**For Release Wednesday, March 1, 2023**

**Capitol View**

**Commentary by J.L. Schmidt**

**Statehouse Correspondent**

**Nebraska Press Association**

**Just What is the State of the State?**

The State of the State on its 156th birthday.

It's still a very red, heavily conservative and largely Republican mecca situated in one of those mostly square states out west that a lot of people couldn’t find on an unmarked map. And we like it that way.

Well, a lot of us seem to. Might that change? Could Nebraska be the place where high school and college graduates want to stay? Could it become a magnet for young people and innovation? Progress in that direction is slow, but it could happen.

Governors (they’ve all been Republicans for decades) and legislatures (they’re “officially nonpartisan” but have been heavily Republican, 32 of 49 this year) seem to try to come up with something new, something very Nebraska-centric, every year.

This year, while the Legislature seems to be putting a lot of effort into anti-abortion and open carry gun issues; the governor is trying to provide state money for every public school student – about $1,500 per head – as a way to reduce local school districts reliance on property taxes to do the job. Sounds nice. The problem? Sustainability. There is no mechanism for growing that amount over time, especially after the largely pandemic related cash overflow disappears.

Spending billions on programs and projects using money filtered through the federal government for pandemic relief is bound to be a poor business model, according to at least one think tank and other legislative observers. The bigger problem, caps on school district’s ability to generate local revenue will cause inequitable distribution of funds in at least nine districts.

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Unless you’re reading this column for the first time in more than a decade, you know what I like to say. The problem with developing tax policy is that it’s a matter of whose ox is getting gored. Some who own oxen scream louder and longer than others. Besides, equitable means equal with no “ifs, ands or buts.”

The same problem exists with the governor’s budget bill, even as modified by the Appropriations Committee. Sustainability.

Then try to account for spending multiple millions for: not one, but maybe two new prisons because the state is too stubborn to look at programs and sentencing reforms; a big ditch to take largely non-existent water from the South Platte River in Colorado – anybody notice the drought lately? Or maybe a bigger than Okoboji lake between Lincoln and Omaha.

While those issues continue to be wrangled at the state Capitol, the University of Nebraska-Lincoln Bureau of Business Research says one pandemic-related factor appears to be working. A survey reveals that more Nebraskans are working remotely and it seems more businesses appear comfortable with the arrangement.

The survey found changes in attitudes about working from home and the frequency of employees doing so; yet little change in the usage of office space. On average, 16.5% of workers are fully remote or have a hybrid work schedule according to the survey, compared with 10.7% before the pandemic. The survey also found that 27.6% of businesses are more comfortable with remote work now than they used to be, while 13.3% are less comfortable.

But businesses are not downsizing their physical footprints. More businesses (7.3%) increased space than reduced it (3.7%). The rest kept the same amount of space. Bureau Director Eric Thompson said 52% of businesses believe it is vital to maintain office space for remote workers on occasions when they come into the office. Many surveyed businesses also own their own building and do not rent out space. These businesses would have difficulty quickly changing office space use.

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Finally, University of Nebraska-Lincoln athletics are generating buzz again. At this writing, the women’s basketball team has a 14-13 record, the men are an unbelievable 14-14

 and the football program has a new team of coaches and a recruiting class – including a hot quarterback from the transfer portal – that has finally drawn national recognition.

Ah yes, hope springs eternal on all fronts.

Now, about that brain drain and making the state a magnet for new business and industry. Maybe after the Legislature goes home in June some folks with good ideas can get together and finally be heard.

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*J.L. Schmidt has been covering Nebraska government and politics since 1979. He has been a registered Independent for more than 20 years*.