

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

November/December 2014

### December 3 Business Summit in La Vista

On December 3, the Nebraska Chamber will host an important business summit at the La Vista Embassy Suites Conference Center. This half-day event will spotlight the trends and challenges facing Nebraska and its business community. Some of the planned highlights include:

- An appearance by Nebraska's next governor to provide an update on his 2015 agenda.
- Panels of experts who will discuss Nebraska's current economic conditions, the state's workforce challenge, as well as energy and environmental issues affecting Nebraska employers and families.
- Keynote speaker Jack VonderHeide, one of the nation's leading authorities on emerging technologies, who will focus on several of the groundbreaking technologies businesses can expect to see in the future.

The summit will begin at 11:45 a.m. and conclude by 4 p.m. Cost to attend is \$75 for State Chamber members (includes lunch), or \$100 for non-Chamber members.

For more details, contact the State Chamber at (402) 474-4422 or e-mail [cvolnek@nechamber.com](mailto:cvolnek@nechamber.com). ■

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### Nebraska Chamber Concludes 2014 Fall Legislative Forums

With the exception of a presentation in Henderson set for late November, the Nebraska Chamber has concluded its 2014 legislative forums.

More than 1,200 attendees participated in the Chamber's forums held in 29 communities across the state from late August through October. In addition, 54 state lawmakers or candidates for the Nebraska Legislature attended. This year's State Chamber forums highlighted key accomplishments from the Unicameral's 2014 session, including new legislation in the areas of economic development, taxation and business incentives. The forums also included an overview of Nebraska's workforce challenge and efforts to enhance the state's labor pool.

To see the State Chamber's legislative forum presentation online, visit <http://www.nechamber.net/2014-nebraska-chamber-forum-presentation>.

For more than three decades, the annual legislative forums have been a joint effort between the Nebraska Chamber and the local chambers of commerce. The forums present an opportunity for State Chamber staff to gather

input from local community leaders on issues of concern, while updating the business community on developments that could affect Nebraska's business climate and job growth. ■



*Nebraska Chamber President Barry Kennedy introduces State Senator Mike Gloor at the legislative forum in Grand Island, and speaks to a crowd of Chamber members assembled at a forum held in West Point.*





## **State Chamber Views...**

**Editorial by Barry L. Kennedy, CAE, IOM**

**President**

**Nebraska Chamber of Commerce & Industry**

# **Tackling Nebraska's Workforce Challenge**

**E**very autumn, the staff of the Nebraska Chamber of Commerce & Industry travels across our state, hosting forums with local employers and community leaders to discuss their concerns.

In recent years, one particular issue has been prominent: the availability of qualified, skilled workers in Nebraska.

Last year, the Nebraska Chamber's statewide survey of 1,200 respondents found that more than half – 52% – said they had experienced difficulty in hiring qualified employees over a 12-month period. Moreover, a quarter of respondents said the lack of available labor or skilled employees was the key issue limiting their business' growth.

The State Chamber isn't alone in uncovering such findings. A recent survey by the Grand Island Chamber, as well as the 2014 Lincoln Business Conditions Report found that workforce quality and availability are the biggest weakness in those communities. Certain industries – including manufacturing, transportation and technology – are disproportionately impacted by this skills gap plaguing Nebraska's workforce.

Complicating matters is Nebraska's low unemployment rate, which has hovered around 3.5% for the past year. While this is good news for workers, a low jobless rate brings more challenges for employers since most Nebraskans who are readily employable already have a job – or have left the labor force.

Add to this mix the fact Nebraska lost nearly 8,000 college graduates to out-migration during the past two years, according to the U.S. Census Bureau.

So what can be done to reverse these workforce trends? How can we expand Nebraska's skilled labor supply?

One of the most obvious answers is to keep our young and educated people here in Nebraska. The State Chamber is a strong supporter of Nebraska's relatively new internship program, which was created to give 2- and 4-year college students more work opportunities in the state.

