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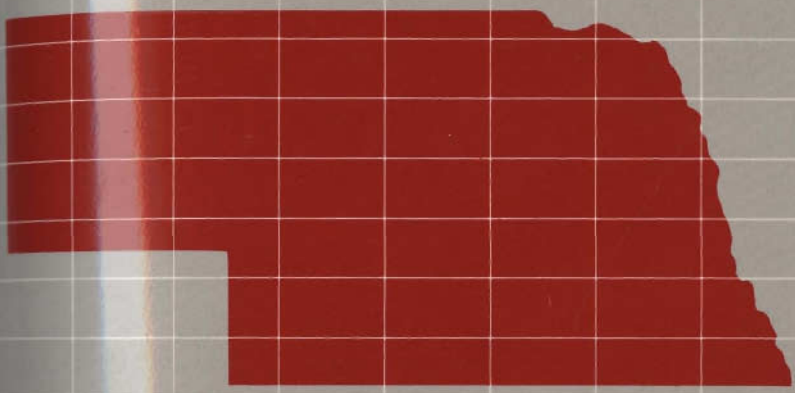
# Nebraska POLICY CHOICES



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## Center for Applied Urban Research

*Russell L. Smith, Director*

The Center for Applied Urban Research (CAUR) is a unit of the College of Public Affairs and Community Service at the University of Nebraska at Omaha. CAUR engages in policy research — both applied and theoretical — and provides professional services in research, technical assistance and data base management. Primarily these services are provided to state and local government units in Nebraska, although some activities may be national and international in scope.

CAUR disseminates the results of its research through the *Review of Applied Urban Research,* occasional papers and monographs, the *Nebraska Policy Choices* series, and special conferences and institutes.

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# NEBRASKA POLICY CHOICES

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# NEBRASKA POLICY CHOICES

1987

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**Nebraska Policy Choices: 1987**

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The views and opinions expressed in *Nebraska Policy Choices: 1987* are those of the individual authors and do not necessarily represent those of the University of Nebraska at Omaha.

# Foreword

It is with a special sense of excitement that we present to you the second volume of *Nebraska Policy Choices*. Our first *Nebraska Policy Choices* volume received encouragement for a job well-done from many important and diverse sectors in Nebraska. We believed at the time that we were on target and that our Center for Applied Urban Research had initiated a project of value to Nebraskans. While not every article in this volume may be of interest to you, nor will you necessarily agree with all of the policy options, the important task has been accomplished--we have helped to identify and to promote discussion of policy issues confronting Nebraska's citizens.

Future issues will focus on education, health, and urban conditions in Nebraska. Given the special mission of the College of Public Affairs and Community Service, we expect to pay special attention to minority conditions and social service delivery in future research. As in the first 2 years, we look forward to your suggestions on how to keep *Nebraska Policy Choices* focused on topics of interest and concern to you.

I am also pleased that once again this volume contains the good work of faculty and staff from several of the university campuses and departments. On behalf of the College of Public Affairs and Community Service, I extend a special thanks to the faculty and staff of the Center for Applied Urban Research for their continued leadership, hard work, and devotion to this project.

David Hinton, Dean
College of Public Affairs
and Community Service

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Research was undertaken during 1987 concerning prison overcrowding and displaced workers; the results are planned for publication in the 1988 edition of *Nebraska Policy Choices*.

A vital part of the process of producing each volume of *Nebraska Policy Choices* is the use of external academic and layperson reviewers. This year, 18 reviewers assisted in the process. (A list of reviewers is included at the end of the volume.) As with any review process, the reviewers did not always like what the authors were saying or how they were approaching the topic. Likewise, the authors did not always agree with the comments of the reviewers. In every instance, however, a good deal of reality therapy and useful exchange of ideas and information took place. The result is, I think, a much stronger set of chapters.

