

THE EXECUTIVE

Highlights From The Chamber's Annual Meeting

On February 7, 2019 the Nebraska Chamber of Commerce and Industry held its 2019 Annual Meeting and Legislative Caucus at The Cornhusker Marriott Hotel in Lincoln.

At the morning board meeting, guest speaker and University of Nebraska-Kearney Chancellor Doug Kristensen presented the history of UNK and discussed its key role in Nebraska's rural economic development. He told the Chamber board that roughly 25% of UNK students are the first generation of their family to attend college, and that the institution is helping rural Nebraska employers fill workforce needs – from cybersecurity to health care. Later in the morning, the Chamber board reviewed 2019 state legislation and considered the “support” and “oppose” recommendations made by the Chamber's policy councils.

During the annual meeting luncheon, Governor Pete Ricketts spoke about his priorities for the new legislative session, while also honoring Nebraska's local chambers of commerce by proclaiming February as “Chamber of Commerce Month.” The proclamation stated that “chambers of commerce play a vital role in shaping Nebraska's future by promoting the free enterprise system” by providing leadership and fostering “an economic climate conducive to the growth and development of our great state.”

Three discussion panels were held in the afternoon. The first panel – featuring U.S. Senator Deb Fischer's chief of staff, Joe Hack, and the U.S. Chamber's vice president for small business, Jona Van Deun – examined federal issues that could significantly impact Nebraska's economy. Trade issues and talk of a possible infrastructure funding bill dominated much

of the panel's discussion.

A second panel with Creighton University economist Dr. Ernie Goss and Nebraska Labor Commissioner John Albin looked at Nebraska's current economy and workforce issues. Goss told audience members that Nebraska spends about \$360 million more on K-12 education compared to surrounding states, when considering gross domestic product. Albin noted that there were 33,000 more job listings on NEWorks.gov – the state-administered website that allows employers to post openings – than unemployed Nebraskans.

The final panel featured leaders from the Nebraska Legislature – Speaker Jim Scheer, Appropriations Committee Chair John Stinner, and Transportation and

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2018 Nebraska Chamber Chair Rich Herink passes on his gavel to 2019 Chair Todd Foje at the Annual Meeting and Business Hall of Fame Banquet in early February. Chairman Herink led the State Chamber through a successful year for the organization, and a year of transition with the hire of Chamber President Bryan Slone.

March/April 2019

Slone Testifies Against Tax Shift Legislation

On February 14, Nebraska Chamber President Bryan Slone appeared before the Nebraska Legislature's Revenue Committee to oppose LB314, a bill that proposes a massive tax shift by raising state taxes by \$783 million.

The bill, introduced by Albion Senator Tom Briesse, would provide nearly \$470 million in additional state spending on Nebraska's 10-year-old property tax credit program. This would be in addition to the \$224 million already being allocated annually to the program, which has failed to slow the growth of local property taxes. At the same time, the bill would create \$273 million in new spending on additional K-12 education aid, renter subsidies, and the state's Earned Income Tax Credit. LB314 contains no spending controls.

In his testimony to the committee, Slone told lawmakers that more taxes and spending would not solve Nebraska's high property tax burden, nor would it grow the state's economy. He noted that over the past half century, state lawmakers have tried numerous tax shifts while also providing more state aid to local entities, but with no success.

Slone said that without addressing spending growth, much-needed property tax relief and income tax reform will continue to be difficult to achieve.

The Nebraska Chamber has traditionally opposed tax shift bills that raise taxes on one group of Nebraskans to provide relief for another. ◀

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Nebraska's Long-Term Interests Depend On Getting To 'We'

By Bryan Slone
President, Nebraska Chamber of Commerce & Industry

Our State Chamber team shifted into high gear with the start of a new session at the Nebraska Legislature. With nearly 740 separate bills introduced, our staff spent literally night and day pouring through legislative language, fiscal notes, and other background materials related to these bills. From that analysis, our staff has not only provided legislative information to our members, but has made recommendations through our policy committees to the Nebraska Chamber Board, all while capably representing the State Chamber in hearings at the Legislature.

