

# THE EXECUTIVE

**THE STATE CHAMBER**   
Nebraska Chamber of Commerce & Industry  
January 2007

## Annual Meeting And Legislative Caucus Slated For February 1

One of the most prominent events for the Nebraska business community is just around the corner.

On Thursday, Feb. 1, the State Chamber will hold its Annual Meeting and Legislative Caucus at the Cornhusker Marriott in Lincoln. The day will provide an opportunity to learn about key legislative issues affecting the business community. Attendees will also get the chance to meet with

Nebraska policymakers and state officials and pay tribute to some of Nebraska's top business leaders.

The Board of Directors meeting starts at 10 a.m. Governor Heineman will address the group at lunch. The afternoon kicks off with the annual business meeting, followed by three legislative panels to provide valuable insight and analysis of the most urgent topics facing the business community.

The evening will include a recep-

tion at 6 p.m. and the annual banquet and program at 7 p.m. The traditional passing of the gavel will feature 2006 Chairman Rich Bailey and 2007 Chairman Tom Whalen. The Business Hall of Fame induction ceremony will begin at 8 p.m., with closing comments by Chairman Whalen.

A registration form is enclosed with this issue of *The Executive*. ■

## Five To Be Inducted Into Business Hall Of Fame

**ROBERT KELLEY AND GARY KELLEY, Scottsbluff** — Kelley Bean Co. has been a national leader in dryland beans since 1927 with the founding of the Chester B. Brown Co. Chester Brown introduced Great Northern beans to the dry climate of Western Nebraska, and the company began processing those beans in 1927 and has since continued. Robert Kelley, Sr. purchased the company in the 1930's. His sons, Robert and Gary, have since grown the company as both men began working for the company as teenagers.

Elder brother Gary attended the University of Nebraska and served in the Air Force before working full time at the family business. Robert also attended UNL and came to work full time after college. From its humble beginnings in 1927, Kelley Bean Co. has grown to become one of the largest origi-

nators and marketers of dry edible beans in the world. Today, a third generation family management is in place and poised to lead a team of outstanding employees into the future. The brothers have maintained a focus on what the

company does best — dry edible beans. Quality, stability and service, along with continued customer satisfaction, have led the firm into today's world market.

Kelley Bean's Brown's Best label can be found in supermarkets throughout the United States, as well as many private labels packaged by the company. Relationships with growers and dealers throughout the country give Kelley Bean Co. the capacity to ship all major varieties of beans and peas to all domestic and foreign markets. The brothers maintain a strong sense of loyalty and commitment to the North Platte Valley area that is headquarters to their six-state operation that encompasses 28 plants. They both credit the company's success as a direct result of the outstanding employees and management team to understand and deliver superior value with absolute integrity.

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Robert Kelley



Gary Kelley

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## State Chamber Views...

Editorial by Barry L. Kennedy

President,

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# "Measuring Nebraska's Competitiveness"

**F**or the first time, the Nebraska Chamber of Commerce & Industry is publishing the *Competitiveness Redbook: Key Indicators of Nebraska's State Business Climate*.

The report is comprised of 47 indicators that provide a snapshot of Nebraska's business climate as compared to the other 49 states. As a member of the State Chamber, you are receiving one copy of the publication free of charge.

The *Redbook* should serve as a useful guide for analyzing our state's overall business environment. The information contained in the book is a powerful tool for you to demonstrate to elected officials those changes that must be made in order to grow Nebraska's economy.

The issues we face are well documented: an aging population; retention of younger workers who have the necessary skills and education for the 21<sup>st</sup> century; competitive cost of doing business; and high tax rates. These are all among the areas that need improvement in Nebraska.

An example: Table 2 in the *Redbook* shows that Nebraska ranks 46<sup>th</sup> in the number of working age residents, shedding light on the labor challenge facing Nebraska employers. Moreover, Nebraska taxes are high enough (as shown in Table 9) to place us in the top 15 of highest state and local taxes per capita. Nebraska is also in the top 15 in highest percentage of taxes taken from the private sector's gross state product (GSP), as shown in Table 10.

There are some areas that prove very positive for Nebraska, however. Our utility costs, liability ranking and higher education enrollment all are among the best in the nation. Table

47 shows Nebraska's tort liability system ranked number 2 in the nation. This is a key point for employers who are seeking a fair and reasonable litigation environment in which to do business.

There are other areas of strength, such as the overall cost of unemployment compensation and workers' compensation. It should be noted, though, that in some of these areas Nebraska has lost ground to other states in recent years.

The information contained in the *Redbook* is attributed to reputable sources. We have tried to present a broad array of information in one publication so the reader can make comparisons on a variety of data that might affect their particular operation or profitability.

As we move through the 2007 legislative session, the State Chamber will try to highlight various contents of the book and demonstrate how proposed legislation might affect our ranking. This information may also help you when visiting with elected officials at either the state or local level. For example, the information in the *Redbook* should help you explain that it does not solve any problem to shift the burden from one tax to another. Shifting taxes only exacerbates the problem and causes confusion, paperwork and compliance issues.

