency Shelter Assistance Grant program from the U.S. Department of Housing and Urban Development to provide a variety of client services and homeless prevention assistance.
During the past year, 21 commissioners with the Nebraska Commission on Housing and Homelessness met monthly to develop policies and program recommendations for the governor on affordable housing, homelessness and near-homelessness. The commission has sponsored two Housing and Homelessness conferences since 1998.

NEBRASKA MICROENTERPRISE FUND
The first Nebraska Microenterprise Fund Report, issued in January 1999, summarized funding accomplishments. The Nebraska Microenterprise Fund was created by the Nebraska Legislature in 1997 to serve businesses with five or fewer employees. From 1997-1999, the fund made 211 loans totaling $1,040,328. The average loan was $4,930. During this same period, more than 2,200 clients received business training. As a result, 889 jobs were created or retained. Of the clients served, 49% lived in distressed counties, 45% were low-to-moderate income earners, and 22% were on public assistance.

REGIONAL TEAMS
In 2000, DED expanded its programs and services in greater Nebraska to respond more quickly and directly to citizens needs. By the end of 2000, the department had 22 staff in the field — one regional team coordinator overseeing three regional teams with seven members each — dedicated to providing a coordinated, multi-disciplinary approach toward economic development, including services in the areas of leadership development, community planning, business development, financial consulting, housing, tourism development and marketing.
A noteworthy achievement in 2000 was in the area of business retention and expansion. The teams assisted community and business leaders in 26 counties, making more than 350 business calls. This effort led to many follow-up business calls, where further services, such as job training, infrastructure development, and business financing assistance were provided.
BUSINESS DEVELOPMENT

FY2000 HIGHLIGHTS
• 37 new business recruitment prospects.
• 18 new or expanding companies were provided CDBG financial support, resulting in the creation/retention of 1,150 jobs and increasing they payroll in the state by $13.2 million.
• 804 employees provided start-up or retraining from customized Job Training Fund.
• 105 contract rewards for $11.7 million as result of Surety Bond Assistance program.
• 21 training events for export businesses were held with partner organizations.
• 2,500 One-Stop Business Assistance responses.
• 30 communities joined TeamMates of Nebraska mentoring program.
• MEP had an impact of $15.8 million, 299 jobs retained and 395 jobs created.

DED's Business Development efforts encompass the areas of business recruitment, international trade and investment, existing business assistance and workforce development.

BUSINESS RECRUITMENT
Increasing employment opportunities and capital investment in Nebraska is the mission of DED's business recruitment team. Staff work with communities to attract new businesses and industries through direct mail campaigns, phone calls to prospective industries, and participation in special events and trade shows targeting specific industries. The department encourages communities to further participate with state utility districts and organizations, such as the Nebraska Diplomats and Nebraska Economic Developers Association. A FY99-00 marketing campaign resulted in more than 380 industry responses. Financial assistance was provided to 18 companies locating or expanding to the state and to communities improving infrastructure for industrial development. Delegation trips to Europe, New York City, Chicago, Oregon, Washington and neighboring states in the U.S., resulted in more than 37 leads and several companies locating in Nebraska.

GOVERNOR'S VALUE-ADDED INITIATIVE
In 1999, Governor Mike Johanns established a directive to provide economic development assistance for the state’s value-added agricultural and food processing endeavors as these relate to Nebraska’s manufacturers. DED partnered with the Nebraska Department of Agriculture, uniting the departments’ resources and staff who directly interact with private sector, agribusiness-based interests to identify specific development opportunities. In FY99-00, this value-added team helped companies identify core business strengths in order that they could form strategic alignments with other growth-oriented organizations. The initiative is helping maximize Nebraska’s existing value-added potential, as well as establishing a long-term direction for developing the state’s agricultural and food processing base.

