

PKF Strategic Planning: Data and Interview Highlights

Prepared for Peter Kiewit Foundation

September 2014

Table of Contents

Peter Kiewit Foundation Strategic Planning Overview	2
Summary of External Research Findings	3
Demographics and Geography	3
Economy	6
Poverty and Unemployment	8
Education	14
Quality of Life	20
Health	21
Culture and Recreation	23
Natural Resources and Environment	24
Infrastructure: Housing, Transportation, Broadband	26
Appendix	29

Peter Kiewit Foundation Strategic Planning Overview

In summer 2013, Peter Kiewit Foundation (PKF) commissioned Public Equity Group (PEG) to support the development of a strategic plan that “that builds upon the foundation’s values and strengths, incorporates the perspectives of our partners and the broader community, and takes into account the [community’s] most critical challenges and opportunities”.

Over the ensuing months, PEG team members worked with PKF staff to summarize existing research and data about Greater Nebraska and the Omaha metro area, as well as conduct interviews and roundtable discussions with engaged citizens, public officials, philanthropic funders, nonprofit leaders, business owners, and others to get their views on community needs and guidance on PKF’s future direction.

PEG also supported PKF board and staff working sessions to discuss the needs identified by the data and reflect on how those needs align with Mr. Kiewit’s values and the foundation’s historical grantmaking.

What follows is a summary of external research findings from PEG’s work with Peter Kiewit Foundation, as well as an appendix detailing the one-on-one interviews and roundtable discussions conducted by PEG and/or PKF staff.

(For a summary of Peter Kiewit Foundation’s strategic plan and investment priorities, please visit the PKF website at www.peterkiewitfoundation.org.)

Summary of Research Findings

The following is a summary of quantitative research gathered from various sources (e.g., U.S. Census, Nebraska government entities, Nebraska and U.S. research institutions) and qualitative themes heard by the foundation over the course of its strategic planning process. The summary includes quotes (unattributed) from dozens of Nebraska stakeholders who participated in one-on-one interviews and roundtable discussions (please see Appendix A for a partial list of interviewees and roundtable locations). While the quotes herein reflect individual voices, they were chosen because they are representative of broad themes that emerged across multiple conversations. They are not necessarily reflective of the foundation's viewpoints. Similarly, the data we present below is not meant to be comprehensive, but to reflect larger themes that emerged during the research.

DEMOGRAPHICS AND GEOGRAPHY

Compared with the U.S. population, Nebraska's 1.8M residents are slightly younger; slightly less likely to live in poverty; more likely to be White; and more likely to hold high school (HS) degrees, although not college degrees (on par with U.S. average). That said, Nebraska's cities and towns have unique profiles: Omaha's demographics mirror the U.S.'s overall diversity, while several smaller Nebraska cities have notable racial/ethnic sub-communities, such as South Sioux City (45% Hispanic), Grand Island (27% Hispanic) and Scottsbluff (29% Hispanic). On average, rural Nebraska communities have declining birthrates, lower median incomes and fewer opportunities with competitive pay for college degree-holders, compared with metropolitan and micropolitan communities.

Metropolitan Growth and Rural Decline

- Nebraska's total population is projected to grow modestly (13%) between 2010 and 2030, from 1.8M to 2M. The U.S. population is expected to grow similarly during the same period, increasing by 14% from 314M in 2012 to 358M in 2030.¹
- Overall, Nebraska is experiencing significant metropolitan population growth. Micropolitan counties have grown slightly, and rural counties are declining in population. (See table below.) "Nebraska metro areas are growing at a much faster rate than other metros [in Great Plains states], but its rural areas are losing population at a much faster rate than other rural areas. Over the course of the [next]

¹ U.S. Census, University of Nebraska Center for Public Affairs Research

decade, even without in-migration, the trends for birth and death rates will mean that [Nebraska] metros will grow by 80,000.”²

- In 53 rural Nebraska counties, deaths have exceeded births since 1989 (24 years).³

Nebraska urban and rural population trends⁴

Urban/Rural Status	2000		2010		% Change in Population
	Population	% of Total	Population	% of Total	
Metropolitan Counties	942,500	55%	1,071,378	59%	14%
Micropolitan Counties	348,933	20%	359,772	20%	3%
Rural Counties	419,827	25%	395,201	22%	-6%

While the majority of Nebraska’s population is concentrated in the eastern third of the state and along Interstate 80, the combined metropolitan centers of Omaha and Lincoln account for between one-third and one-half of Nebraska’s population (depending how suburbs are classified). Nebraska is among the most rural states in the U.S., ranking 43rd of 50 for population density.⁵

Demographic Shifts

- The U.S. is projected to become a majority-minority nation by 2043, due in large part to higher projected birth rates among Hispanic Americans than among other groups. In fact, Hispanic Americans are expected to comprise over 30% of the overall U.S. population by 2060.⁶
- Nebraska is projected to be much more racially mixed in the coming decades. Demographers expect that by 2050, 24% of Nebraska’s population will be Hispanic and that racial/ethnic minorities will comprise over 40% of Nebraska’s youth population statewide.
- Nebraska’s fastest-growing populations – Hispanics, African-Americans, and Native Americans – are also those populations disproportionately impacted by poverty,

² University of Nebraska Center for Public Affairs Research

³ U.S. Census, University of Nebraska Center for Public Affairs Research

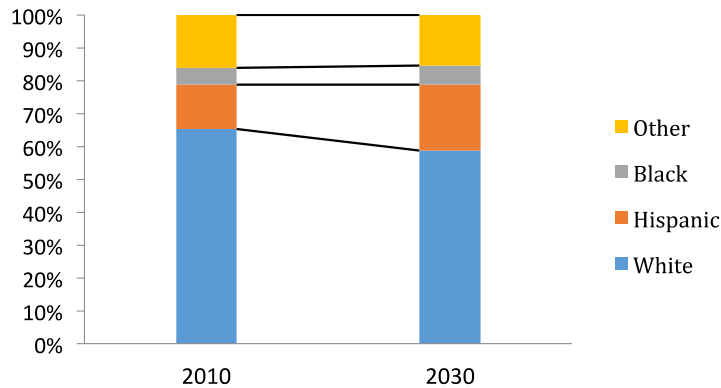
⁴ U.S. Census data (2010); Nebraska Department of Health and Human Services, The Nebraska Statewide Health Needs Assessment

⁵ Healthit.gov

⁶ U.S. Census Bureau

lower educational attainment levels, and other socio-economic challenges. (See subsequent sections on Poverty and Unemployment, and Education.)

Nebraska youth (0-18) population distribution, 2010-2030⁷



Demographic changes emerged as important themes in interviews and roundtable discussions with Nebraska stakeholders:

- Immigration: *“Immigrants are young; they tend to be entrepreneurial, start businesses; they are an asset that isn’t always tapped ... ”*
- Immigration: *“While Latino immigrant workers in Council Bluffs, Iowa have contributed significantly to the Iowa and Nebraska economies, they remain virtually invisible and lack a voice in the city’s key venues and institutions.”*
- Population aging: *“The average age of business owners is higher than the average age of the population, especially in rural areas. There’s a risk of them closing shop and walking away, or selling their businesses to a national company with less loyalty. [We need to] coach businesses on succession planning and connect people who want to sell their businesses to [out-of-state Nebraskans] who come back home.”*
- Population shifts: *“[In Lexington] we are losing seniors, and they are the ones who support our [civic institutions]. When professionals retire, they often leave [the community], so we have young demographics” [e.g., due to immigration].*
- Family structure changes: *“We have a family-structure problem. There has been a significant increase in the percent of single parents [in Nebraska]. This has implications for increased poverty [levels].”*

⁷ University of Nebraska Center for Public Affairs Research projections

ECONOMY

The Nebraska economy proved very resilient during the recent economic downturn. Experts and stakeholders note that sustained growth will require continued effort to attract, retain, and grow businesses and develop the Nebraska workforce.