The State Chamber hopes the data in the *Redbook* will help guide the efforts of Nebraska's business leaders and public officials in our common goal of improving Nebraska's ability to grow our economy and our state.

The *Redbook* will answer some questions and generate others. By having this information, we can more confidently pave the way for future growth and expansion. ■

## State Chamber Honored With Membership Award



**I**n October, the Association of State Chamber Professionals (ASCP) presented the Nebraska Chamber of Commerce & Industry with its Award of Merit for Retention of Membership. "This is a direct reflection of the hard work of the staff and the Board of Directors to ensure there is good value in membership with the Nebraska State Chamber," said James D. Berringer, Vice President-Membership & Marketing. "The business lobbying power at the Legislature needs to be strong so Nebraska businesses can grow and succeed."

Berringer is a Board Member of the Association of State Chamber Professionals (ASCP).

Thanks to all of our members. We are proud that your State Chamber is able to expand and build on its success through the reliability of members who continue to "hire" us to work for your interests. ■

## Nebraska Legislature Sees More Youth in 2007

**A**s another legislative session gets underway in Lincoln, there are more young policymakers in the State Capitol this year. Freshmen state Senators Tony Fulton, Russ Karpisek, Amanda McGill, Danielle Nantkes, Pete Pirsch, and Kent Rogert all were born after 1965. These new lawmakers join state Sens. Abbie Cornett, Phil Erdman, Mike Flood and Chris Langemeier in a group who are 40 years old or younger. ■

## Five To Be Inducted

(Continued from page 1)

**GEORGE F. RUSSELL, Omaha (Deceased)** — After service in the Navy, George and a partner purchased a lumber and coal company in the small community of Millard.

Through the years, he built the business to become one of the largest independently owned and operated lumber and building materials suppliers in

Omaha, Bellevue, Lincoln and Des Moines. He also served on the board of two banks, business organizations and as a member of the Millard City Council. George served as president of the National Lumber & Building Materials Association, Nebraska Association of Commerce & Industry, and several other associations.



George F. Russell

**DR. WAYNE RYAN, Omaha** — Dr. Ryan is a scientist, inventor and entrepreneur who has brought international attention and commerce to Nebraska through his biotechnology advances. Dr. Ryan founded Streck Laboratories in 1971. Beginning with two employees, the company now has more than 300 employees with 15,000 customers, which generates \$50 million in annual sales revenue. Streck recently completed a new \$20 million, 114,000 sq. foot facility. Dr. Ryan divides his time among teaching, research and running the business, gaining 40 patents and authoring or co-authoring 80 published scientific works. His Platelet-Chex was the first hematology control on the market.



Dr. Wayne Ryan

**DALE TINSTMAN, Lincoln** — An investment banker, Dale Tinstman served as president of IBP for a time and was instrumental in getting the company started. He also played a role in establishing their headquarters in Nebraska and in building several plants here. Founded in 1960, IBP revolutionized the beef industry by locating highly efficient slaughtering and processing facilities near the source of supply, in the heart of the nation's rural cattle producing areas. Since then, Tinstman has been involved in investments and venture capital projects for many Nebraska companies. ■



Dale Tinstman

## Forecasters Optimistic About Nebraska's Economic Outlook

In late December, the Nebraska Business Forecast Council reported a highly optimistic outlook for the state. The Lincoln-Journal Star reports that the Council predicted that farm income, total income, manufacturing and other employment would rise in 2007, and to continue growing through 2008 and 2009. Ethanol expansion was a key factor, while the overall numbers were driven by the national business cycle and the fact Nebraska is doing well in transportation and manufacturing.

The Council said aggregate farm income is expected to grow rapidly in 2007, perhaps as much as 30%. The Council also predicted that Nebraska will experience broad-based employment growth over the next three years. Manufacturing employment is anticipated to grow during the three-year outlook period, with faster rates of growth expected in the services, financial, and transportation industries. Strong growth in trucking and rail and moderate growth in warehousing implies those sectors will continue to be an engine of job growth in Nebraska during the forecast period, according to the report. ■

## Governor Unveils Tax Relief Plan

Gov. Dave Heineman unveiled his tax relief plan late last month. Stating that action is needed if Nebraska hopes to create jobs and attract more people, the Governor said he was prepared to pay for his proposal by limiting state government spending. Gov. Heineman's tax plan would:

- Lower state income taxes by \$957 million over four years;
- Reduce the number of state income tax brackets from four to three, and raise the income levels at which taxpayers move into the next higher bracket.
- Eliminate the state estate tax;
- Repeal the remaining sales tax on construction labor;
- End the marriage penalty; and
- Reduce state revenue by more than \$1 billion over four years. ■

## Plan Now For State Chamber's Capitol Hill Visit In May

The annual State Chamber congressional visit to Washington, D.C. will be May 8-10, 2007. As in past years, there will be a luncheon for visiting Nebraskans in the Hart Senate Office Building on Wednesday, May 9, where the Nebraska congressional delegation and their chiefs of staff typically join us.