The InternNE program – administered by the state's Department of Economic Development – matches students with employers in high-growth, high-demand industries.

This approach makes sense since roughly 50% of interns go on to become full-time employees at their places of internship. Expanded internship opportunities also help ensure that Nebraska experiences a maximum return on education dollars.

In just three years, the program has made solid strides, with more than 750 students and 400 companies participating. And InternNE is not just for larger employers; a third of participating businesses have fewer than 10 employees.

If you're an employer – or you know a student looking for a worthwhile, paid internship – go to [InternNE.com](http://InternNE.com) to register online.

There are other ways in which Nebraska's business community and state leaders are working together to tackle our workforce challenges. They include:

♦ **Career Academies:** Perhaps the leading model of a career academy for high school students is Grand Island's Career Pathways Institute. The Nebraska Chamber's board of directors toured this impressive facility earlier this year. The goal of the

institute is to produce a pipeline of skilled high school graduates who can go to work immediately in well-paying career fields such as manufacturing, IT, automotive repair, construction and drafting. A career academy is coming soon to Lincoln, while many smaller school districts have partnered with community colleges and local employers to offer similar skills training.

♦ **Early Childhood Initiatives:** According to Nebraska's Early Childhood Business Roundtable, more than 40% of Nebraska children ages 0-5 are at risk for failing in school. Half of Nebraska's kindergarten teachers say their students are not ready to learn. Recently, the Nebraska Legislature has sensibly provided additional funding to support early childhood programs operated by school districts.

♦ **Job Training Programs:** Nebraska offers programs to help businesses train and develop workers, using the assistance of local community colleges. Programs like the Nebraska Customized Job Training Advantage – administered by DED – helps ensure the state's workforce is prepared for rapidly changing technology and industries.

♦ **Dream It! Do It!:** Nebraska is one of 30 states with "Dream It! Do It!" programs. This private-sector initiative engages and educates high school students about careers in advanced and high-tech manufacturing. Among other things, this initiative works to close the workforce "skills gap" by encouraging more focus on STEM education – science, technology, math and engineering.

Despite these efforts, Nebraska, like most states in our region, has much more work to do when it comes to ensuring an adequate labor force. Today's global economy demands a consistently high level of workforce quality and supply.

The State Chamber encourages Nebraska lawmakers and our next governor, as well as educational leaders and communities, to recognize that the workforce has indeed become a serious challenge facing Nebraska.

The time to address the issue is now. ■

## State Chamber Annual Meeting is February 5

**T**he State Chamber's Annual Meeting and Legislative Caucus will be Thursday, February 5, 2015, at The Cornhusker Marriott Hotel in Lincoln.

This is one of Nebraska's most recognized and widely attended State Chamber events of the year.

Those attending will have an opportunity to hear from key state lawmakers and policy experts, as well as attend briefings on vital issues of concern to the business community.

At the present time, discussion panels are planned to address Nebraska's workforce challenge, the growing federal regulatory burden, as well as the traditional "Legislative Leaders" session.

The evening banquet will feature the traditional passing of the gavel to the new State Chamber chairman and a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information about the State Chamber Annual Meeting, call (402) 474-4422 or e-mail Kay Koch at [kkoch@nechamber.com](mailto:kkoch@nechamber.com). Please see the insert in this issue of The Executive to register.

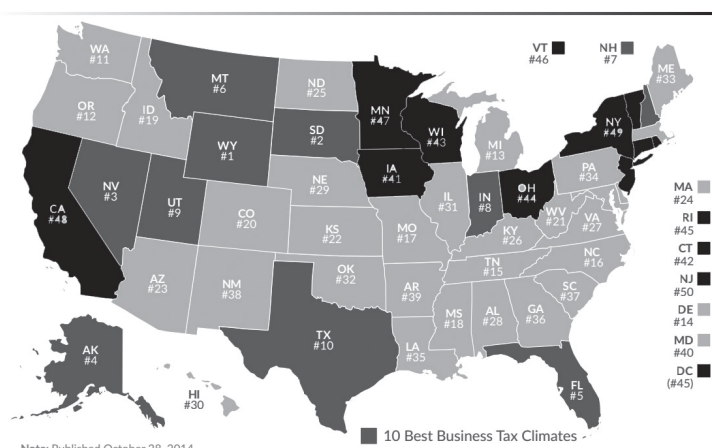
This special event also presents sponsorship opportunities to get your business recognized before a large target audience. Businesses and organizations interested in sponsoring should contact James Berringer at (402) 474-4422 or [jberringer@nechamber.com](mailto:jberringer@nechamber.com). ■