Nebraska's Overall GDP Growth

Nebraska successfully weathered the great recession of late 2007 to mid-2009, sustaining an average gross domestic product (GDP) growth rate of 2% compared to the national average of 0.1% growth – the ninth highest state GDP growth rate during that period. In fact, in three of the past four years, Nebraska's GDP has grown 3% or better, increasing 3.5% in 2010, 3.8% in 2011, 2.2% in 2012, and 3% in 2013 – the 10th best real GDP increases in the nation.

Real % GDP growth during the recession and present day⁸

Pre-/During Recession	2006	2007	2008	2009	Avg. .06-09
U.S. % GDP Growth	2.7	2.1	-2.1	0.1	0.7
NE % GDP Growth	2.7	3.9	1.8	0.3	2.1
Post-Recession	2010	2011	2012	2013	Avg. 10-13
U.S. % GDP Growth	2.2	1.6	2.5	1.8	2
NE % GDP Growth	3.5	3.8	2.2	3	3.1

Omaha Metro and Lincoln

- The Omaha metro area is a key driver of statewide economic growth, accounting for ~55% of Nebraska's \$82 billion GDP, followed by Lincoln with 16%.⁹
- Between 2002 and 2012, the Greater Omaha metro area added 28,000 jobs, a 6% increase, led by the education and healthcare sector, which saw 22% growth; likewise, Omaha's prominent financial activities sector grew by 11%.¹⁰
- Between 2003 and 2013, the labor force in the Lincoln metro area grew by 14,500 for a cumulative growth of 9%, led by sectors in education and health (+32%),

⁸ Bureau of Economic Analysis

⁹ NE Dept. Economic Development

¹⁰ U.S. Bureau of Labor Statistics

financial services (+26%), and insurance (+25%), as well as state government (+8%).¹¹

Greater Nebraska

- Rural Nebraska remains vital to the Nebraska economy, contributing over 1.36% of Nebraska's 3% increase in GDP in 2013 – particularly in the areas of agriculture, forestry, fishing, and hunting.¹²
- Key sectors in rural Nebraska have experienced a decades-long decline. For instance, the Nebraska Department of Economic Development recorded that between 1950 and 2012, the number of Nebraska farms declined by more than 53%, from over 107,000 to under 50,000. In addition, Nebraska farmers' average age has increased from 48.5 in 1982, to 58 in 2010,¹³ Rural population decline, due to urban migration, out-of-state migration and population aging, has contributed to the closure of many rural businesses.

Stakeholder interviews and roundtable discussions underscored the importance of workforce development (including talent attraction and retention), entrepreneurship and regional approaches to economic development:

- Workforce development/talent retention: *"Our greatest economic challenge is the outmigration and brain-drain that has happened over the past few decades."*
- Talent retention: *"The [Omaha] metro area will face an uphill struggle to maintain a population base able to sustain a healthy economy and a high quality of life for the foreseeable future..."*
- Workforce development/talent retention: *"If we could see a tipping point it would be through funding workforce development [initiatives]..."*
- Talent retention: *"Job candidates want to live in a place that is vibrant and thriving, e.g., culture, good education options, and quality housing stock."*
- Small business/entrepreneurial development: *"Small business development, entrepreneurial development – we know these are key and will be the heart of rural renaissance in Nebraska..."*

¹¹ Lincoln Partnership for Economic Development, Lincoln's Business Indicators Report (2014)

¹² Bureau of Economic Analysis

¹³ Nebraska College of Technical Agriculture

- Regional development: *“Economic development needs to be more regional, [so we can] become a player at a higher level and attract better jobs.”*
- Regional development: *“Our unique, multi-county coalitions now allow us [Omaha metro area] to better leverage our region’s many assets and offer prospective companies and clients a wider range of business, talent and investment options.”*
- Regional development: *“There is a national trend towards building strong, mutually-beneficial regional economic development partnerships. This type of regional approach will give us more clout on the national scene and help bring more jobs to the [Omaha metro] region...”*

POVERTY AND EMPLOYMENT

Nebraska has among the lowest unemployment rates in the nation (ranked No. 2). In fact, Nebraska’s low reported unemployment rate led to decreased federal funding in certain areas. Yet, approximately one-third of Nebraska’s families and more than half of minority families are poor or “near poor.” Child poverty remains a challenge, especially among minority and rural populations; experts cite a need for added family support systems, especially for single-parent households.

Nebraskans in Poverty

- Between 2000 and 2010 the percentage of the U.S. population living below the federal poverty line (FPL) rose from 12% to 15%. During the same period, Nebraska’s poverty rate rose from 10% in 2000 to 12% in 2010; in the Omaha-Council Bluffs area, the poverty rate rose from 8% in 2000 to 12% in 2010.
- Individual Nebraska communities have very different rates of poverty, ranging from moderate (e.g., 12% in North Platte) to very high (e.g., 17% in South Sioux City, 20% in Scottsbluff). In addition, an analysis conducted in 2013 estimated poverty rates in North Omaha and South Omaha neighborhoods to be 27% and 23%, respectively.¹⁴
- Many experts and policymakers use 200% of the federal poverty line as an additional means of identifying poor or “near poor” individuals and families. In 2011, 32 percent of U.S. families fell below 200 percent of the FPL;¹⁵ in Nebraska,

¹⁴ DP-2, DP-3, B17001, 2010-2012 American Community Survey, North Omaha estimates via PUMA 903 and South Omaha estimates via PUMA 904; U.S. Census Bureau; University of Nebraska Center for Public Affairs research (2013)

¹⁵ Note: For this description, “low-income” is defined as a family income below 200% of poverty. In 2012, the poverty threshold was \$23,283 for a family of four; thus a low-income threshold of \$46,566

nearly one-third of all families and 55 percent of minority families fell below 200 percent of the FPL and arguably might be considered poor or “near poor.”¹⁶

- There are significant income differences across Nebraska racial/ethnic groups. According to U.S. Census data from 2008-2012, 9 percent of White Nebraskans had incomes below the federal poverty line (FPL), compared to 25 percent of Hispanics, 33 percent of African Americans, and 38 percent of Native Americans.

Poverty rates by region, race and ethnicity (2008-2012)¹⁷

	United States	Nebraska	City of Omaha
Overall poverty rate (e.g., below the FPL of ~\$23K for a family of four)	15%	12%	16%
White	10%	9%	11%
Asian	12%	16%	23%
Hispanic	24%	25%	28%
Black	27%	33%	34%
Native American	28%	38%	45%

“Working poverty” and racial/ethnic disparities surfaced as key themes in interviews and roundtable discussions:

- *“While [Nebraska] has a low unemployment rate, there are still pretty high levels of poverty – people are underemployed, working low-wage jobs [in North and South Omaha]; and there is a gap growing between wealth and poverty.”*
- *“It’s not just the working poor – many middle-class families [in Omaha] are one crisis away from financial ruin.”*