As the new State Chamber president, I am often asked for my thoughts regarding the political process in Lincoln. In truth, I have come to quickly admire the 49 remarkable public servants who serve as senators in our Legislature. Whether we always agree with them on policy or not (and sometimes we do not), they are essentially volunteer public servants working for a wage that rarely covers their true expenses. Each and every one is there because they have an incredible passion for the state and the type of public policies they believe will make this state a place in which their children and grandchildren will have a high quality of life, economic opportunity, and a chance to make a difference of their own. They are a special group of people.

But each of the 49 state senators is elected by a different constituency and their elections are often driven by different local issues and the unique perspectives of the communities they represent. In addition, we have a long history dating back to our state constitution of ensuring considerable local control and autonomy, transparency in legislative processes, and perhaps a healthy skepticism of centralized government. With this in mind, "getting to 33" – that is, the votes often necessary to move legislation in our Legislature – can be tough sledding. It

can feel like the political process is slow to act on important issues.

As the "voice of business" for the entire state and all industries, the State Chamber has to work to find ways to more efficiently help the legislative body have the support to get to 33 votes on critical legislative matters that will affect our economic climate and quality of life for years to come. This requires working to bridge rural and urban differences, as well as demographic and economic differences, while seeking solutions that benefit all of Nebraska.

There probably is no issue area that divides diverse constituencies more than tax policy.

I call this the big "we."

There probably is no issue area that divides diverse constituencies more than tax policy. Indeed, we are a country founded by a group of tax protestors and the sharp rhetoric and frustration around tax policy issues is an American tradition that we should embrace. Bottom line, we are a high tax state – and the economic future of our children and grandchildren requires that Nebraska become more competitive in both the areas of property taxes and income taxes.

The local property tax burden on farmers and ranchers, business property owners, and individual residences is very real. But so is the chilling effect that our income tax rates have on retaining and attracting the necessary innovators, businesses, jobs and workforce to grow our state at rates necessary to support even our state's current spending growth.

"We" can move this state toward better tax and spending policies, but pitting one group or one part of the state against another won't get us there. We need to address both spending and taxation, while staying focused on what it is going to take to keep our state

competitive over the long run.

There are no simple solutions. There are no silver bullets. Instead, there are plenty of difficult and complicated choices to be made.

In working with the state lawmakers so far this year, you get a sense that there is a new vibe in this Legislature – one in which "we" can begin to address several issues in a constructive and meaningful way. Color me an optimist, but there seems to be a growing sense that while this Legislature will have candid (the polite term) debates, it will also try to move the needle together on some core issues.

As your State Chamber professional staff, we will continue to advocate the best we can for thoughtful solutions that make the entire state economically better – not only next year, but for years to come. It is a great privilege to advocate for our members' interests in this regard. ◀

Maria Tvrdy Joins State Chamber Staff

The Nebraska Chamber's newest staff member is Maria Tvrdy, who started at the Nebraska Chamber's Lincoln headquarters in early February.

In her role as executive assistant for membership services, Maria will help the Nebraska Chamber improve its office management and database, including contact information for State Chamber members.



Maria Tvrdy

Originally from Plasencia, Spain – a rural, ag-based community – Maria holds a bachelor's degree in business administration and a post-graduate certificate in education.

Prior to arriving at the Nebraska Chamber, she worked in the business administration and accounting fields, as well as serving as a public school educator, teaching sales management and human resources. More recently, Maria worked as a business instructor and an accountant.

Maria is married to Nathaniel Tvrdy. The couple lives in Milford.

Please help us welcome Maria to the Nebraska Chamber. ◀

Nebraska Chamber's Leadership Nebraska Honors 29 Graduates

On February 21, 2019, the Nebraska Chamber's Leadership Nebraska hosted a commencement ceremony in Lincoln to honor 29 individuals for their successful completion of the program's coursework and other requirements.

This is Leadership Nebraska's eleventh group of graduates since the program's first class in 2007.

Leadership Nebraska is focused on enhancing leadership skills and expanding participants' knowledge of the challenges and opportunities facing our state.

By completing the program, informed leaders can better understand issues, define problems and develop solutions to serve their communities.

Graduates of Leadership Nebraska are

encouraged to seek positions of higher responsibility, whether at the local, regional or state level.

The program includes six two-day sessions held over several months in various locations across Nebraska. Topic areas include economic development, health care, agriculture, education, and government and policy.