## Nebraska's Business Tax Climate Improves Five Spots

In late October, the Tax Foundation released its updated State Business Tax Climate Index for 2015. This comparison uses more than 100 variables to show how well states structure their tax systems for businesses and their employees.

The top five states in the 2015 Index are Wyoming, South Dakota, Nevada, Alaska and Florida. The bottom five states are New Jersey, New York, California, Minnesota and Vermont.

While Nebraska is still in the bottom half of all states, the Cornhusker State did improve five spots overall, from



34th place to 29th, due to improvements in its corporate and individual income tax systems – including reform of corporate net operating loss carry-forwards, a repeal of the individual alternative minimum tax, and indexing the brackets of the individual income tax code. These changes were made by the Nebraska Legislature and governor over the past two years.

In the individual categories of taxation, Nebraska is ranked 31st in corporate tax, 25th in individual income tax, 39th in property taxes, 27th in sales tax, and 13th in unemployment tax. ■

## Nebraska Chamber Honored For Membership Growth

In September, during the annual meeting of the Council of State Chambers (COSC), the Nebraska Chamber of Commerce & Industry was recognized for achieving the highest membership growth in the nation among state chambers.

The Nebraska Chamber was also recognized with the COSC President's Award for its long-term efforts to expand and retain its membership, which is the strength of the organization.

COSC is comprised of state chamber CEOs and presidents, as well as senior state chamber executives, from across the United States. COSC was founded 70 years ago to promote cooperation among state chambers of commerce by exchanging ideas regarding the policies and practices. ■

*At the September meeting of the Council of State Chambers, Nebraska Chamber President Barry Kennedy and Senior Vice President-Membership & Marketing James Berringer accept an award for highest membership growth, as well as an award recognizing the Nebraska Chamber's long-term efforts to expand and retain its membership.*





# Governor, State Chamber Salute Nebraska Manufacturing

In mid-October, Nebraska Chamber President Barry Kennedy and Nebraska Chamber Chairman Chris Roth – who serves as CEO and president of Reinke Manufacturing of Deshler – joined Governor Dave Heineman in his “Salute to Nebraska Manufacturing Tour,” which featured visits to four Nebraska communities. They were joined by business leaders, manufacturing employees, and students to celebrate October as Nebraska Manufacturing Month.

Stops included Lincoln Industries of Lincoln, NUCOR Corp. of Norfolk, Orthman Manufacturing in Lexington, and Deshler Public Schools, where the governor made remarks to students and toured the school’s welding facility.

The tour received widespread press coverage and helped highlight October as Nebraska Manufacturing Month, as declared by the governor.

During the visits to the communities, the governor noted that manufacturing careers are important to Nebraska’s economy.

“We’re trying to let young people know the manufacturing jobs of today are different than they were 25 years ago,” Governor Heineman said. “Whether they are looking at

a two-year or four-year degree, there are opportunities in manufacturing in the area you should look at.”

State Chamber Chairman Roth said jobs in manufacturing pay about fifty percent more than other non-farm jobs. He also advised his fellow manufacturing executives that they should be meeting regularly with local school officials and letting them know their labor requirements and encouraging school districts to adjust their curriculum accordingly, to meet local workforce demand.

At the tour in Lexington, Orthman Manufacturing President John McCoy said that his company had benefited from the Nebraska Advantage Program, new market tax credits and the InternNE program.