¹⁶ Working Poor Families Project

¹⁷ U.S. Census, American Community Survey

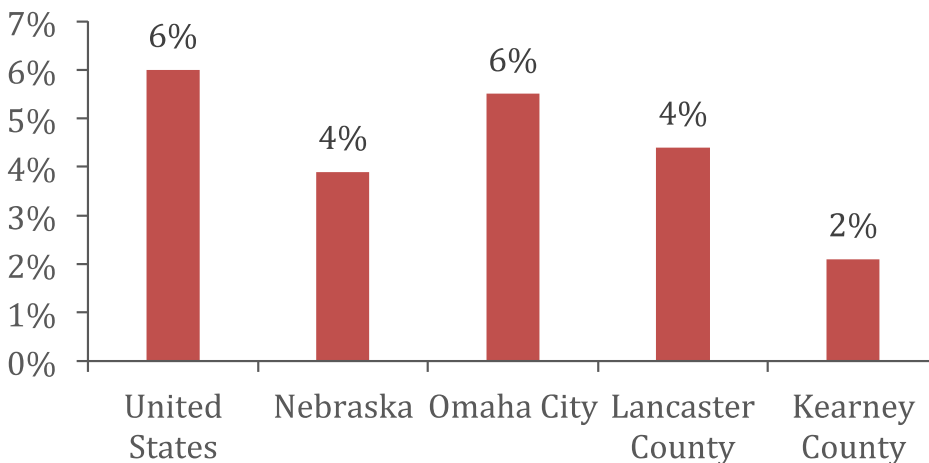
- *“The gap between what people earn and their ability to meet basic needs is growing larger. If a crisis happens, many do not have a safety net.”*
- *“One in four children are on Medicaid, yet the income cut-off for a child to be eligible for Medicaid is pretty low. There are a lot of entry-level jobs, many of which do not have the best work conditions [and may not include healthcare]. Data is not telling the full story, because we are seeing moderate income families in need of help [too].”*
- *“There are significant disparities between the Latino population and the White population [in Nebraska] - in healthcare, in income, and in education... State institutions need to start addressing these issues.”*
- *“In Omaha - especially [among] African Americans – there are high levels of unemployment, poverty, and lack of educational attainment... The city has among the highest African American poverty rates in the U.S.”*

Nebraskans in the Workforce

Nebraska has among the lowest unemployment rates in the nation (ranked No. 2); Nebraska’s unemployment rate is 3.6%, versus 6.3% nationally.¹⁸

Rates of unemployment vary across Nebraska geographies, and vary significantly across racial/ethnic groups, per the charts below and on the next page.

Nebraska unemployment rates by region¹⁹

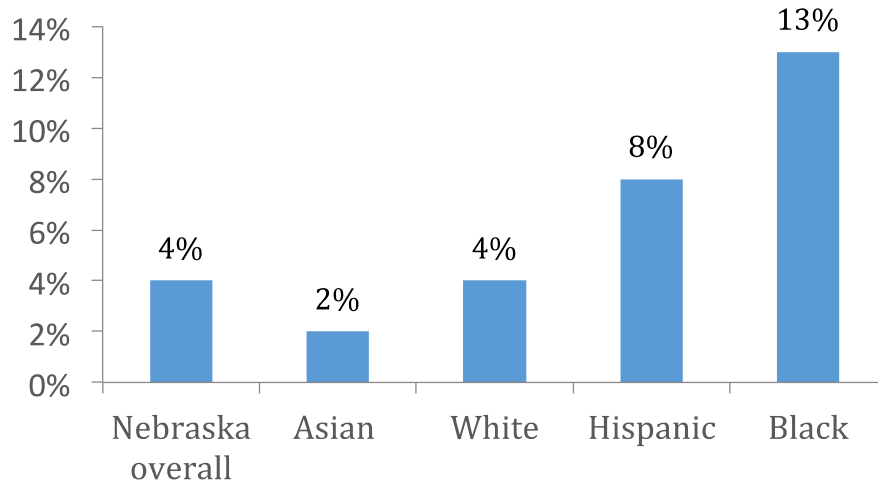


¹⁸ Nebraska Department of Labor

¹⁹ U.S. Census, ACS data (2008-2012)

(Note: An analysis conducted in 2013 estimated unemployment in North Omaha and South Omaha neighborhoods to be 14% and 11%, respectively.)²⁰

Nebraska unemployment rates by race and ethnicity (2012)²¹



Wages also vary by geography and race/ethnicity: In 2012, the average annual pay per job was ~\$9K less in non-metropolitan counties than in metropolitan counties (\$34K vs. \$43K, respectively).²²

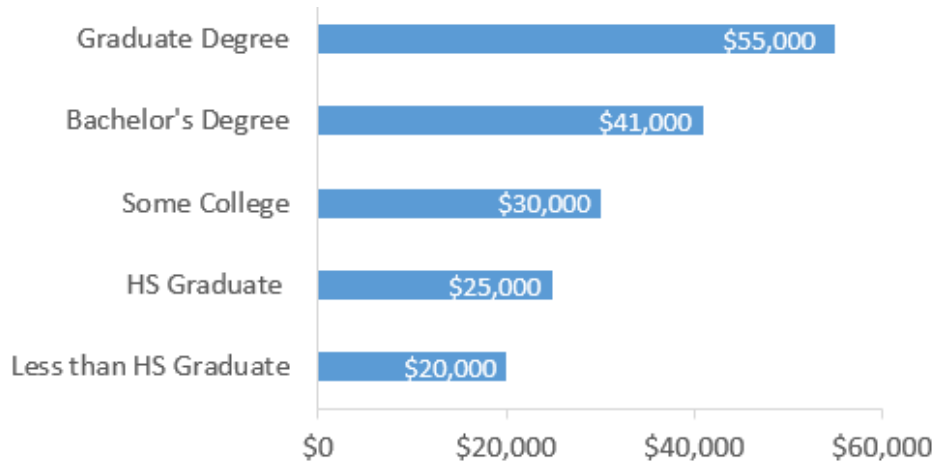
Nebraskans with higher education levels have significantly higher earnings. At the same time, jobs for those without basic and postsecondary credentials are declining. (See charts on the following page.)

²⁰ DP-2, DP-3, B17001, 2010-2012 American Community Survey, North Omaha estimates via PUMA 903 & South Omaha estimates via PUMA 904; U.S. Census Bureau; UNO Center for Public Affairs research (2013)

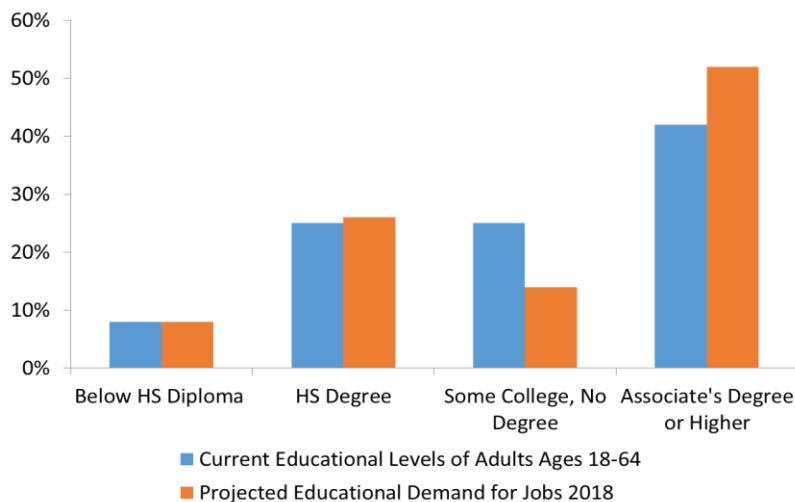
²¹ Bureau of Labor Statistics

²² U.S. Census data, UNO Center for Public Affairs Research

Median earnings by education attainment in Nebraska²³



Current education levels of Nebraskans vs. projected needs in 2018²⁴



According to a Georgetown University report on education and job training, over 66% of jobs in Nebraska will require some postsecondary education by 2018. Likewise, in 2014, the Greater Omaha Chamber of Commerce released an analysis of Omaha industry and workforce trends, highlighting a number of “undersupplied occupations” in Omaha; many of