NEBRASKA INDUSTRIAL COMPETITIVENESS ALLIANCE (NICA)
To help Nebraska’s businesses remain competitive, NICA oversees the core strategic planning and governance of four major initiatives with administrative support from DED. NICA maintains standing committees for the Nebraska Manufacturing Extension Partnership, School-to-Career Initiative, TeamMates of Nebraska, and Science and Technology policy. Information is exchanged and shared between cross-functional teams of educators and representatives from labor, economic development, community colleges, postsecondary education institutions and businesses. The NICA initiatives are some of the most unique in the U.S. in that they are led by a public/private partnership.

NEBRASKA MANUFACTURING EXTENSION PARTNERSHIP (MEP)
The Nebraska MEP is a cooperative effort involving government- and education-based service organizations with strong histories of providing business and technical services to manufacturers and processors throughout the state. Nebraska MEP is affiliated with the National Institute of Standards and Technology (NIST) through its own Manufacturing Extension Partnership program. A network of customer agents located throughout Nebraska provide solutions for manufacturers to help them remain competitive in today’s dynamic economy. In FY99-00, staff completed 815 projects of which 743 were for technical assistance. A total 20 staff from DED, the Nebraska Business Development Center, the University of Nebraska-Lincoln Food Processing Center, and community colleges averaged nearly 70 projects per month. MEP staff also conducted 50 events/workshops for 1,220 employees from 150 companies. The impact from these program activities were evaluated by third party independent surveyors under contract to NIST. Survey results (reported in the Nebraska MEP Sixth Year Annual Report) indicated a customer satisfaction level of 4.1 (on a scale of 0-5), as well as an impact of $15.8 million, 299 jobs retained and 395 jobs created.
SCHOOL-TO-CAREER
In 1995, Nebraska received a five-year grant from the U.S. departments of Labor and Education under the auspices of the School-to-Work Opportunities Act of 1994. The act's intent was to provide "venture capital" for states to create their own systems of school-to-work opportunities for students. Nebraska's "School-to-Career Initiative" is administered and coordinated by the Nebraska Industrial Competitiveness Alliance in partnership with DED. The initiative is made up of 20 regional partnership serving all 93 Nebraska counties. The goal of each partnership is to link area schools and businesses in implementing programs that help students identify and explore career options and experience the world of work. In FY99-00, Nebraska's 20 partnerships involved 9,237 employers and 648 schools serving 198,978 students. Of $41 million spent on Nebraska's initiative, $17 million has come from federal government and $24 million from local matching grants. Nebraska's School-to-Career Initiative remains the only one in the U.S. administered by a state economic development agency.

TEAMMATES OF NEBRASKA
The school-based, one-to-one mentoring program is modeled after an original program begun by Tom and Nancy Osborne in Lincoln in 1991. Implemented in the Lincoln Public Schools in 1997, the program matched 160 middle school students with mentors. In July 1998, the program was expanded statewide. By the end of 2000, an estimated 30 schools/communities were involved with 1,800 mentor and student matches.

SCIENCE AND TECHNOLOGY (EPSCOR)
DED uses state general funds to match university and private funds that are, in turn, matched against National Science Foundation funds to stimulate competitive research. Under NICA's direction, the funds help sponsor basic research that may potentially impact the state's development. In FY 99-00, ESPCoR awards were valued at $9 million, with nearly $875,000 in private support leveraged.

FINANCIAL PACKAGERS
Three financial packagers help businesses and development professionals structure financing for business expansion, retention and recruitment projects. Packagers use other private and public financing tools to best meet the needs of all parties and to secure capital to expand and maintain the state's economy. In FY99-00, DED's financial packagers assisted with 18 CDBG loans, helped create and retain 1,150 jobs, and leveraged more than $250 million in other investments . . . all which increased Nebraska payrolls by $13.2 million.

RURAL AND METROPOLITAN BASIC OCCUPATIONS
The Rural and Metropolitan Basic Occupations is a cooperative commitment to support education and employment for economically-disadvantaged individuals in high-demand occupations paying a living wage. The initial project focused on "Rural and Metropolitan Basic Occupations" to help address the shortage of allied health professionals in rural areas. Of the first 158 health professionals entering the program, 115 graduated and found full-time employment. Buoyed by this success, a construction trade component was added in 1996. RAMBO is now a program of the Community Action Agencies of Nebraska with program funding provided through a partnership of public and private organizations.