The Leadership Nebraska Class XI members who graduated February 21 are:

Anna Brewer, Nebraska Attorney General's Office, Lincoln
Carley Bruning, Phelps County Development Corporation, Holdrege
Matthew Burke, First National Bank, Omaha
Linette Gralheer Butler, BD Construction, Kearney
Angela Davidson, Central Community College, Grand Island
Elizabeth Everett, First Five Nebraska, Lincoln
Mike Feeken, St. Paul Development Corporation, St. Paul
Sarah Focke, Kearney Visitors Bureau, Kearney
Peggy Hain, Nebraska Wesleyan University, Lincoln
Erika Hamilton, Humanities Nebraska, Lincoln
Anne Hindery, Nonprofit Association of the Midlands, Omaha
John Hoggatt, First National Bank, Kearney
Sara Howard, Nebraska Legislature, Omaha
Darin Karstetter, Renaissance Financial, Omaha
Shawn Kaskie, University of Nebraska, Kearney
Noah Knisely, CHI Health, Omaha
Steve Konnath, Blue Cross Blue Shield of Nebraska, Omaha
Joseph Lang, Omaha Public Power District, Omaha

Marjorie Maas, SHARE Omaha, Omaha
Carsten Mlady, Nebraska Public Power District, York
James Mowitz, Pinnacle Bank, Lincoln
Sandra Reding, AKSARBEN Foundation, Omaha
Tyler Rigby, Nucor Steel Nebraska, Norfolk
Ryan Sevcik, Koley Jessen, P.C., L.L.O., Omaha
Leslie Shaver, Simmons Olsen Law Firm, P.C., L.L.O., Scottsbluff
Angela Simdorn, Hornady Manufacturing, Grand Island
Michael Venem, Fast Global Solutions, Auburn
Nicole West, Black Hills Energy, Papillion
Laurie Zagurski, Omaha Public Power District, Omaha

Applications for Leadership Nebraska's next class may be submitted until April 12, 2019.

For more information, please contact Roberta Pinkerton at (402) 474-4422 or visit www.leadershipnebraska.com. ◀

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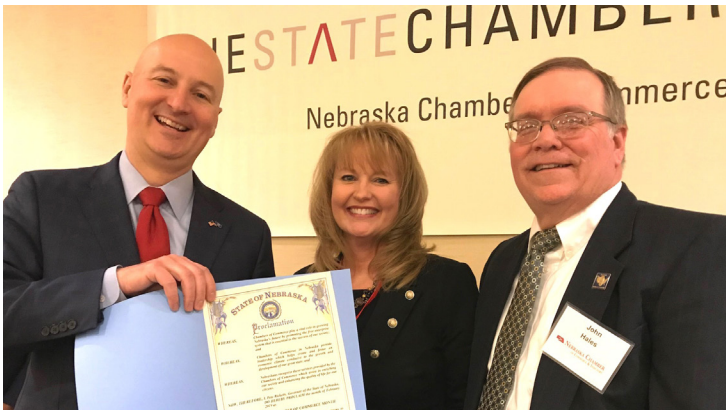
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Telecommunications Committee Chair Curt Friesen. Speaker Scheer told Chamber members that Nebraska's term limits have hindered the Legislature's ability to reach a compromise on important issues since lawmakers know that there is "a running clock" on their service from the first day they take office. Senator Friesen added that every legislative committee had lost vital institutional knowledge due to term limits.

In the evening, approximately 500 Chamber members and guests attended the Nebraska Business Hall of Fame ceremonies and evening banquet. The event featured the passing of the gavel from 2018 State Chamber Chairman Rich Herink, market executive with First National Bank, to 2019 Chairman Todd Foje, who is CEO of Great Plains Communications of Blair.

The evening concluded with the induction of the Nebraska Business Hall of Fame's newest members, who are:

- ▶ **Talton "Tal" Anderson** – Baxter Auto Group, Omaha (deceased).
- ▶ **Jerry Huse** – Norfolk Daily News, Norfolk (deceased).
- ▶ **Barry L. Kennedy** – Nebraska Chamber of Commerce & Industry, Lincoln.
- ▶ **Philip Mullin** – Garner Industries, Lincoln.
- ▶ **Louis Rotella Jr.** – Rotella's Italian Bakery, Omaha. ◀



(Above) At the Nebraska Chamber's annual meeting, Governor Ricketts issued a proclamation declaring February as "Chamber of Commerce Month." Receiving the proclamation were Nebraska Chamber of Commerce Executives 2019 Chair Denise Wilkinson, president & CEO of the Norfolk Area Chamber of Commerce, as well as NCCE I2018 Chair John Hales, vice president of the North Platte Area Chamber and Development Corp.