According to updated figures, Nebraska is home to 2,765 manufacturers employing 123,700 workers. Manufacturing contributes approximately \$12.5 billion annually in Nebraska’s total economic output. The state’s average annual employee compensation in manufacturing is roughly \$55,000, compared to the average compensation in private, non-farm sectors of \$37,572. ■

*Left: Following a tour of Lincoln Industries’ innovation center, Governor Heineman presents Lincoln Industries Chairman and CEO Marc LeBaron and State Chamber Chairman Chris Roth with a proclamation declaring October as Manufacturing Month in Nebraska.*



*Above: The governor and State Chamber executives toured the NUCOR Steel facility in Norfolk. NUCOR Steel Vice President and General Manager Dirk Petersen (right) also serves on the board of the Nebraska Chamber.*



*Left: The governor and Nebraska Chamber President Barry Kennedy brief news media and local officials in Lexington on the importance of manufacturing to Nebraska’s economy.*

# Hornady, Lincoln Industries are Nebraska Manufacturers of 2014

**H**ornady Manufacturing Co. of Grand Island and Lincoln Industries of Lincoln are the recipients of Nebraska's 2014 Innovation in Manufacturing Award. Hornady Manufacturing received the award for mid-sized manufacturers, while Lincoln Industries received the award for large manufacturers.

The companies were honored at the October 8 meeting of the Nebraska Chamber of Commerce & Industry's Manufacturers Council held at the Pinnacle Bank Expo Center in Grand Island's Fonner Park.

The Innovation in Manufacturing Award is sponsored by the Nebraska Chamber and McGladrey, a leading provider of assurance, tax and consulting services to the manufacturing and wholesale distribution industries. The award is presented annually to Nebraska manufacturers who successfully implement new ways of conducting business through the use of products, processes, technologies and strategies.

Established in 1949, Hornady Manufacturing Co. of Grand Island designs and manufactures bullets, ammunition, reloading tools and accessories. Born out of the vision of Joyce Hornady, the company's founder, Hornady Manufacturing today has more than 300 employees and is one of the largest independent producers of bullets in the world. Hornady occupies over 108,000 square feet of production space, and in one day – on

one press – is capable of producing more bullets than the company's entire first year production. The company was honored for its growth, as well as its innovations in product design, quality and safety. Hornady President Steve Hornady accepted the Manufacturer of the Year Award on behalf of the company.

Lincoln Industries is the nation's top supplier of products requiring high-performance metal finishing. Founded in 1952 as Lincoln Plating by Dale LeBaron, Lincoln Industries serves businesses throughout the country. With more than 60 years of innovation in the industry and more than 500 employees, the company's success has been made evident in the long-term relationships it has with some of the world's top companies, including Harley-Davidson, John Deere, Lindsay Corp., Tenneco and Valmont Industries.

Lincoln Industries was honored for its ability to meet the changing needs of its customers, as well as its employee wellness programs and overall workplace environment. Lincoln Industries President Tom Hance

accepted the Manufacturer of the Year Award on behalf of the company.

"We take pride in honoring Lincoln Industries and Hornady Manufacturing with this award," said Barry Kennedy, president of the Nebraska Chamber. "Both companies are important leaders in Nebraska's manufacturing sector."

The State Chamber and McGladrey have presented the manufacturing award since 2008. ■

*Below: Hornady Manufacturing Co. and Lincoln Industries received this year's Innovation in Manufacturing Award for Nebraska. (From left) Nebraska Chamber President Barry Kennedy and State Chamber Chairman Chris Roth, President and CEO of Reinke Mfg., present the awards to Hornady Mfg. President Steve Hornady and Lincoln Industries President Tom Hance. Also pictured is Tony Urban with McGladrey's Nebraska office.*



## Help Us Grow Your State Chamber

**T**he Nebraska Chamber has represented the state's business community for more than a century. Today, the State Chamber is at its strongest level ever – with record membership and major legislative accomplishments.