ENTERPRISE ZONES
In 1993, the Enterprise Zone Act was passed by the legislature to broaden and stabilize the economic base of the state by stimulating job creation and investments in distressed areas. Enterprise Zones were created in Omaha, Madison County, Hall County (Alda), Scotts Bluff County and Dawes County (Chadron). DED works with Enterprise Zone boards to help stimulate investment and job creation in designated zones identified as chronically distressed. In FY99-00, more than $ million in private funding was invested in Enterprise Zones and jobs were created with an average hourly wage of .

SURETY BOND ASSISTANCE PROGRAM
During the 1997 legislative session, funds were appropriated for the establishment of a Surety Bond Assistance Program. The program provides technical, financial and managerial assistance to small contractors, architects and engineers so that they are able to obtain bid and performance bonding. In FY99-00, the program recorded bid submissions equaling more than $ million. These opportunities produced bond placements equaling $ million in values; contract awards equaling $ million in contract values; and an increased bonding capacity of more than $ million. The program helped participants increase their firm's bonding capacity by approximately percent — from $ million to $ million. Banking applications produced more than $ million in application values and generated approved loans representing more than $
JOB TRAINING
DED’s job training funds are applied to the delivery of training through in-house company trainers, community colleges or other vendors. Additionally, funds are used to help offset costs associated with on-the-job training for new hires and retraining existing workers in the use of new processes and equipment. In FY99-00, customized job training funds were used to train or retrain 738 employees. The starting wage of workers hired and trained for new jobs was $9.38.

NEBRASKA WORKS
Established in 1998, the Nebraska Works office created a statewide system of employment, education and training opportunities to increase the number and quality of workers for the state’s growing employment opportunities. The office assists businesses and communities with strategic planning to retain residents employed in jobs; to encourage students to attend college or work in Nebraska following graduation; to prepare and link workers in Nebraska with available jobs; and to upgrade Nebraska workers’ skills. By 2005, Nebraska will need an estimated 50,000 workers to fill available jobs.

INTERNATIONAL TRADE AND INVESTMENT
During FY99-00, DED’s Office of International Trade & Development assisted with two governor-led international trade and investment missions to Hong Kong, China and Australia; a international agricultural trade show in Mexico; a trade and reverse investment mission to Europe; and two staff exchange/training programs to the Ukraine and Southeast Asia.
DED’s International Trade & Investment Office, along with various partners, organized 21 training events for export businesses, and hosted the Midwest U.S. - Japan Association Conference in Omaha. In addition, the office hosted 13 delegations from Croatia, Hong Kong, Japan, China, Israel, Mexico, Tajikistan, the Philippines and Great Britain. Although the “Asian Economic Crisis” led to a significant decrease in exports to Southeast Asia in 1998, overall exports of Nebraska’s manufactured goods increased in 1999 to a record $2.3 billion.

ONE-STOP BUSINESS ASSISTANCE
The One-Stop Business Assistance Office was created in 1988 to improve state government’s responsiveness to questions about starting or doing business in Nebraska. The One-Stop office helps business owners and entrepreneurs get their questions answered as quickly as possible, provides the necessary forms and information, or locates appropriate sources to do so. The One-Stop office averages more than 2,500 yearly requests for assistance, and maintains the ‘Nebraska Business Toolkit’ web page at http://assist.neded.org to help businesses quickly locate information that addresses many commonly asked questions.

RECYCLING
The Recycling Economic Development Advocate (REDA) program helps Nebraska businesses get started and existing businesses expand and incorporate recycled feedstock into their processes. The REDA program assists businesses with developing business plans; identifying financing options and opportunities to reduce disposal costs by reusing or recycling waste materials generated on-site; locating technical resources for evaluating materials, processing and equipment; and finding other assistance.