(Right) This year's inductees into the Nebraska Business Hall of Fame are Barry Kennedy of the Nebraska Chamber of Commerce & Industry, Lincoln; Philip Mullin of Garner Industries, Lincoln; Lou Rotella Jr. of Rotella's Italian Bakery, Omaha; Talton "Tal" Anderson of Baxter Auto Group, Omaha (deceased); and Jerry Huse of the Norfolk Daily News, Norfolk (deceased). Accepting the award for Mr. Anderson were his wife, Mary Joy Anderson, and their son, Mickey Anderson. Accepting the award for Mr. Huse were his son, Bill Huse, and daughter, Beth Olsen.



Barry Kennedy



Philip Mullin



Louis Rotella



Family of Talton "Tal" Anderson



Family of Jerry Huse

Key Lawmakers Participate In Nebraska Chamber's Annual Meeting



Appearing at the Nebraska Chamber Annual Meeting's "Legislative Leaders" panel were (from left) Speaker Jim Scheer, along with Senators John Stinner of Gering and Curt Friesen of Henderson.

Nebraska Chamber Awards Six Scholarships

The Nebraska Chamber of Commerce and Industry recently announced the winners of its 2019 Business Hall of Fame scholarships. They were recognized at the Chamber's Nebraska Business Hall of Fame Banquet held February 7. Winners will each received a \$2,000 scholarship.

The following is a list of the State Chamber's scholarships and this year's scholarship winners:

► Jack Swartz Scholarship: **Ryan Schmidt** of Creighton University. Schmidt is a sophomore from Leawood, Kan., majoring in finance and accounting.

► Virgil Eihusen Scholarship: **Claire Thede** of Hastings College. Thede is a sophomore from Palmer, Neb., majoring in accounting.

► Robert & Cynthia Milligan Scholarship: **Lauren Leapley** of the University of Nebraska-Lincoln. Leapley is a sophomore from Gretna, Neb., majoring in accounting and management.

► Roy Smith Scholarship: **Alison Raszler** of the University of Nebraska-Omaha. Raszler is a junior from Elkhorn, Neb., majoring in supply chain management, as well as marketing and management.

► Moe Beardmore Scholarship: **Isaac Cruz-Vital** of the University of Nebraska-Omaha. Cruz-Vital is a sophomore from Omaha, Neb., majoring in business administration.

► Bob Harris Scholarship: **Alexandra Taylor** of Creighton University. Taylor is a sophomore from Colorado Springs, Colo., majoring in accounting, as well as business information and analytics.

The Nebraska Chamber has provided scholarship assistance to deserving students since 1997. To date, 90 students have received Nebraska Chamber scholarships.

"Nebraska is a better place when we invest in our young talent," said Chamber President Bryan Slone. "We congratulate these exceptional students and encourage them to keep working hard to grow Nebraska's economy and opportunities for the next generation."

For more information on the Chamber's scholarships and how to apply, contact Charlie Volnek at cvolnek@nechamber.com or call (402) 474-4422. ◀



Scholarship winners accepting their certificates at the Nebraska Business Hall of Fame Banquet were Alison Raszler, Claire Thede and Lauren Leapley.

Are You Missing Important E-Mails From The Chamber?



The Nebraska Chamber has recently heard from members who were not receiving our regularly published News Update and weekly Legislative Service. These publications are important membership services – so if you or members of your team are not receiving them, let us know.

Here is how to best ensure that you don't miss any publication or messages from the Nebraska Chamber:

► If you have recently changed your e-mail address or have not yet provided it to the Nebraska Chamber, e-mail Maria Tvrdy at mtvrdy@nechamber.com or call (402) 474-4422. By providing us your current e-mail address – or adding members of your team to our e-mail list – you will get the most from your Nebraska Chamber membership.

