

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry  
January/February 2016

## Nebraska Chamber Announces 2016 Legislative Priorities, Leaders

In early December, the Nebraska Chamber of Commerce and Industry announced its major legislative objectives for 2016. The priorities were approved by the Nebraska Chamber's board of directors at its December meeting. Some of the State Chamber's legislative priorities include:

- **A More Competitive Tax Climate.**

Nebraska's maximum individual income tax rate is currently 6.84% on earnings above \$29,460 – one of the highest state income tax rates in the country. Nebraska's top corporate tax rate is 7.81%, which ranks 16th highest. That high tax burden has negatively affected Nebraska's job growth and overall economic performance. The Nebraska Chamber will support legislation to make Nebraska's tax climate more competitive. The Chamber will oppose efforts to increase state sales and income taxes; expand the sales tax base; and further earmark state tax revenue for specific programs.

- **Retain & Enhance Business Incentives.**

Over the past decade, Nebraska's performance-based incentives have prompted private-sector

commitments of roughly 22,000 new jobs and \$10 billion of investments across the state. Without pro-business incentives, Nebraska would often miss out on economic growth opportunities due to our high tax climate. The Chamber supports continual review and enhancement of business incentive programs to keep Nebraska competitive.

- **Enhance Nebraska's Workforce.**

To compete in the evolving global market, the State Chamber supports efforts to expand Nebraska's workforce and improve its skilled labor pool, including through the use of customized job training and innovative education initiatives such as career academies. In addition, the State Chamber supports efforts to attract new workers to Nebraska to help meet workforce demand.

- **Highway & Infrastructure Development.**

The State Chamber supports the preservation of Nebraska's Highway Trust Fund and opposes efforts to divert these funds for other purposes. Needed infrastructure improvements should be a budget prior-

ity and not accompanied by new or increased rates of taxation.

In addition to approving the Nebraska Chamber's key legislative objectives, the Chamber's board confirmed the election of the association's leadership for 2016.

**Steven S. Martin**, CEO of Blue Cross & Blue Shield of Nebraska, based in Omaha, will serve as the Nebraska Chamber's new chairman. Martin will officially begin his duties February 4 at the State Chamber's Annual Meeting in Lincoln. He succeeds **Kimberly A. Russel**, president and CEO of Bryan Health in Lincoln, as the Chamber's top elected officer.

**Dirk A. Petersen**, vice president and general manager of NUCOR Steel in Norfolk, is the Nebraska Chamber's chair-elect. ■

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**State Chamber Views...**  
*Editorial by Barry L. Kennedy*  
**President**  
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## 'Chamber Network Helps Ensure Nebraska's Bright Future'

Several years ago, around the turn of the millennium, a book titled "Bowling Alone" documented the significant social changes taking place across the nation. Specifically, it examined the growing reluctance of Americans to engage in community affairs. The book especially noted the rapid decline in membership experienced by most state and national organizations.

America's challenge with civic engagement and group participation has only proliferated since "Bowling Alone" was published some 15 years ago. It seems that America – with its social media, handheld communications and hectic household schedules – is no longer a nation of joiners.

But while many membership organizations struggle to survive, chambers of commerce have a different story to tell. This is because the public knows that chambers are looking out for their economic interests and their community's overall well-being.

Put simply, chambers of commerce are difference makers. They tackle the issues that matter – and most of us cannot imagine their life in our community without the chamber in the lead.

When no one else is willing to lead, chambers of commerce say, "Follow us."

Part of the reason the State Chamber is successful is because Nebraska has so many strong local chambers of commerce, supported by professionals and volunteers who don't hesitate to take steps to ensure a better future.

February is traditionally "Chamber of Commerce Month" in Nebraska. With that in mind, we want to highlight just a few of the positive, chamber-sup-

ported developments taking place in communities across our state. (I apologize in advance to those communities that are not mentioned – and will try to share their success stories in a future editorial.)

- In **North Platte**, the local chamber made two new hires recently, making Gary Person the new president and Megan McGown is the new vice president of economic development and marketing. They will continue the North Platte Chamber's work on a number of commercial developments and the community's "Shot in the Arm" program to help encourage more housing. All of this while approximately 100 Union Pacific employees from the company's Denver location will be offered the opportunity to relocate to North Platte in early 2016.

- **Fremont** has seen the pace quicken for commercial construction activity led by a \$45 million hospital expansion, a \$4 million hotel, and two new restaurants. A \$15 million Aquatic Center project with an Olympic-sized competition venue is wrapping up fundraising with plans to break ground in spring 2016.