But to keep advocating effectively for the state's private sector, and to compete with opposing special interests that often work against the interests of employers and the free enterprise system, we need to make the Nebraska Chamber's voice even more influential.

Please take a moment and let us know of businesses and individuals who would benefit from the services and representation provided by the State Chamber.

By providing us with the names of potential new members, you will help us grow your Nebraska Chamber. Send your referrals to James Berringer at [jberringer@nechamber.com](mailto:jberringer@nechamber.com), or call (402) 474-4422. ■

## State Chamber Welcomes New Investors

Membership in the Nebraska Chamber of Commerce & Industry is an investment in Nebraska's economic well-being. This month, the State Chamber welcomes the following new members. We encourage you to consider doing business with fellow Chamber members.

### AINSWORTH

#### **KBR Rural Public Power District**

Robert Beatty  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### BROKEN BOW

#### **Nebraska State Bank & Trust Co.**

Jami Anderson

### CAMBRIDGE

#### **Twin Valleys Public Power District**

Jim Dietz  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### COLUMBUS

#### **Cornhusker Public Power District**

Clay Gibbs  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### CREIGHTON

#### **Creighton Area Chamber of Commerce**

Cory Frisch

### DAVID CITY

#### **Butler Public Power District**

Gary Westphal  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### DENVER, CO

#### **BBVA Compass**

J. Graham Leonard, III

### FAIRBURY

#### **Endicott Clay Products Company**

Ryan L. Parker  
*Recommended by: Chris Roth, Reinke Manufacturing Co., Inc.*

### GRANT

#### **Midwest Electric Cooperative Corp.**

Larry Umberger  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### HARTINGTON

#### **Cedar-Knox Public Power District**

Daniel Leise  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### HAY SPRINGS

#### **Northwest Rural Public Power District**

Chance Briscoe  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### HEBRON

#### **Thayer County Health Services**

Michael G. Burcham, Sr.  
*Recommended by: Chris Roth, Reinke Manufacturing Co., Inc.*

### LINCOLN

#### **Ace Furniture & TV, Inc.**

Natalie Leach  
*Recommended by: Darrell Stock, Law Office*

### LINCOLN PLASTICS

Dominic Pynes  
*Recommended by: Chris Stokes, Metlcast*

#### **Nebraska Coordinating Commission for Postsecondary Education**

Dr. Mike Baumgartner

#### **Speece-Lewis Engineers, Inc.**

Chris Lane

### MCCOOK

#### **American Agricultural Laboratory**

Christine Grooms

#### **McCook Public Power District**

James C. Florke  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### OMAHA

#### **Accelerate Nebraska**

Greg Adams

#### **Bio Nebraska Life Sciences Association**

Phil Kozera

### CARETECH, INC.

Frank Velinsky  
*Recommended by: Lori Hogan, Home Instead Senior Care*

### MARCUS MIDTOWN CINEMA

Robert Stryker

#### **McCarthy Capital Corporation**

Michael R. McCarthy

### MILLARD ELECTRIC CO., INC.

Bruce Barsell

### RIGHT AT HOME, INC.

Alan Hager  
*Recommended by: Lori Hogan, Home Instead Senior Care*

### SIGMA CORPORATION

Brent Reeder  
*Recommended by: Dale Funk, Lumbermen's Brick & Supply Co.*

### ORD

#### **Loup Valleys Rural Public Power District**

Chuck Fuhrer  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### PALISADE

#### **Southwest Public Power District**

Curtis Kayton  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### SCOTTSBLUFF

#### **AGROMAC International, Inc.**

Joe Schon

### ST. PAUL

#### **Howard Greeley Rural Public Power Dist.**

Brian Lukasiewicz  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### TEKAMAH

#### **Burt County Public Power District**

Richard Ray  
*Recommended by: Keith Harvey, North Central Public Power Dist.*

### WAYNE

#### **Great Dane Trailers**

Terry Hanson

### YORK

#### **Perennial Public Power District**

Jamey Pankoke  
*Recommended by: Keith Harvey, North Central Public Power Dist.*