²³ U.S. Census Bureau, “Median Earnings by Educational Attainment in Nebraska,” ACS, 2010

²⁴ U.S. Census Bureau, 2010 American Community Survey; Georgetown Center on Education and Workforce, Projections of Jobs & Education Requirements Through 2018 (2010)

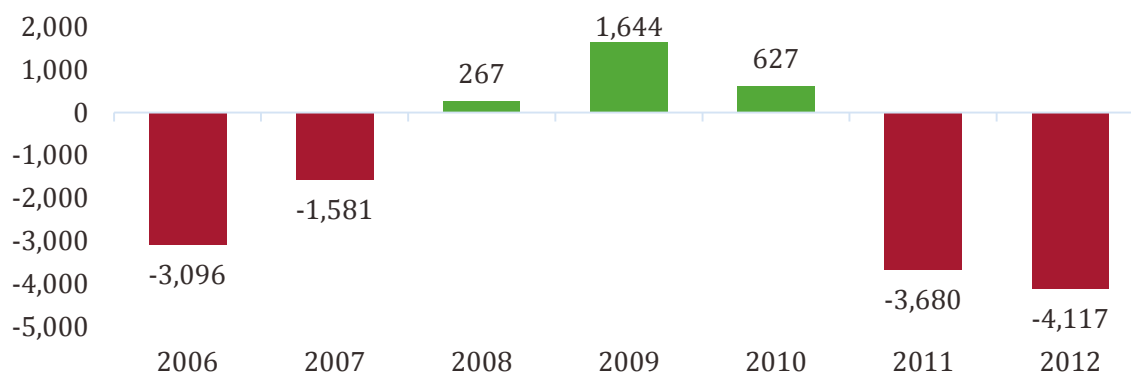
these jobs also will require some postsecondary education (especially those jobs in higher-wage industries).

Greater Omaha Chamber industry workforce analysis (2013)²⁵

Industry	Undersupplied key occupations
Healthcare	Occupational Therapists
Bio-Medical	Sales Representatives; Wholesale and Manufacturing; Technical and Financial Products
Corporate HQ, Finance, Professional and Business Services	Personal Finance Advisors; Securities, Commodities and Financial Service Sales Agents; Software Developers and Applications; Financial Analysts; Insurance Underwriters
Data Centers	Software Developers and Applications
Advanced Manufacturing	Mechanical Engineers

The outmigration of educated Nebraskans remains a challenge statewide. Whereas Nebraska experienced a talent net gain of ~2,500 during the recession of late 2007 to mid-2009, ~8,000 more educated professionals left Nebraska than entered between 2011 and 2012 (per the chart on the following page).²⁶

Nebraska net migration (≥25 years old, with bachelor’s degree or higher)²⁷



²⁵ Greater Omaha Chamber of Commerce, Talent Strategy presentation; University of Nebraska Center for Public Affairs Research

²⁶ UNO Center for Public Affairs Research

²⁷ Greater Omaha Chamber of Commerce, Talent Strategy presentation; University of Nebraska Center for Public Affairs Research

As a result, in addition to working to strengthen industry clusters, policymakers and business leaders are working to attract and retain talent. Examples include “The Good Life for Veterans” campaign to encourage military veterans and their families to move to Nebraska, and campaigns targeted at out-of-state University of Nebraska alumni.

Workforce readiness, workforce development, and workforce transition also emerged as important themes in stakeholder interviews and roundtable discussions:

- Workforce readiness: *“Even young people graduating from [Nebraska] postsecondary [institutions] are not prepared for the workforce.”*
- Workforce development: *“The education system is failing to train blue-collar and working class jobs.”*
- Workforce transition: *“In rural Nebraska, jobs are going away faster than the population [is leaving]. People have multiple jobs and lower-quality jobs than would be appropriate. There are issues of recruitment and retention for rural personnel [such as] career firefighters, emergency medical positions [and other important roles].”*

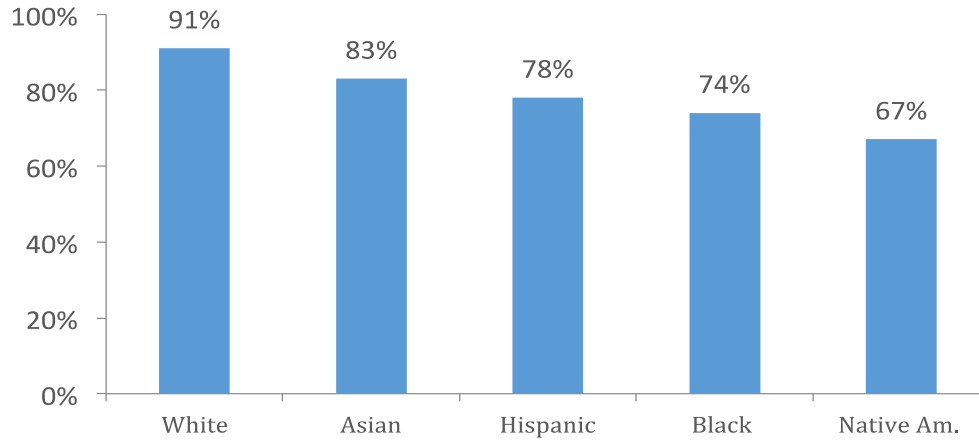
EDUCATION

Nebraska has among the highest high school graduation rates in the nation (ranked No. 2). Even so, the state faces notable opportunities to improve students’ K-12 academic performance, as well as improve postsecondary going and persistence, and workforce readiness.

Disparities in academic performance and degree attainment: National standardized tests reveal stark disparities between racial/ethnic groups on fourth-grade test scores: Nebraska is among only seven states in the nation in which the fourth-grade math score disparity between Black and White students is greater than the national average. In addition, high school graduation rates vary widely by race/ethnicity.²⁸

²⁸ National Center for Education Statistics; http://www.nationsreportcard.gov/reading_math_2013/#/state-gaps

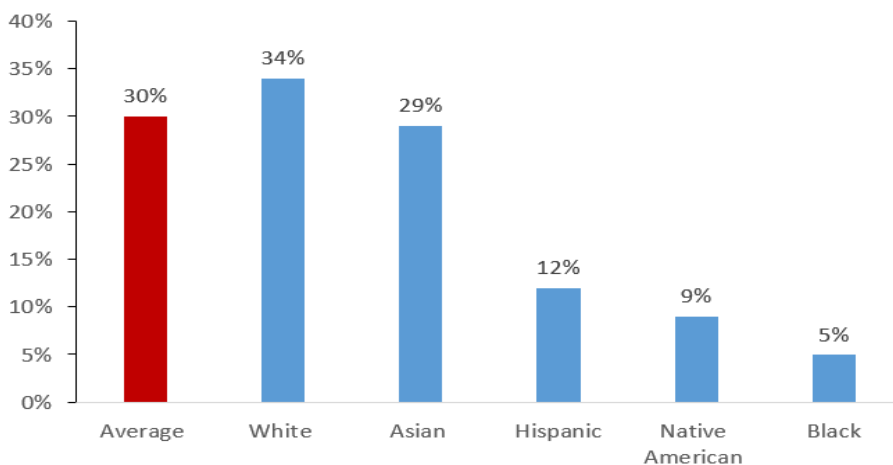
Nebraska public high school graduation rates by race/ethnicity (2011-2012)²⁹



Increasing free and reduced lunch (FRL) eligible student population: Nebraska’s FRL population has increased to 43% in 2011, from 36% in 2007.³⁰ The FRL rate is often used as a proxy for poverty because it is linked to household income and size.