- In **Columbus**, the Quality of Life Centers initiative, which began at a Columbus Chamber planning session a few years ago, has seen the fulfillment of part of that vision as the new YMCA opened in the Columbus Wellness Center. In addition, the Columbus Chamber has been a key driver for the community's new headquarters for the East-Central District Health Dept. and the new Columbus High School, which will house a STEM academy to ensure an adequate workforce for the future.

- The **Norfolk** Chamber recently hired

a director of talent development and recruitment who will be working with a committee made up of local business leaders to identify and monitor workforce demand and community needs. A new website will advertise job opportunities and highlight the quality of life one can achieve by relocating to the Norfolk area.

- The **Kearney** Chamber has worked closely with the Buffalo County Economic Development Council to win the bid for the new Central Nebraska Veterans Home – set to break ground in the spring of 2016. The Kearney Chamber's ongoing efforts to support the CNVH include the formation of the Nebraska Veterans First Group, a fundraising group comprised of veterans. The group is focused on raising funds to provide funding for amenities for the residents of the new home.

- **Ralston** has recently hired an economic development director to encourage growth of existing businesses and attract new businesses to the community. Efforts are under way to formalize a downtown strategic development plan, while several local companies are working on plans to invest in modern equipment or expand into larger space within the community.

- In **Scottsbluff** and the Panhandle, a new regional group has formed – Western Nebraska Economic Development. Focus areas include obtaining certification for each partner community through the Nebraska Economic Development certification program and passing LB840 sales tax in each community. A housing study RFP has also been released.

We do not have enough space in one article to mention every local chamber and their many important activities. But it's obvious that our chambers of commerce are where people turn when heavy lifting needs to be done – and done right. It is also clear that volunteer business leaders remain committed to the success of their communities.

These are just more reasons why Nebraska's chamber of commerce network will continue to grow and play an integral role in our efforts to make the "good life" even better. ■

## Over 150 Attend State Chamber Summit

In December, the Nebraska Chamber hosted an economic development summit at the La Vista Embassy Suites Conference Center. More than 150 attended the event, which examined Nebraska's opportunities and challenges in the areas of roads, infrastructure and housing.



Governor Ricketts addressed the summit, and panelists included state Senators Jim Smith of Papillion and Burke Harr of Omaha.

The summit's keynote speaker was Creighton University economist Dr. Ernie Goss, who told audience members they should be concerned by the soaring federal debt, as well as the Federal Reserve's delay in raising interest rates.

When analyzing Nebraska specifically, Dr. Goss said Nebraska is undoubtedly "a high tax state," regardless of what some special interests say. Only 20 states have a higher state local tax burden than Nebraska, and all of Nebraska's neighboring states have a lower tax burden, he said. That high tax burden, according to Dr. Goss, has negatively affected Nebraska's job growth and overall economic performance in recent years.

Dr. Goss praised the 84% (\$7.9 billion) growth in Nebraska exports during 2007-2014 and criticized elected officials who oppose expansion of free trade. He added that immigration was vital to Nebraska's long-term economic growth. ■

## Register Now For State Chamber's Annual Meeting

The State Chamber's 2016 Annual Meeting and Legislative Caucus will be Thursday, February 4, at The Cornhusker Marriott Hotel in Lincoln.

This is one of Nebraska's most recognized and well-attended business events. Participants will have an opportunity to hear from key state lawmakers and business leaders, as well as attend briefings on vital issues of concern to the state's private sector.

Events will take place throughout the day, beginning at noon with the Nebraska Chamber of Commerce Month luncheon. Please see the enclosed insert for the day's program information.

For more information or to register, please call (402) 474-4422 or email Charlie Volnek at [cvolnek@nechamber.com](mailto:cvolnek@nechamber.com). ■

## Send Us Your E-Mail Address

If you have recently changed your e-mail address or have not yet provided it to the Nebraska Chamber, please take a second and send it to us. By providing your e-mail address, you will get the most from your State Chamber membership, especially during the Unicameral's legislative session.

- The Chamber's News Update, a summary of state and national news on issues that affect Nebraska's economy and business climate.
- The Chamber's weekly Legislative Report, summarizing legislation and recent actions that could impact Nebraska's business community.
- Updates on committee hearings at the Legislature, along with a status report of all legislative bills introduced by state lawmakers.

Send your current e-mail address to Kay Koch at [kkoch@nechamber.com](mailto:kkoch@nechamber.com) or call (402) 474-4422. ■

## Nebraska's 2016 Election Calendar

The 2016 elections are quickly approaching. Nebraska's statewide Primary Election Day is May 10.