► Our e-mails – including our News Update and Legislative Service – are occasionally sent to "junk folders" or are blocked by individual servers. If you stopped receiving our e-mails, be sure to check your "junk" or "spam" folders – and make the necessary changes to redirect our e-mails to your inbox.

► If you forward the News Update or Legislative Report to others, and those recipients click the "unsubscribe" link at the bottom of the e-mail, your subscription will be deleted. If this happens, you will need to contact the Nebraska Chamber to remedy the situation. (If you forward State Chamber e-mails to others, it is recommended that you remove the "unsubscribe" text. By doing so, recipients will not be able to delete your e-mail address from our e-mail list.) ◀

Nebraska Among Best States For Labor Force Participation

While the Cornhusker State currently faces a workforce shortage, Nebraska is still one of America's best states for workforce participation. According to the Nebraska Department of Labor's Workforce Trends online magazine, 88.1% of Nebraska men and nearly 80% of Nebraska women ages 20-64 participated in the state's labor force in 2017.

Compared to Nebraskans, a considerably smaller percentage of all American men (82.1%) and women (72.3%) in the same age category participated in the labor force.

Meanwhile, UNO's Center for Public Affairs Research reports that Nebraska is No. 2 for labor force participation among individuals ages 25-64 who have earned a bachelor's degree or better, with 90% of those Nebraskans in the workforce. ◀

Manufacturers Are Nebraska's Leaders In Economic Output

The Nebraska Chamber of Commerce and Industry is more than just a statewide chamber; it also serves as Nebraska's manufacturing association. Manufacturers in Nebraska account for 11.2% of the state's total economic output and employ nearly 100,000 individuals with an average annual compensation of \$59,867 in 2016. In 2017, the total output from Nebraska's manufacturing sector was \$13.60 billion — larger than any other industry in the Cornhusker State. Manufacturers also help drive Nebraska's economy with their goods sold abroad. In 2017, Nebraska manufacturers registered nearly \$6 billion in exports. ◀

Site Selectors Say Skilled Labor Drives Location Decisions

Site Selection magazine recently surveyed 60 site consultants across the country. The survey found that workforce is the top factor driving expansion.

"The No. 1 deal-killer was politics or lack of responsiveness, followed by lack of available qualified labor," the magazine reported.

Also high on the list of factors were transportation infrastructure; available buildings and sites; state and local tax structure; and regulatory environment and incentives.

When asked to name the state that had done the most to improve its overall attractiveness to business and industry over the last five years, the consultants said Texas was No. 1, followed by North Carolina, Ohio and South Carolina. Georgia, Michigan, Indiana, Nevada and Wisconsin also received multiple votes.

When asked how states and communities could improve their chances of landing more projects, comments included:

- ▶ "Create a program that incentivizes students to remain in the state after graduation."
- ▶ "Reduce the overall tax burden on businesses."
- ▶ "Have fewer channels for regulatory decision-making."
- ▶ "Offer flexible incentive programs that can be tailored to a company's needs, rather than a one-size-fits-all program."
- ▶ "Fully fund the cost of technical education."
- ▶ "Offer employers an excellent public school system."
- ▶ "Embrace the Work Ready program."
- ▶ "Eliminate all sales tax associated with energy usage."
- ▶ "Incentivize localities and regions to work together on infrastructure." ◀

Nearly Two-Thirds Of Nebraskans Now Live In Metro Counties

The University of Nebraska-Omaha's Center for Public Affairs Research reports that over the past several decades in Nebraska, where and how people live has changed dramatically. The Center notes that in 1900, more than two-thirds of Nebraskans lived in non-metropolitan counties. Today, 65% live in metropolitan counties. (Nebraska has 13 metro counties: Cass, Douglas, Sarpy, Saunders and Washington in the Omaha metro; Lancaster and Seward in the Lincoln metro; Dakota and Dixon in the Sioux City metro; and Hall, Hamilton, Howard and Merrick in the Grand Island metro.) U.S. Census data show that while

Nebraska's metro counties hold an advantage in the percentage of residents with a bachelor's degree and household income, non-metro counties perform better in workforce participation and homeownership rates. ◀

Nebraska Population

Population living in non-metro areas



Population living in metro areas

