

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry
January/February 2013

State Chamber Approves 2013 Legislative Priorities, Leaders

The Nebraska Chamber of Commerce & Industry has announced its major legislative objectives for 2013. The priorities were approved by the State Chamber's board of directors at its December meeting. Some of the Chamber's top legislative priorities for the new year include:

- **Make Nebraska's Tax Climate More Competitive.** To grow Nebraska's economy and encourage more job opportunities for residents, the State Chamber believes that the state tax climate must become more attractive. Major tax reform must be accomplished to reduce the overall tax burden on taxpayers. In addition, the State Chamber believes Nebraska's corporate income tax rates should be comparable with entities operating under other types of business structures. Due to Nebraska's high tax burden, the Chamber strongly supports the continued enhancement of Nebraska's performance-based economic development incentives.
- **Reduce the Regulatory Burden.** To improve Nebraska's economic climate and encourage more job crea-

tion, the Nebraska Chamber supports efforts to review current and newly-proposed regulations. Special attention must be given to how regulations impact investment in Nebraska, private sector innovation, creation of new business opportunities, and creation or elimination of jobs.

- **Maintain Roads & Infrastructure Funding.** The State Chamber supports the preservation of Nebraska's Highway Trust Fund and will oppose efforts to divert this funding for other purposes. Necessary infrastructure improvements should be a budget priority and not accompanied by new or increased rates of taxation.
- **Enhance Workforce Development.** The State Chamber supports efforts to expand Nebraska's workforce and skilled labor pool, including customized job training opportunities and the Department of Economic Development's public/private partnership programs.
- **Protect Right to Work.** The State Chamber supports Nebraska's Right-to-Work constitutional guarantee and will defend our Right-to-Work law against any effort to weaken or repeal it.
- **Recognize Educational Excellence.** To remain competitive in an increasingly global economy, a skilled labor force is essential for Nebraska businesses. Educational funding programs should be utilized to improve accountability and outcomes, reward



Brian C. Hamilton, State Chamber Chairman of the Board for 2013.

excellence and encourage innovation. The State Chamber supports the efficient delivery of higher educational opportunities in Nebraska in order to provide educational excellence for all students.

The State Chamber board also confirmed the election of the association's leadership for 2013. **Brian C. Hamilton**, president of Beardmore Chevrolet in Bellevue, will serve as the association's new chairman. Hamilton will officially begin his duties Feb. 7 at the State Chamber's Annual Meeting in Lincoln. He succeeds **Steve Ford**, CEO of Pepsi-Cola Bottling Co. in Lincoln, as the Chamber's top elected officer. **Chris C. Roth**,

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State Chamber Views...

Editorial by Barry L. Kennedy,

President

Nebraska Chamber of Commerce & Industry

'Nebraska's Brand of Risk Management'

Risk management is a time honored tool that enables businesses, organizations and individuals to lower their exposure to instability and economic loss. Wise governments also practice risk management.

Over the past five years, Nebraska has endured a period of global economic instability in large part because Nebraska policymakers have practiced better risk management than many other states – and certainly better than their counterparts in Washington, D.C. The risk management utilized by the Nebraska Legislature and our governor has been a three-part strategy:

1. Maintain a balanced budget, while just saying no to new spending and bigger government.
2. Lower Nebraska's overall tax burden, including on businesses and entrepreneurs.
3. Modernize our state's economic incentive programs, which encourage new investments and greater diversification of Nebraska's economy.

When I talk with my counterparts from other states, they are envious of Nebraska's low unemployment rate. They marvel at the growth in Nebraska's household incomes and export growth. They read that Nebraska is one of the nation's best managed states, and they ask: "What's your secret?"

"There's no secret," I reply. "Nebraska just relies on a healthy dose of fiscal common sense and pro-business principles. Simply put, we manage our risk by encouraging more growth."

Consider the following:

- Since 2007, Nebraska's state budgets have included no tax increas-

es on business or individuals.

- In 2009, the Legislature approved and the governor signed bills to extend economic development incentives under the Nebraska Advantage Act; enhance research and development; remove barriers to private-sector wind energy projects; and encourage growth of Nebraska's livestock sector.
- A year later, in 2010, state lawmakers updated the Nebraska Advantage and Super Advantage to attract more high-paying jobs. At the same time, the Legislature rejected bills to expand sales taxes on services and add more regulations on Nebraska job creators.
- In 2011, lawmakers passed the governor's four-part "Talent and Innovation Initiative" to help Nebraska keep more of its educated young people and attract new technology-based businesses. Also approved was a new roads funding program to provide adequate dollars for improvement of our transportation infrastructure. And for the first time in 40 years, lawmakers gave local officials new tools to contain the cost of government labor by reforming the state's Commission of Industrial Relations (CIR).
- In 2012, the Nebraska Legislature produced legislation to attract new data centers; expand natural gas infrastructure; provide funding for vital University of Nebraska projects; enact tax reform for Nebraska businesses that provide services and intangibles; and improve the state's research and development tax credit.