Gaps in postsecondary readiness: Data for the class of 2012 suggest that only 30% of Nebraska’s ACT-tested high school graduates are sufficiently prepared to succeed in all four common areas of entry-level college coursework: algebra, biology, English and social science. Racial/ethnic gaps persist, as well, per the subsequent chart.

Percentages of Nebraska high school students who met or exceeded ACT college readiness scores by race/ethnicity³¹



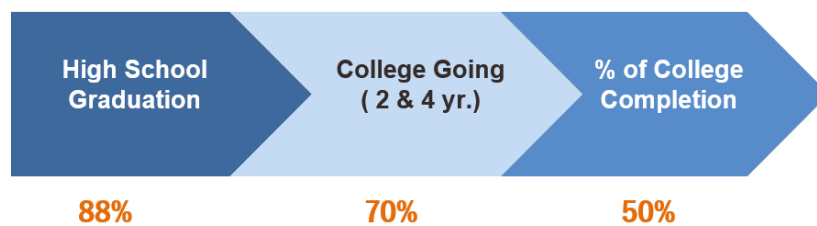
²⁹ Higher Ed Progress Report, NE Coordinating Commission for Postsecondary Education (2013)

³⁰ Kidscount.org

³¹ Higher Education Progress Report, Nebraska Coordinating Commission for Postsecondary Education (2013)

High postsecondary going rate, low completion rates: 70% of Nebraska students pursue higher education (the seventh-highest rate in the nation). However, 2011 data reveal that just 50% of Nebraska students complete a two-year or four-year degree.³² (The college graduation rate is the percentage of full-time, first-time freshmen that complete their degree programs at the same college within 150% of the time specified for the programs. For example, the specified timeframe for four-year programs is six years, while the timeframe for two-year programs is three years).

Nebraska students' education pipeline³³



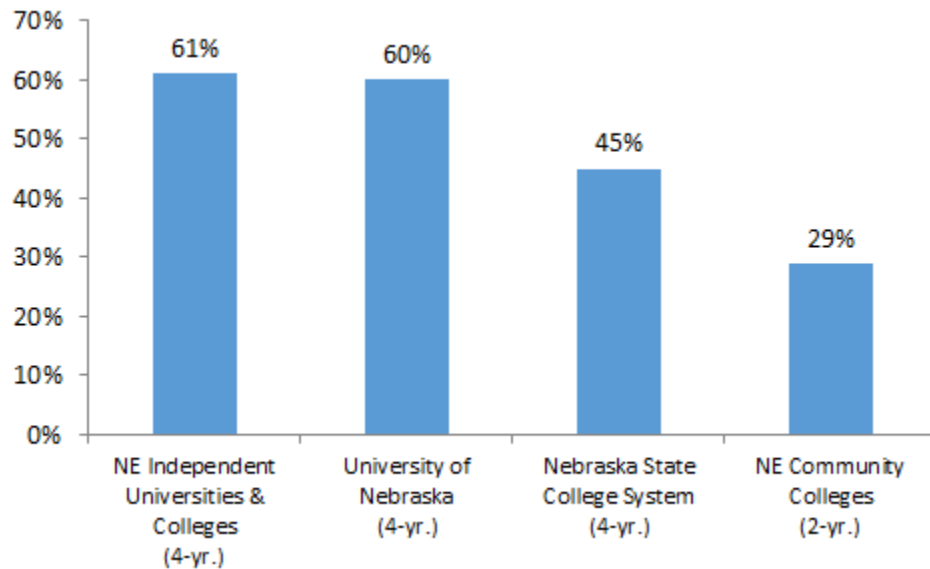
For every 100 Nebraska students, 88 graduate high school. Of those 88 students, 70% go on to postsecondary education. Of those 62 students who continue to two-year and four-year colleges, just 50% will complete their degree. This means that, **on average, just 31 of every 100 Nebraska students complete a post-secondary degree.**

Additionally, postsecondary graduation rates vary significantly by institution type, from a relative low of 29% at Nebraska community colleges, to a relative high of 61% at independent universities and colleges. (It is important to note that different college systems have unique enrollment goals, student populations and programmatic mandates.) Postsecondary graduation rates also vary notably by race/ethnicity.

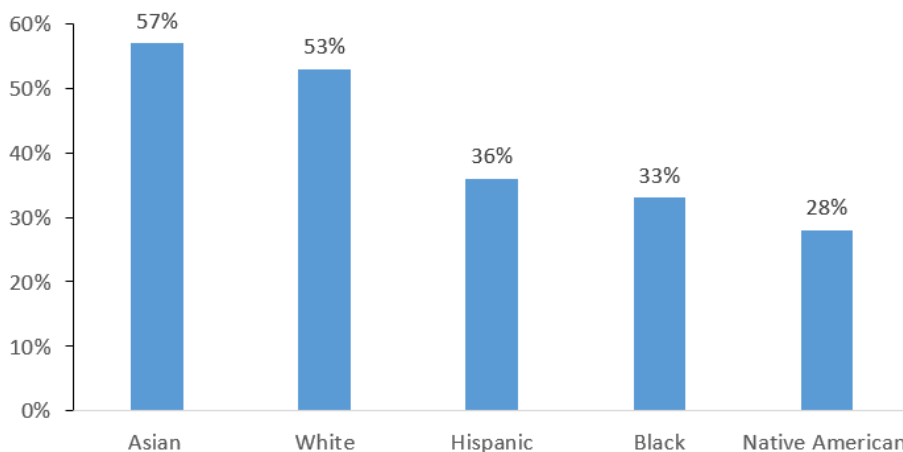
³² Higher Education Progress Report, Nebraska Coordinating Commission for Postsecondary Education (2013)

³³ Higher Education Progress Report, Nebraska Coordinating Commission for Postsecondary Education (2013)

Graduation rates for Nebraska postsecondary institutions (2010-2011)³⁴



Graduation rates for Nebraska postsecondary institutions by race/ethnicity (2010-2011)³⁵



Workforce readiness: Interviews suggest that Nebraska businesses, government agencies, and postsecondary institutions are beginning to work together more closely to foster a skilled workforce that meets market needs. While great strides have been made (e.g., career academies, sector partnerships, etc.), experts urge that more be done to develop workforce skills and expand workforce training and postsecondary opportunities for Nebraskans.

³⁴ Higher Education Progress Report, Nebraska Coordinating Commission for Postsecondary Education (2013)

³⁵ Higher Education Progress Report, Nebraska Coordinating Commission for Postsecondary Education (2013)

Illustrative workforce readiness programs in Nebraska³⁶

Case Study: Southeast Nebraska Career Academy Partnership (SENCAP)	The Nebraska State Energy Sector Partnership syNErgy Project
<ul style="list-style-type: none"> ▪ Southeast Community College partners with 37 school districts to offer HS students the opportunity to enroll in several Academies: Health, Education, Information Technology, Business, Agriculture, and Welding ▪ HS Juniors and Seniors can take college level coursework in a career cluster of their interest, and gain hands on training (e.g., job shadowing, field trips, resume building, mock interviews, and other career related activities) ▪ Students participate in SENCAP for two years with the intention of earning college credit and preparing them for their future careers 	<ul style="list-style-type: none"> ▪ Funded through a U.S. Department of Labor State Energy Sector Partnership grant and coordinated through the Nebraska Department of Labor ▪ Goal: To place skilled workers in unsubsidized employment in the Renewable Energy and Energy Efficiency fields by preserving and creating new jobs in power generation, transportation, building, agriculture and waste management markets ▪ Based on participant eligibility criteria, syNErgy grants may cover \$2-\$6K for: <ul style="list-style-type: none"> – Training classes, books, and fees related to Renewable Energy or Energy Efficiency trainings – Specialized classes that provide a certificate or license that will help acquire a higher wage – The cost of license, credential, and certification fees