Unlike the topics examined in the first volume, this year's chapters cannot easily be categorized. Topics range from the often highly technical area of groundwater quality to the politically unique Nebraska Unicameral Legislature. This diversity reflects the immense range of policy issues confronting Nebraskans.

While there is considerable diversity in the contents of *Nebraska Policy Choices: 1987*, four chapters focus on some aspect of the agricultural-rural-small town challenge that exists in Nebraska. One chapter deals with the macroeconomics of Nebraska's competitiveness in world agricultural markets. In this chapter, Frank Zahn argues that although Nebraska faces long-term decline in its competitiveness in world markets, actions can be undertaken to support agriculture in the state. These include funding research to determine Nebraska's areas of comparative advantage in farm products, developing a state marketing strategy for each traded product, and expediting

the reallocation of resources to their most productive uses.

Another chapter looks at the health of Nebraska's community banks, a basic institution in many of the state's small cities. Although Hosek and Garza note that a weak agricultural economy has affected these banks, the trend of deregulation will present more far-reaching consequences for community banks. In their chapter, the two researchers describe the recent economic performance of community and large banks in Nebraska, characterize the changes brought about by deregulation, and identify actions that community banks might undertake to enhance their competitive position in the changing financial market. The chapter concludes with a set of questions for state policymakers to consider as they assess how to help the state's community banks in adjusting to the future.

Two chapters directly address aspects of Nebraska's small towns. The chapter by David DiMartino looks at trends in the state's incorporated places. An examination of the historical, contemporary, and projected future distribution of incorporated places by population size category indicates that the proportion of very small places will increase in Nebraska. This trend, and others, suggest three types of incorporated places with their unique needs. The chapter concludes with a discussion of these needs--managing decline in very small rural places, planning strategically for the future of middle-sized places, and enhancing urban growth centers. Policy choices surrounding the allocation of resources and specific strategies for meeting these three types of needs are examined also.

Many small communities lack the basic ingredients to undertake economic development activities. Paulsen and Reed's chapter looks at the potential for Nebraska's small

towns to undertake these activities. Of particular importance are a community's population size, resource base, and administrative and physical infrastructure. Based upon these findings, a three-tiered approach is proposed for community economic development assistance in Nebraska, with the level and type of assistance available to communities dependent upon factors such as size, resource base, and administrative and infrastructure capacity.

The remaining chapters deal with equally important policy issues. In fact, many of the topics have extensive ties to the rural and small town fabric of Nebraska. Financing public elementary and secondary education, the confinement of juveniles in jails and lockups, groundwater quality, and the operation and development of the Nebraska Unicameral all promise to be on the agenda of decision-makers in the coming months and years.

Whether you agree with the analyses of the authors or not, I hope that you are stimulated by *Nebraska Policy Choices: 1987*. If the work contained in this volume adds to public understanding and discussion of policy issues, the volume will have accomplished its basic purpose.

In closing, I want to thank the many individuals who made this year's edition of *Nebraska Policy Choices* possible. Over 30 individuals in business, community organizations, and state and local government provided early guidance on the topics included in this year's volume. To these individuals goes a special "thank you."

As indicated earlier, 18 technical reviewers aided immeasurably the final product of *Nebraska Policy Choices: 1987*. Special thanks must also go to the editorial and office staff of the Center for Applied Urban Research. These individuals worked many long hours to see the 1987 volume translated from rough ideas and copy to polished final product. They are Gloria Ruggiero and

Sharon deLaubenfels who edited the chapters; Joyce Carson who did the bulk of the word processing and layout; and Betty Mayhew and June Turner who helped with the myriad administrative and support tasks that inevitably become a part of a project such as this one.

Finally, Chancellor Del Weber, Vice Chancellor Otto Bauer, Dean David Hinton, President Ronald Roskens, and the University of Nebraska Board of Regents have continued to encourage this project. Their leadership and interest, particularly that of Dean David Hinton, are greatly appreciated.

Russell L. Smith
Omaha, Nebraska
October 1987