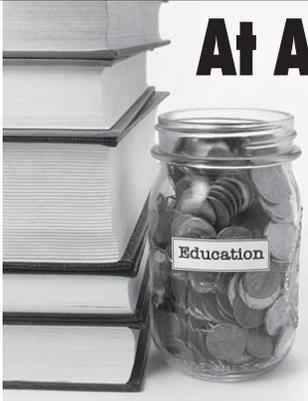
In this election cycle, 25 of Nebraska's 49 state legislative seats are up for election (odd-numbered districts). This means 14 seated senators will face re-election if they choose to run again (including Senator Nicole Fox of Omaha, who was appointed by Governor Ricketts following the recent resignation of former Senator Jeremy Nordquist). Meanwhile, 11 senators are term-limited, including five committee chairs and Speaker of the Legislature Galen Hadley.

Due to Nebraska's term limits, state lawmakers are prohibited from seeking a third consecutive term. Over the past decade, 86 new lawmakers have been elected to the Legislature, due largely to Nebraska's term limits.

Key dates for the 2016 elections include:

- **February 16** – Filing deadline for incumbents (current office holders, including local offices).
- **March 1** – Filing deadline for non-incumbents (new filers).
- **May 2** – Last day to register in person to vote.
- **May 10** – Nebraska's primary election (polls open at 8 a.m. CT).
- **November 8** – General election.

# At A Glance: Nebraska's Education Spending



The Nebraska Chamber supports a quality education system to ensure a reliable, skilled and highly motivated workforce. In key areas such as math, science, writing and reading, Nebraska students perform well when compared to their peers across the nation. At the same time, the Nebraska Chamber

recognizes that education funding must be reasonable and cost effective.

Here is a snapshot of education funding in Nebraska:

- According to the U.S. Census Bureau, Nebraska leads the nation in percentage of state and local general spending for all education. In school year 2011-12, 40% of Nebraska's state and local government direct general expenditures went to K-12 or higher education. Nebraska's percentage of total education spending was 6.1% more than the median expenditure nationwide.

- On a per-capita basis, Nebraska's state and local spending for all education is ranked tenth highest in the U.S., according to the Census Bureau.

- More than 60% of the average property tax bill goes directly to Nebraska's school districts. (Businesses pay a large share of property taxes, which represent 45% of the state-local tax burden for the average Nebraska business, according to one study.)

- Under the State of Nebraska's current budget, 27% of state spending -- nearly \$1.2 billion -- will be used for K-12 state aid and special education. (This is in addition to \$2.14 billion in property tax collections sent to Nebraska school districts in 2014.)

- K-12 state aid will increase \$40 million this school year compared to last. Over the past four fiscal years, education aid from state government has increased by \$190 million (about 19%).

- Nebraska's average cost-per-pupil was approximately \$11,400 in school year 2013-14. Statewide, the lowest cost-per-pupil was \$9,380 per student; the highest was \$28,276.

## Employers To See More Relief On Unemployment Insurance

Nebraska businesses should see relief in their unemployment insurance rates in 2016.

According to the Nebraska Department of Labor, the average unemployment insurance tax rate for employers will be 1 percent in 2016. That is a reduction of 0.17 percentage points from the 2015 tax rate and a decrease of 2.33 percentage points from the 2011 rate.

In total, Nebraska employers in 2016 will pay nearly \$20 million less in unemployment insurance taxes than in 2015, the Labor Department said.

It is the fifth year in a row those taxes have declined in Nebraska.

Jobless benefits are paid from the state's Unemployment Insurance Trust Fund, which is funded completely by Nebraska employers.

Nebraska Labor Commissioner John Albin said: "Nebraska employers continue to benefit from a stable Trust Fund and the decline in benefit payouts resulting from a strong economy and a decrease in unemployment claims." ■

## 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.

### KEARNEY

**Eaton Automotive North America**  
Ed Doerr

### LINCOLN

**bridgepoint Merchant Banking**  
W. Lee Merritt

### **Central States Telecom**

Marty Walter

### NORFOLK

**Covidien**  
Adrian Jimenez

### **BankFirst**

Clark Froehlich  
Recommended by: Dirk Petersen, NUCOR Steel, Div. of NUCOR Corp.

### OMAHA

**American Machine Works, Inc.**  
Vic Brown

### **Capstone Consulting, Inc.**

Jim Richards

**Metropolitan Utilities District of Omaha**

Rick Kubat

### **New Grand Ocean International LLC**

Yi Zhang

### **RD Industries, Inc.**

Eric Rix

### **Travel And Transport**

Kevin O'Malley

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