A 2014 report from The Education Week Research Center examined statewide efforts to connect the K-12 education system with early learning, higher education, and the world of work. Fourteen key transitions and alignment policies were included in the study. By the 2012/13 school year, most states had enacted at least nine of the 14 policies identified as critical to K-12, higher education, and workplace preparation. Nineteen states had 10 or

³⁶ Southeast Community College website; Nebraska Department of Labor Website

more policies in place. At the time, Nebraska had enacted four such policies. (See chart below.)³⁷

Education Week: Nebraska Report (2014)

Education Alignment Policies		The national summary column indicates the number of states that have enacted a particular policy.	
From <i>Quality Counts 2013</i>	Nebraska	Nation	
Early-Childhood Education (2012-13)			
Early learning – State early-learning standards aligned with K-12 standards	Yes	47 states	
School-readiness definition – State formally defines school readiness	No	26	
School-readiness assessment – Readiness of entering students assessed	No	22	
School-readiness intervention – Programs for students not deemed ready	No	28	
Kindergarten standards – Learning expectations aligned with elementary	Yes	51	
Postsecondary Education (2012-13)			
College readiness – State defines college readiness	No	38	
College preparation – College prep required to earn a high school diploma	Class of 2015	16	
Course alignment – Credits for high school diploma aligned with postsecondary system	Class of 2015	8	
Assessment alignment – High school assessment aligned with postsecondary system	Yes	21	
Postsecondary decisions – High school assessment used for postsecondary decisions	No	15	
Economy and Workforce (2012-13)			
Work readiness – State K-12 system defines work readiness	Yes	38	
Career-tech diploma – State offers high school diploma with career specialization	No	44	
Industry certification – K-12 has path for industry-recognized certificate or license	No	42	
Portable credits – K-12 pathway to earn career-tech. credits for postsecondary	No	48	

Interviews and roundtable discussions echoed the above, also highlighting education and workforce readiness gaps:

- Education disparities: *“Education is a key issue in Omaha. High school [students] in North and South Omaha are not receiving the same quality of education that students are in other parts of the city.”*
- Increased FRL: *“Even in Nebraska, the number of school districts where 50% of children are eligible for free and reduced lunch is very high.”*
- School (and workforce) readiness: *“Educators say that the students who are coming into the school systems are more at risk than 10-20 years ago; more kids who do not have two parents, more economically [vulnerable], less prepared.”*

³⁷ Education Week website, Nebraska Statewide Report (2014)

- Postsecondary readiness: *“Many students are not ready for college, and are doing remedial work; sadly many don’t persist.”*
- Workforce readiness: *“Stronger vocational-tech programs are also needed. ...We particularly need more productive two-year programs.”*

QUALITY OF LIFE/WELL-BEING

Nebraska’s quality of life is considered among the best in the U.S., driven by low unemployment, low costs, and high access to cultural and recreational attractions (among other factors).

The Gallup-Healthways 2012 State of Well-Being Index:

National quality of life rankings rank Nebraska No. 7 **“among states,”** Lincoln No. 1 **“among mid-sized communities,”** and Omaha-Council Bluffs No. 27 **“among the U.S.’ largest 189 metropolitan statistical areas.”**

The Gallup-Healthways Well-Being Index Composite Score assesses the Quality of Life of American cities, and is comprised of the following six domains:

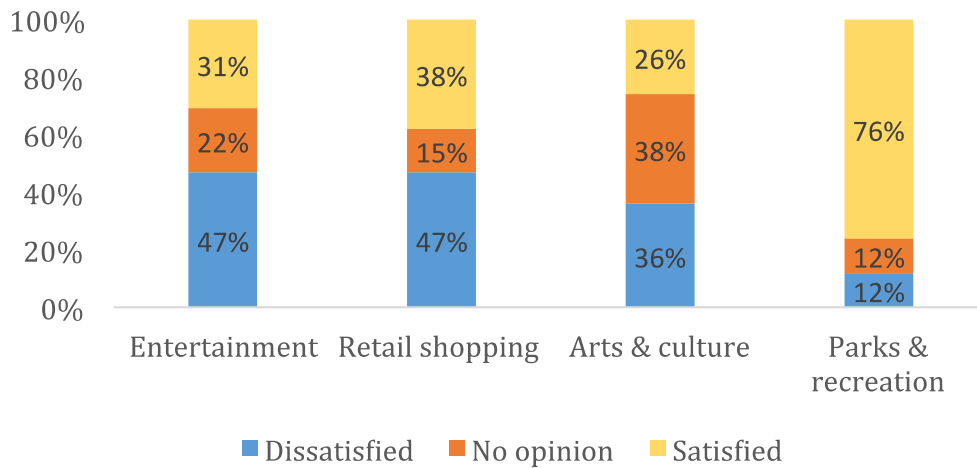
Index	Description	NE rank
Emotional Health	Primarily a composite of respondents’ daily experiences, asking respondents to think about how they felt yesterday along nine dimensions	4
Work Environment	Surveys workers on several factors to gauge their feelings and perceptions about their work environment	5
Basic Access	Based on thirteen items measuring residents access to food, shelter, healthcare and a safe and satisfying place to live	10
Physical Health	Comprised of questions related to: Body Mass Index, disease burden, sick days, physical pain, daily energy, history of disease and daily health experiences	10
Life Evaluation	Based on the Cantril Self-Anchoring Striving Scale and combines the evaluation of one’s present life situation with one’s anticipated life situation 5 years from now	11
Healthy Behavior	Includes items measuring lifestyle habits with established relationships to health outcomes	39
Overall	NE composite state rank of all scores	7

High scores are bolstered by significant focus on investments that have improved Nebraskans’ perception of their quality of life

The bifurcated data are consistent with other NE health data—that NE is over-performing national standards on some key health dimensions, and under-performing on others

Rural Nebraska community satisfaction: Rural communities appear very satisfied with parks and recreation options; less so with entertainment, retail shopping, and arts and culture options. Still, despite favorable community scores on a number of indicators, Nebraska suffers from a lack of widespread rural access to key amenities and services, including supermarkets, hospitals, and schools. Statewide, Nebraska has an unmet need of \$110M for future upkeep of its (largely rural) state parks system.

Rural Nebraska community survey³⁸



HEALTH

The Nebraska 2010 Health Goals and Objectives report establishes goals for the state to reach by 2020 and mirrors national goals for increasing years of healthy life for all people in Nebraska. While Nebraska’s urban areas have world-class medical facilities, rural areas are less well-served. Shortages of health and mental health practitioners persist throughout greater Nebraska. Important gains have been made in reducing health disparities among segments of the population (e.g., by gender, race and ethnicity, education and income, disability, or rural vs. urban residence), but more work remains.

Health data/trends

- Significant progress is being made towards several Nebraska health goals aligned with Nebraska’s Healthy People 2020 priorities, e.g., immunizations and infectious diseases; cancer; maternal, infant, and child health; and tobacco use. Other health outcomes are underperforming, e.g., nutrition and healthy weight, heart disease and stroke, respiratory diseases, and family planning. (See tables below.)³⁹
- The 2014 U.S. News & World Report surveyed ~5,000 hospitals to rank the nation’s best hospitals. University of Nebraska Medical Center/Nebraska Medical Center ranked 36th for cancer care, 29th for gastroenterology and GI surgery, 29th for nephrology, 31st for neurology and neurosurgery, and 25th for urology.

