



Sen. Abbie Cornett

From law enforcer to lawmaker: Former police officer now at home in Capitol helping set economic, tax policy

by Tim Anderson (tanderson@csg.org)

Nebraska Sen. Abbie Cornett is doing much of the legislative work that she set out to do when she first ran for office seven years ago.

The Omaha native has risen to a position of leadership as chair of the Revenue Committee, has played a role in revamping the state's economic development policies, and is a key player in decisions about Nebraska tax policy.

But little did Cornett know in 2004 that she would be serving during one of the most tumultuous fiscal periods in state history. That has put Cornett in the middle of some tough decisions and votes over the past few years — most notably in 2011.

At the start of this year, Cornett found herself introducing one bill to eliminate state aid to local governments and another to raise sales taxes, increase income taxes and remove sales tax exemptions.

The measures were politically unpopular but fiscally necessary, she says, as the state made plans to balance a projected biennial deficit of nearly \$1 billion.

The proposed tax increases never materialized — Cornett only introduced them in case Nebraska's fiscal outlook worsened or leaders couldn't agree on the necessary cuts in state government — but the elimination of funding for cities, counties and local natural resource districts did occur.

"Sponsoring and carrying a bill to cut state aid to my city wasn't easy," Cornett says. "Did it make me popular back at home? Not really. But I think it was the right thing for the state."

Cornett has tried to take that statewide view of public policy ever since being elected in 2004.

"One thing that surprised me when I first came into office was just how regionalized things were," she says.

"That is not necessarily a bad thing. Yes, as a state senator, you have to protect your district. Yes, you have to do right by your constituents. But I have tried to take a more holistic approach: What's good for the western part of the state is good for the state as a whole, so it's good for Bellevue."

Making government more open

Bellevue, the city she represents, is a town of 50,000 people located just south of Omaha, where Cornett's interest in politics began.

"My mother would say to me, 'Some kids were born with a silver spoon in their mouth; you were born with a political card.'"

She is the only child of Mary Cornett, a longtime city clerk in Omaha who worked in city government for more than 50 years.

"The school bus would literally drop me off at city hall, 1819 Farnam Street," Cornett recalls.

Cornett did not initially go into politics. She instead chose a career in law enforcement, working in the Omaha Police Department until an in-service injury resulted in her retirement from the force in 2002. Soon after that, she went back to school and also started a family, giving birth to twin girls.

Bio-sketch of Sen. Abbie Cornett

- ✓ elected to Nebraska Unicameral Legislature in 2004 and re-elected in 2008
- ✓ serves as chair of the Revenue Committee
- ✓ will be term-limited out of office in 2012
- ✓ mother of three girls whose husband has worked for a government contractor in Iraq and Afghanistan over the past two years
- ✓ her mother, Mary Cornett, was a longtime fixture in Omaha city government, serving as city clerk and working for the city for more than 50 years
- ✓ worked for 10 years as Omaha police officer
- ✓ represents Bellevue, a city of approximately 50,000 people in the Omaha area

"Being a stay-at-home mom was the hardest thing I've done in my whole life," says Cornett, now the parent of three girls with her husband, whom she met while the two worked at the police department.

At that time, she wanted a new challenge and opportunity, and found it by deciding to run for and serve in state legislative office.

Now in her second term, Cornett has had to juggle her work in the Legislature with a job at Bellevue University and with raising her three children. That balancing act has become even more difficult over the past two years because of her husband's work for a government contractor in Iraq and Afghanistan.

Cornett recently spoke with CSG Midwest about her legislative career up to this point (she will be term-limited out of office in 2012), the recently completed session in Nebraska and the state's future. Here are some excerpts from the interview.

Q: Did you always have in mind that your focus as a legislator would be on tax policy and economic development?

A: Because I was in law enforcement for 10 years, I first ran on a number of social issues — things like taking care of children in foster care and the enforcement of our DUI laws. But I realized, too, that addressing a lot of the social issues required money. We're a state that has had a fairly static population for 100 years now. On top of that, we have significant issues of de-population in our rural areas. So how does the state generate the necessary tax base? How do you fund a large geographic state with little population? Those are the questions that I wanted to try and address.

Q: Soon after you took office, the Legislature adopted Nebraska Advantage — a business incentive program that now has six different tiers of

benefits depending on the level of investments being made and jobs being created. Why did the state need to revamp its economic development strategy?

A: We wanted to reach out and say, "This is a place where you can do business — no matter what kind of business you are or where you are going to locate in Nebraska." Every level of business now has an incentive to grow here, in all different types of communities in the state. And we're still tweaking the act, because we're finding areas of it that are under-utilized."

Q: One of those tweaks was using some money for the Nebraska Advantage Act for a new angel investment tax credit. You sponsored that legislation (LB 389), which will provide up to \$3 million in state income tax credits to investors of early-stage companies. Why did the state add this economic tool?

A: We needed to find ways of incentivizing growth in our smaller, upstart technology businesses, because that's where the future [of the economy] is. Yes, this kind of state investment comes with a higher risk than other types of tax credits. But the payoff can be so tremendous. We felt it was important to act on it this year. [The tax credit was part of a four-part Talent and Innovation Initiative pushed by Gov. David Heineman that will also establish a new Business Innovation Fund and expand internship opportunities for Nebraska college students.]

Q: This year, you sponsored the legislation to cut state aid to cities, counties and natural resource districts. Why did you and the other legislators take this approach to balancing the state budget?

A: Everyone realized at the state level that if we did not cut money there, it would come out of education, it would come out of Medicaid, it would come out of foster care and human services. We had to prioritize. Good, bad or indifferent, we're forcing cities and counties to do the same thing. You have your choice, cities: You either make the cuts and prioritize your services, or you have to raise taxes. That's the same position the state was in. I know it's kind of pushing the ball down the road, but every political subdivision has to make those decisions when there is no money.

Q: Looking ahead, what are some of the areas you will be exploring in terms of tax policy over the next year?

A: Our corporate tax rate is a little high compared to states around us, so I would like to improve our competitive advantage by lowering the rate. I'd also like to look at some income tax restructuring and try to provide some middle-income relief — if, and only if, there is the money to do that. We worked a few years ago on getting an EITC [earned income tax credit] passed for low-income residents; now it's time to look at our middle-income earners. ★