Thanks to the wisdom and foresight of our policymakers, Nebraska has averted the worst of the recession and its lingering effects. Moreover, Nebraska has maintained a healthy cash reserve while at least 42 other

states faced budget deficits in 2012. Media reports show that 31 of those states have projected budget gaps totaling \$55 billion for 2013.

Not only are several other states raising taxes, they are creating a tax structure that is less fair and much less predictable. For these states, the outlook is grim for the immediate future.

But just because other states are struggling economically doesn't mean Nebraska – or its leaders – can afford to abandon fiscal restraint or a pro-growth approach.

In 2013, the Nebraska Legislature is seeing big changes due to term limits, including a new speaker and ten new senators. There are even new chairmen for the 14 standing committees – including the powerful Appropriations, Revenue, Education, and Transportation and Telecommunications committees.

Now is not the time to undermine potential economic growth with added risk. Increased risk would entail the repeal or weakening of the very economic incentives that grew and diversified our economy during a recession.

Now is not the time to recklessly increase government spending or create new programs.

And now would be the worst time to raise state taxes – in any form – on businesses or individuals.

As we have done in recent years, we must look for ways to assure new economic growth and more job creation.

To those of you who were involved and took time to contact your state senators on important pro-business issues in recent years, I say "thank you." Your vigilance helped produce some very successful results for Nebraska. You helped Nebraska manage its risk when the stakes were very high.

But your work is not done. These are serious times and more tough challenges lie ahead. Our state leaders – new and old – need to be reminded that our future economic success depends on effective risk management.

The State Chamber is counting on the continued support and involvement of Nebraska's business community. ■

More Than 200 Attend Economic Forums in La Vista and Kearney

In mid-November, more than 200 Nebraskans attended the State Chamber's "Century 2012: Economic Futures Forums" – information-packed forums held in La Vista and Kearney. The events coincided with the State Chamber's 100th anniversary.

Attendees heard from nationally recognized policy experts on issues impacting Nebraska's economy and future growth. Featured speakers included Jaimie Matthews with the U.S. Chamber's Institute for a Competitive Workforce, who discussed how higher education and employers can work together to meet workforce needs; Jonathan Williams with the American

Legislative Exchange Council, who outlined strategies for building economic success at the state level; and Joseph Henchman with the Tax Foundation, who spoke about how states successfully compete for economic opportunities.

Discussion panels were held on education efforts, tax policy, economic development, the state economy, and state and national energy policy.

See exclusive interviews with the forums' featured speakers by visiting the State Chamber's YouTube channel at www.youtube.com/user/Nebraska-Chamber. ■



Jaimie Matthews with the U.S. Chamber's Institute for a Competitive Workforce visits with state Senator Greg Adams of York, current speaker of the Nebraska Legislature and the past chairman of the Education Committee. Matthews and Adams spoke at the Chamber's economic forums held in La Vista and Kearney on November 12 and 13.

Register Now For State Chamber's Annual Meeting On February 7

The State Chamber's 2013 Annual Meeting and Legislative Caucus will be February 7 at The Cornhusker Marriott in Lincoln.

This is one of Nebraska's most recognized and well-attended Chamber events of the year. Those attending 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 business community.

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 or to register, please call (402) 474-4422 or e-mail Carol Sibley at csibley@nechamber.com. ■

Forbes: Nebraska Is Sixth Best State For Business

With its cost of business 14% less than the U.S. average, Nebraska has been ranked as the sixth best state for business according to Forbes. The magazine released its annual "Best States for Business and Careers" list in mid-December.

The Cornhusker State improved two spots from its 2011 ranking. In Forbes' specific categories, Nebraska is No. 3 in economic climate; No. 4 in business costs; No. 8 in regulatory climate; No. 16 in quality of life; No. 27 in labor supply; and No. 37 in growth prospects.

Utah was named Forbes' best state for business for a third straight year, followed by Virginia, North Dakota, North Carolina and Colorado. The worst states for businesses and careers, according to Forbes, are: Maine, Rhode Island, Hawaii, Michigan and Mississippi.