³⁸ 2013 Nebraska Rural Poll – University of Nebraska-Lincoln

³⁹ Nebraska 2010 Health Goals and Objectives: A Mid-Course Review

- Healthcare shortages persist statewide. The number of counties with federal "health profession shortage areas" grew from 51 in 2009 to 65 in 2012; Nebraska's rural communities have been disproportionately impacted by these shortages.⁴⁰ Experts estimate that in the next decade, over one-third of all Nebraska's physicians will retire, adding to the overall shortage of primary care physicians in the state.⁴¹
- From 2003-2007, the infant mortality rate for African Americans (14 deaths per 1,000) was ~2.5 times as high as the rate for White infants (6 deaths per 1,000).⁴²
- From 2003-2007, homicide rates were 11 times higher for African Americans (22 per 100K) and five times higher for Native Americans (10 per 100K) than for White Nebraskans (two per 100K).⁴³

2010 progress against health objectives (trending towards objectives)⁴⁴

Priority area	Number of Objectives	Objective Met	Moving Toward Target
Immunizations and infectious diseases	28	14	5
Cancer	15	2	9
Maternal, infant and child health	18	0	11
Tobacco use	9	0	8

⁴⁰ Association of American Medical Colleges, Center for Workforce Studies (2012)

⁴¹ Association of American Medical Colleges, Center for Workforce Studies (2012)

⁴² Nebraska Department of Health and Human Services (2003-2007)

⁴³ Nebraska Department of Health and Human Services (2003-2007)

⁴⁴ Nebraska 2010 Health Goals and Objectives: A Mid-Course Review

2020 health objectives (trending away from objectives)⁴⁵

Priority area	Number of Objectives	Objective Met	Moving Away from Target
Nutrition and overweight	3	0	2
Heart disease and stroke	11	1	5
Respiratory diseases	9	2	5
Family planning	10	0	4

Mental health and rural health arose as key themes in interviews and roundtable discussions:

- Mental health shortages: *“Mental healthcare is a significant challenge; there are programs that the government traditionally has funded, but it’s not enough to meet needs.”*
- Mental health: *“At the top of our list [of needs] is mental health services for children... We need more systemic support from community to help kids and families.”*
- Rural health: *“There is a general shortage of rural health providers... Parents do not know services that are available, or how to access services.”*
- Rural health: *The tele-health system is underused, and there’s resistance to its use. It’s not living up to expectations.”*

CULTURE AND RECREATION

Several research reports suggest that Nebraska’s investments in culture and recreation (e.g., theatres, public parks and other amenities) have had a significant impact on the perceived quality of life of residents, and on the state’s economic growth.

- Trust for Public Land ranked Omaha 11th in the country for its city park system. Lincoln has 6,000 acres of parks, the highest acreage per capita in the nation.⁴⁶

⁴⁶ Trust for Public Land; U.S. Travel Association

- Parks, trails, theaters and music performances are important resources for residents of Greater Nebraska, helping attract and retain talent and support economic activity.
- *Library spending:* Nebraska’s per capita spending on public libraries (~\$35) is lower than neighboring states’ spending per capita, e.g., Colorado (\$53), Wyoming (\$52), Kansas (\$46).⁴⁷

While cultural amenities abound in urban centers, particularly in Omaha and Lincoln, as well as in many smaller communities, Nebraska residents and stakeholders note disparities in access, particularly among low-income and rural populations.

Stakeholders highlighted the importance of access to arts, cultural and recreational activities to business and talent attraction/retention and overall quality of life:

- *“Our [Omaha] cultural assets are amazing. The Joslyn is free... The down side is that we have broad swaths of the population that never go or utilize them.”*
- *“From the Omaha Community Playhouse to the Holland Performing Arts Center, Omaha can easily be considered an emerging center for the performing arts.”*
- *“We perceive there is a good balance of arts, culture, commute times here in Lincoln; not overly hustle and bustle, but also growing. In general, residents don’t want to lose the quality-of-life feel; parks, family friendly town. ... Great bicycle paths; a lot you can do for families.”*
- *“Kearney money has paid dividends in terms of better parks, library, and quality of life. We’ve attracted businesses, which does add to the quality of life.”*

NATURAL RESOURCES AND ENVIRONMENT

Nebraska’s wealth of natural resources creates important opportunities and challenges for the state. Nebraska’s rich farm and ranchlands continue to contribute to the state’s economic vitality, while the state has opportunities to grow key renewable energy sectors, among them wind and ethanol production. At the same time, experts suggest that climate changes present an array of interrelated challenges, e.g., increased drought levels create high variability in crop production, which impacts ethanol production.

- Nebraska’s farms and ranches utilize 45.5 million acres – 93% of the state’s total land area.⁴⁸

⁴⁷ Public Library Survey (2011), the Institute of Museum and Library Services; Library Data Visualization Project

- According to data from the National Renewable Energy Laboratory, Nebraska's onshore wind potential is 918K MW or 3.5MGWh. Nebraska has the fourth best wind resource in the U.S. by MW, and the third best wind resource in the U.S. by GWh; Nebraska's wind power is capable of meeting more than 118 times the state's current electricity needs.⁴⁹
- Nebraska's economy depends on the Ogallala Aquifer, which is one of the largest in the world - watering more than one-quarter of all irrigated acreage in the U.S. Overuse could lead to 70% depletion by 2060, leaving farmland semi-arid.⁵⁰ One government official notes: *"You've got to reduce your water use, but you've got to keep your economic activity flat to growing. ... People can't live here unless there's economic activity; it's a delicate balance."* In addition, some experts are concerned about plans to route the Keystone XL pipeline through the aquifer.
- Nebraska has 24,000 miles of rivers and streams, with four major rivers. Recent flooding has set statewide records. At the same time, several parts of the state are likely to see limitations on water availability as demand exceeds supply by 2050.⁵¹
- In 2012, Nebraska ranked second in ethanol production capacity in the nation (behind Iowa), with 25 operating plants with production capacity of 2.25 billion gallons. Over 40% of Nebraska's 2011 corn crop was utilized in ethanol production.

Stakeholders cited energy and water as key concerns in rural Nebraska:

- *Alternative energy: "NE is highly ranked for wind capacity, huge potential upside in terms of tax revenue and job creation; Iowa currently is producing ten times more wind energy than Nebraska."*
- *Water: "Water is a major issue in Nebraska...the Ogallala Aquifer used to extend south to Mexico but that portion has already dried up. ... If overuse continues, the implications are dire for the agriculture and livestock industries not only in Nebraska but in all sounding states [that rely on it for irrigation]. ... This ultimately impacts the entire nation's food supply."*

⁴⁸ Nebraska Department of Agriculture

⁴⁹ American Wind Association website

⁵⁰ Kansas State University Research Report

⁵¹ Natural Resources Defense Council

- Climate change: *“We are hearing more and more about the adverse effects that climate change is having on the agricultural sector in Nebraska; farmers and rural communities throughout the state are experiencing the impacts first-hand.”*

INFRASTRUCTURE: HOUSING, TRANSPORTATION AND BROADBAND

HOUSING

Because of the important role that housing plays in attracting talent and business to the state, urban and rural communities alike cite housing affordability and quality as high priorities.

- Increased housing prices are creating challenges for low-income populations writ large, and for seniors on fixed budgets in particular.
- Affordable housing is lacking in many communities; some cities are accessing federal funding options to address shortages.
- Companies often face challenges recruiting candidates to some urban and rural Nebraska communities due to limited supply of quality high- and moderate-income housing.

Similar themes surfaced during stakeholder interviews and roundtable discussions:

- *“Housing costs are increasing: Adding to the challenge, rental housing has escalated in price.”*
- *“We need sustainable housing units for all classes. Senior housing is an immediate need [in many Greater Nebraska communities.]”*
- *“There’s limited building in South Omaha – we’re now faced with sub-standard housing. If we can provide the community with jobs, [residents] will fix up their houses.”*
- *“There is a need to improve the housing stock in rural communities. There are a lot of older homes that are in poor condition.”*

TRANSPORTATION

Limited transportation options in rural and urban areas of Nebraska reduce access to employment, healthcare and basic amenities, especially among low-income and elderly populations.