Attendees may go to the Nebraska Breakfast at 8 a.m. on May 9 in the Dirksen Office Building cafeteria. There will also be an evening reception for attendees and the Nebraska congressional members. Those attending will receive issue briefings at the National Association of Manufacturers (NAM) and the headquarters of the U.S. Chamber of Commerce.

Details on lodging will be forthcoming. Take advantage of this opportunity by contacting Don Mihovk at the State Chamber at (402) 474-4422. ■

## Heartland Poised For 'Unprecedented Economic' Growth?

INC. Magazine reports that a new study by the New American Foundation shows the American Heartland is poised to be the next entrepreneurial frontier. Growing demand for renewable fuels and organic food is creating business opportunities in the Plains states, the study said, while technology advancements and lower costs of living are driving a population shift to support these Heartland businesses. "In contrast to the picture of emptying towns and embattled farmers so often portrayed by the media, we see the Heartland as a potential hotbed of capitalist creation and innovation," wrote co-author Joel Kotkin.

According to the INC. article, between 2000 and 2005, worldwide ethanol production jumped 165 percent to 12.2 billion gallons a year. At the same time, the production of biodiesel more than tripled to 790 million gallons. "A collaborative effort between the region's land grant colleges and industry seeking innovative solutions to the energy crunch could lead to unprecedented economic growth," Kotkin wrote.

Not only do such entrepreneurial opportunities exist, but thanks to telecommunications and lower costs of living, a population shift is taking place that will supply start-ups with a skilled workforce, said Kotkin. "Housing prices in the Heartland have remained remarkably reasonable," he noted.

The authors of the study predict that as the U.S. population keeps growing, the crowds and costs of living in large coastal cities will drive more people to these smaller inland cities and towns. With population growth bolstering an educated workforce, the authors foresee a knowledge-based economy that could expand its entrepreneurial landscape to include high-technology services, communications, energy production, manufacturing and warehousing. ■

## Study: Lowest Business Tax States Have Best Economies

The December edition of *Budget & Tax News* reports that a new study by the Tax Foundation shows states with the most competitive business tax climates grow much faster in population, employment, economic output, and personal income than those with unfriendly business tax climates.

The Tax Foundation's 2007 State Business Tax Climate Index found the state with the best-ranked tax climate is Wyoming, followed by South Dakota, Alaska, Nevada, Florida, Texas, and New Hampshire. The state with the worst-ranked tax climate is Rhode Island, followed by Ohio, New Jersey,

New York, Vermont, California, and Nebraska.

The Index shows that between 2000 and 2005, personal income in the top 10 states grew 44 percent faster than the bottom 10 states. Moreover, employment in the top ten states grew 115 percent faster, while economic output grew 52 percent faster. Index author Chris Dubay noted that while most states focus on business tax incentives, state tax systems that are simple, fair, broad-based, and low-rate can produce significant growth "regardless of size or level of economic development." ■

## Study Compares Sick Leave Policies In Nebraska And Iowa

Beginning as early as October and lasting through spring, cold and flu season is in full force. How many sick days are employees afforded in our region of the country? According to the *Compensation Data - Iowa/Nebraska* annual survey – conducted by Compdata Surveys – exempt employees have 9.4 sick days on average, while non-exempt have 8 sick days.

Some industries provide more sick days to their employees than the national average. Not-for-profit workers average 13 sick days, followed closely by utilities with 11.2 sick days. Financial services round out the top three with 10.6 sick days. The services industry has the lowest number of average sick days for exempt employees, with 6.4 sick days.

"Nationally, the number of sick days offered has changed only slightly since 2003," said Amy Kaminski, manager of marketing programs for Compdata Surveys. "Many companies pool their time off into one formal Paid Time Off (PTO) package that includes sick days, as well as vacation and personal days. This provides their employees greater flexibility."

Though most employees are offered time off, some prefer not to

take advantage of this perk when they are sick. The Center for Disease Control (CDC) reports healthy adults are infectious one day before showing symptoms of the flu and five days after getting sick. The CDC suggests that sick employees stay home from work, school and social gatherings to prevent the spread of colds and flu.

Compdata Surveys has been partnering with the Nebraska Chamber of Commerce & Industry for 12 years to provide accurate, reliable data at affordable prices. For further information about the compensation and benefits surveys, contact Compdata Surveys at (800) 300-9570, or visit [www.compdatasurveys.com](http://www.compdatasurveys.com) to obtain a copy of the recently released 2006 survey results. ■

### Nebraska Legislature Changes Web, E-mail Addresses

The Nebraska Legislature has a redesigned Web site, now found at [www.NebraskaLegislature.gov](http://www.NebraskaLegislature.gov) E-mail addresses for state senators have also changed. Lawmakers are reachable at "senator's first initial and last name"@leg.ne.gov.