Forbes' writers noted there is "a clear separation between right-to-work states and those that are not. All but one of the top 10 states have right-to-work laws on the books (No. 5 Colorado is the exception). Of the bottom 10 states, No. 46 Mississippi is the only right-to-work state."

Earlier in 2012, the Cornhusker State was also ranked No. 6 in CNBC's annual "Top States for Business" study.

State Chamber Approves 2013 Legislative Priorities

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president and CEO of Reinke Manufacturing Co. in Deshler, is the State Chamber's chairman-elect.

State Chamber vice chairs in 2013 are: **Steve S. Martin**, president and CEO of Blue Cross & Blue Shield of Nebraska in Omaha; **Todd Duncan**, chairman of Duncan Aviation in Lincoln; **Anthony F. Raimondo, Jr.**, Co-CEO of Behlen Mfg. Co. and president of Behlen Country in Columbus; **Annette Wiles**, president of Wiles Development in Plattsmouth; **Dirk A. Petersen**, vice president and general manager of NUCOR Steel in Norfolk; and **John Childears**, president of Agri Affiliates in North Platte. ■

Send Us Your E-mail Address

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

State Chamber members receive the following valuable services by e-mail:

- The State Chamber's News Update, a summary of state and national news on issues that affect Nebraska's economy and business climate.
- The State Chamber's weekly Legislative Report, summarizing new legislation and recent action that could impact Nebraska's businesses and employers.
- Updates on committee hearings at the Legislature.
- Status updates of all legislative bills introduced at the Legislature.

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

Nebraska No. 18 For Job Growth

According to the latest data from the U.S. Bureau of Labor, Nebraska's non-agricultural employment has grown 4.3% over the past decade. The Cornhusker State is ranked No. 18 in this category, which is better than half of its neighboring states. (Wyoming is ranked No. 2, South Dakota No. 9, and Colorado No. 16.) No. 1 North Dakota's non-ag employment grew 26%, while No. 50 Michigan lost 12.4%.

You will find these statistics and much more in the Nebraska Chamber's 2013 Competitiveness Redbook, which will be distributed to State Chamber members in February. This Redbook examines more than 50 indicators that provide a snapshot of Nebraska's economic environment and business climate — which will help guide state leaders and policymakers in our joint efforts to make Nebraska an even better place to do business. ■

2013 Golf Classic To Be Held In Omaha

The U.S. Senior Open is among the finest golf events in the world. The 34th U.S. Senior Open will be held at the Omaha Country Club in Omaha, Nebraska from July 8-14, 2013. This will be the first Open Championship hosted in Nebraska and will entertain 156 professionals and amateurs. 150,000 spectators are expected to attend throughout the week, and the event will be broadcast to more than 100 countries.

Tickets to this prestigious event are now sold out to the general public, but the Nebraska Chamber of Commerce & Industry has partnered with the Lincoln and Omaha Chambers to purchase a hospitality tent located

on the 13th green of the Omaha Country Club. Blocks of tickets can be purchased so our members can experience the grand event in style. Tournament tickets, VIP parking tickets, and entrance to the hospitality tent are included in this price. Ticket blocks are available in three-day packages of Wednesday, Friday, and Sunday or Tuesday, Thursday and Saturday. It is a first come, first serve opportunity and once the blocks are sold out, there will be no more available.

If you would like more information regarding this impressive opportunity, please contact Charlie Volnek at cvolnek@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.

FREMONT

Platte Valley Equipment, LLC
Matt Lamb

GORDON

21st Century Equipment
Marlin Sandoz

HASTINGS

Krieger Electric Co.
Scott Krieger

LINCOLN

Courtyard by Marriott Lincoln
Downtown
John Kalogeras

Five Nines Technology Group
James Bowen

*Recommended by: Steve Ford,
Pepsi-Cola Bottling Co.*

HBE Becker Meyer Love LLP
Patrick Meyer

JK Electric Inc.
Lorrie Knapp

Midlands Financial Benefits
Joseph K. Roberts

Momentum Strategy Group LLC
Jerry L. Hoffman

Rogge General Contractors, Inc.
Randy Rogge

MEAD
Insulfoam LLC
Cody Reid

NORFOLK
TravelTax LLC
Joseph C. Smith

OMAHA

Jones Barrel Co.
Cindy Lampe

Paul Gerber Auto Sales, Inc.
Tim Peters

Metropolitan Utilities District
Dan Crouchley

Proxibid
Ryan Downs

SIDNEY

Adams Industries, Inc.
Zach Adams

WINSTON-SALEM, NC

RAI Services Co. Inc.
Murray W. Jones