NEBRASKA DIPLOMATS, INC.
The Nebraska Diplomats, Inc., is a non-profit corporation that works in conjunction with DED and other economic development organizations to promote Nebraska’s productive business climate and unique quality of life. The corporation represents the largest economic development organization in the state. Members conduct a specific plan of work and used their rapport with business executives throughout the world to promote investment and employment in the state.

NEBRASKA BUSINESS VISITATION PROGRAM
DED initiated the Nebraska Business Visitation Program in July 1999 in cooperation with the Nebraska Diplomats and the Nebraska Economic Developers Association. The program facilitated one-on-one interviews with Nebraska businesses to document their contributions made to the state’s and region’s economy; to offer resources and assistance in the growth and expansion of these businesses; and to identify unique problems and barriers the companies may experience while doing business in the state.
TOURISM AND FILM

FY2000 HIGHLIGHTS
• Responded to 130,314 requests for travel information
• 14,200 e-mail responses
• 501,492 website user sessions
• Media campaign reached 240 million households worldwide
• Computer stations and video monitors located at I-80 rest areas
• More than 450,000 travelers assisted by travel counselors at I-80 rest areas
• Information provided to more than 400 tour operators and travel agencies
• Provided 35 local/regional tourism promotion grants
• $750,000 in grants for tourism development projects across Nebraska
• Several independent feature and commercial films were made in Nebraska with expenditures of more than $500,000

DED’s Travel and Tourism staff offer programs and services to help communities and regions develop their tourism potential. These programs and services include the Tourism Assessment Resource Growth and Evaluation Team, tourism marketing grants, tourism marketing partnerships, film industry services, domestic and international trade shows, group tour marketing, familiarization tours for the group tour market, press tours and travel writers assistance, travel counselor program, Nebraska Scenic Byway program, Tourism Development Initiative, tourism planning assistance, and the Electronic Travel Information System. Travel and Tourism is primarily funded through a one percent lodging tax cash fund, with the exception of the Nebraska Film Office, which is funded by an appropriation from the state’s general fund as directed by the Nebraska Legislature.

STATISTICS
Tourism is Nebraska’s third-largest industry after agriculture and manufacturing. Tourists spent more than $2.7 billion in Nebraska during 1999. The industry, which has achieved 12 years of continued growth, employs more than 45,000 Nebraskans. Visitors from other states and countries, as well as in-state residents made 19.3 million trips in Nebraska during 1999. The average stay was 2.2 nights per traveling party. Kansas, Iowa, Colorado, Missouri, South Dakota, Illinois, and Minnesota were the leading states of origin for tourists visiting Nebraska. Annual spending in Nebraska on trips away from home with overnight stays in paid accommodations, and on day trips to places 100 miles or more away has increased by more than $1.4 billion since 1989.

FILM OFFICE
This office markets the state to industry professionals who are seeking a location for feature and commercial filming. The film officer prepares a marketing plan, attends film industry trade shows, publishes a film production directory, calls on producers and other film industry contacts and partners in hosting film industry events in the state. The Film Office receives more than 1,000 requests yearly for information on filming on location in Nebraska. A database is regularly updated with inquiry information. In FY99-00, the film officer attended four trade shows that market to industry professionals, and cosponsored the Biannual Great Plains Film Festival held at the University of Nebraska-Lincoln (UNL). The office also supports the new film and media technologies curriculum offered at UNL, and the first Nebraska Screenwriting Contest in partnership with the Nebraska Diplomats and Midwest Express Airlines.

TOURISM INFORMATION
In FY99-00, Travel and Tourism received and filled 130,314 requests for travel information. The tourism website, visitnebraska.org, generated more than 501,492 user sessions in FY99-00 (an increase of 400 percent over FY98-99), offering users instant access to tourism sites, events and lodging throughout the state. A total of 14,200 e-mail requests were received and answered (an average of 1,183 e-mail requests per month). Staff also helped publish and distribute 300,000 copies of the 2000 Nebraska Traveler magazine, and 175,000 copies of the 2000 Nebraska Events Catalogs, which are available for travelers’ use.