- Due to its location in the center of the country, Nebraska is increasingly becoming a logistics/distribution center; east/west transportation via I-80, the most traveled east-west transcontinental highway in the U.S., bolsters the state’s competitive positioning moving forwards. Notes a prominent Nebraska official: *“Having a robust and quality highway system is not only vital to the movement of goods and people, it is absolutely essential to the development and success of this state.”*
- Yet, 59% of Nebraska’s major roads are in poor or mediocre condition; 41% of rural Nebraska residents are not satisfied with the quality of streets and roads.⁵²
- Omaha annually spends \$40 per capita on public transportation, substantially lower than the national average of \$85 per capita.⁵³
- Limited public transportation in the Omaha metro area (particularly running north and south) reduces access to employment opportunities, services, and cross-cultural exposure.
- Limited public transportation in rural areas also reduces access to employment opportunities and basic services.

Additionally, stakeholders cited limited transportation options as a key concern in rural and urban Nebraska:

- Transportation sector: *“It has been well-established that Nebraska’s transportation system plays a vital role in the quality of its citizens’ lives... The state’s economy is heavily dependent upon the agricultural and transportation industries.”*
- Rural transportation: *“There’s a lack of rural transportation, and people are stuck living in areas where the job opportunities are relatively low.”*
- Omaha metro area transportation: *“In a lot of ways [transit challenges] add to the division in the city. You cannot take one bus from north to south. ... We are in the lowest 10% of local investment in public transportation in the U.S.”*
- Low-income Nebraskans: *“Transportation is difficult for low-income populations. People buy cars and they have [mechanical] problems and people don’t have the money to fix them.”*

⁵² 2103 Report Card for America’s Infrastructure

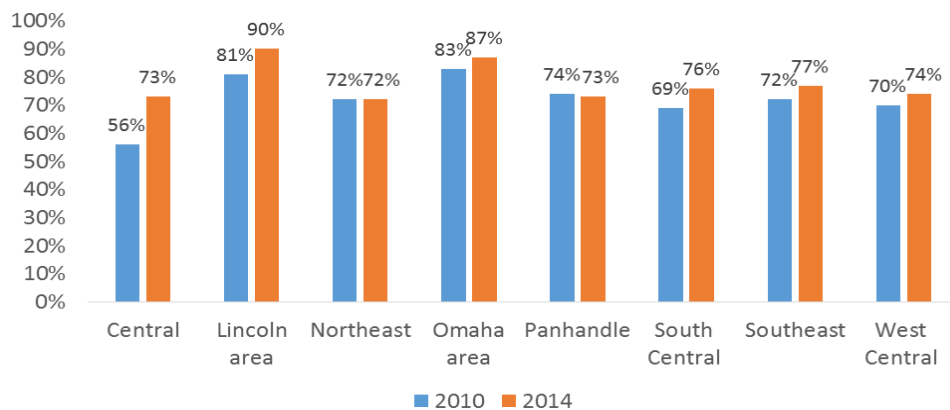
⁵³ IBM Smarter Cities Challenge: Omaha Report (2013)

BROADBAND INTERNET

Urban areas have high access and usage levels, while rural communities lag with respect to both access and usage. While gains have been made, disparities in usage also persist among low-income and elderly communities.

- Metropolitan area residents are more likely to have broadband service at home, e.g., 90% of Lincoln area residents and 87% of Omaha area residents compared to other Nebraskans, e.g., 73% of Central Nebraska residents. (See chart below.)
- Over one-third of broadband non-users cite affordability as the reason for not subscribing to Internet at home.⁵⁴
- A government official notes: *“We know that Internet access, and the speed and reliability of broadband service, are critically important to the viability and resiliency of rural communities. ... Entrepreneurial business opportunities, robust educational programming, quality healthcare and overall quality of life are significantly enhanced.”*

Nebraska broadband Internet usage by region (2010 vs. 2014)⁵⁵



Interviews and roundtable discussions surfaced broadband access challenges, especially among older, low-income and rural residents:

- *“[Internet] connectivity today is becoming less a luxury and more of a necessity, particularly for people in rural parts of the state...”*
- *“A [connectivity] gap remains for rural residents, low-income and aging populations.”*

⁵⁴ Nebraska Broadband Initiative website

⁵⁵ Nebraska Broadband Initiative website

Appendix A: Stakeholders and Roundtables

Interviews: The following is a partial list of external stakeholders interviewed during the Peter Kiewit Foundation strategic planning process:

Stakeholders:

- Richard Baier, NE Chamber of Commerce
- Barbara Bartle, Lincoln Community Foundation
- Jackie Berke, Lexington Community Foundation
- Sara Boyd, Omaha Community Foundation
- Amanda Brewer, Habitat for Humanity of Omaha
- Karen Bricklemeyer, United Way of the Midlands
- David Brown, Greater Omaha Chamber
- Susan Buffett, The Sherwood Foundation
- Steve Chatelain, Former Editor Kearney Hub
- Dr. Michael Chipps, Northeast Community College
- Judy Clark, North Platte City Planner
- Senator Tanya Cook, NE Legislator
- Jerry Deichert, UNO Center for Public Affairs Research
- Brian Depew, Center for Rural Affairs
- David Drozd, UNO Center for Public Affairs Research
- Oscar Duran, Habitat for Humanity of Omaha
- Mary Lee Fitzsimmons, Nonprofit Consultant
- Mayor Susan Fuchtman, City of Norfolk
- Ivan Gilreath, Boys & Girls Clubs of the Midlands
- Senator John Harms, NE Legislator
- Ruth Henrichs, Lutheran Family Services of NE
- Thomas L. Higginbotham, Northeast NE Economic Development District
- Steven Jensen, Former Omaha City Planner
- H. Hod Kosman, Platte Valley Companies
- Catherine D. Lang, NE Dept. of Economic Development; NE Dept. of Labor
- Mayor Randy Meininger, City of Scottsbluff
- Susan Morris, Heritage Services
- Maxine Moul, USDA Rural Development
- Bill Owen, Metropolitan Community College
- David Palm, NE Dept. of Health & Human Services
- Penny Parker, Completely Kids
- Dean Lou Pol, UNO Business School
- BJ Reed, UNO Academic & Student Affairs
- Amy Richardson, Women’s Center for Advancement
- Sister Marilyn Ross, Holy Name Housing Corp.
- Chuck Schroeder, Rural Futures Institute
- John Scott, William & Ruth Scott Foundation
- Cassie J. Seagren, City of Omaha
- Judi Sickler, Kearney Area Community Foundation
- Calvin Sisson, Suzanne and Walter Scott Foundation
- Alan Tomkins, UNL Public Policy Center
- Pete Tulipana, Iowa West Foundation
- Roberta Wilhelm, Girls Inc. of Omaha
- John Wilson, Robert B. Daugherty Foundation
- Suzanne Wise, Nebraska Arts Council
- Sara Woods, UNO Community Engagement Center

Roundtables: Twenty-two discussions involving over 350 participants were held by PEG and/or foundation staff in Auburn, Columbus, Council Bluffs, Fremont, Grand Island, Hastings, Kearney, Lexington, Lincoln, Norfolk, North Platte, Omaha, Peru, Scottsbluff and Sidney. Participants included business leaders, civic leaders, community leaders, education leaders, nonprofit leaders, policymakers and subject area experts. Roundtables attracted participants from areas surrounding those where sessions were held. (For example, roundtable discussions in Scottsbluff included participants from Gering, Terrytown and Minatare.)