INDUSTRY MARKETING PLAN
To promote Nebraska as a travel destination for domestic and international travelers, staff prepare an annual industry marketing and partnerships plan. The multimedia plan combines use of radio, TV, print and the Internet to reach approximately 240 million households, and offers advertising/marketing opportunities for Nebraska communities and businesses.
ELECTRONIC TOURISM INFORMATION SYSTEM (ETIS)
First installed in FY 97-98, the ETIS employs computer and video technology in selected rest areas and tourism attractions to encourage travelers along I-80 to explore greater Nebraska. Twelve computer stations allow travel counselors to retrieve and distribute information, while video monitors let travelers independently view and learn about upcoming attractions and facilities. Five touch screen kiosks also are located at private attractions and industry locations throughout the state.

TRAVEL COUNSELOR PROGRAM
Every year, more than 40 travel counselors are hired to staff selected I-80 rest areas, and visitor centers in Sioux City, Iowa, and the Wildcat Hills between Kimball and Scottsbluff. Travel counselors greet travelers and provide information. The program’s goal is to influence visitors’ travel decisions by showcasing Nebraska’s attractions, events, and quality visitor services. In FY99-00, travel counselors assisted more than 450,000 resident and nonresident travelers within the eight “peak” and “shoulder” travel months. While some rest areas are open for a full eight months, others are not. The goal is to operate most rest areas throughout this eight-month period.

GROUP TOUR MARKETING
Traveling by motorcoach offers senior citizens a safe, leisurely and preferred way to see the state. And because I-80 is the heaviest traveled east/west roadway in America, staff continually work to increase the number of tour groups visiting Nebraska, by heavily marketing attractions, events and visitor services to group travel operators and group leaders. Travel and Tourism also offers yearly familiarization tours to operators and group leaders. In FY99-00, staff attended five group travel/tour operator shows, hosted two tour operator familiarization tours, and provided information to more than 400 tour operators and travel agencies.

TRAVEL WRITER'S ASSISTANCE
Staff work with freelance travel writers and local, domestic and international media to provide them information for stories or places to write about, and to take them on press tours around the state. Travel and Tourism also arrange visits for individual writers who are producing special features about the state. It is estimated that all print and electronic stories about Nebraska have an annual average value of approximately $750,000.

TOURISM MARKETING GRANT PROGRAM
Travel and Tourism earmarks $75,000 of its operating budget to be used for innovative marketing efforts aimed at increasing tourism revenues in Nebraska. In FY99-00, 35 grants of $5,000 or less were awarded for regional promotion, attendance to sport and trade shows, and the promotion of new or expanded events. Each grantee provided a minimum 25 percent match.

TOURISM DEVELOPMENT
Staff work with community leaders to develop new and enhance existing tourism projects. The Tourism Assessment Resource Growth Evaluation Team (TARGET) program gives communities the opportunity to evaluate their tourism potential. Seven new TARGET programs are slated for FY00-01 and re-evaluation of former TARGET participants will begin in 2001. Travel and Tourism awarded more than $750,000 of CDBG Tourism grants in FY98-99 through a two-year pilot program called the Tourism Development Initiative. The state also designated nine Nebraska Scenic Byways in FY99-00. The byways will be marketed to the traveling public as alternate routes throughout the state.

NEBRASKA TRAVEL CONFERENCE
The Nebraska Travel Conference annually attracts professionals from all areas of tourism including Convention and Visitors' Bureaus, chambers of commerce, hotels and attractions and event planners. This is the one time of the year that the state’s travel and tourism industry gathers to attend professional seminars and network with others on how to increase tourism spending in Nebraska. Attendance has swelled to nearly 300 due to the quality workshops and seminars. During the past five years, sponsors’ contributions have increased from $2,000 to nearly $30,000. The conference also features the Governor’s Travel Industry Awards Banquet where colleagues, events, attractions and communities receive special accolades for accomplishments related to tourism.