

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

May/June 2017

Nebraska Chamber Gets Down To Business In D.C.

The Nebraska Chamber's 2017 Washington, D.C. Fly-In was held April 26-27.

This year, nearly 30 Chamber members participated in the event, including six State Chamber board members and key representatives from the Lincoln and Columbus Chambers.

The Chamber Fly-In commenced with the traditional Nebraska Breakfast on Capitol Hill, where participants heard from all five members of the state's congressional delegation, while meeting with other Nebraskans visiting the nation's capital. The group then visited the headquarters of the National Association of Manufacturers (NAM) to be briefed on the major policy issues before Congress.

One of the highlights of the fly-in was a meeting held at the new headquarters of the U.S. Department of Transportation, where Nebraska Chamber members met with DOT Senior Advisor James Ray to discuss the latest developments surrounding a potential infrastructure package, which is expected to be unveiled in late autumn or early winter.

Ray previously worked at the Office of Management and Budget and also served as acting administrator of the Federal Highway Administration and general counsel for DOT from 2006 to 2008. He is leading DOT's task force on infrastructure and works closely with the White House as the administration crafts a \$1 trillion package to upgrade U.S. roads, bridges and other public works.

On the evening of April 26, a reception was held at the Washington offices of Husch Blackwell law firm, followed by dinner at The Oceanaire, where U.S. Senator Deb Fischer and her chief of staff, Joe Hack, joined the group. Nebraska Chamber Chairman Dirk Petersen, vice president & general manager of Nucor Steel in Norfolk, presented Senator Fischer the U.S. Chamber's Spirit of Enterprise Award in recognition of her 2016 voting record of 100% in support of pro-growth, pro-jobs policies.

On April 27, participants started the day with policy and political briefings at the U.S. Chamber's headquarters. Included were updates on tax policy, small business issues, infrastructure and health care.

The group then returned to Capitol Hill for the State Chamber's annual



HDR's Rex Fisher and Nucor's Dirk Petersen meet with the newest member of Nebraska's congressional delegation, Congressman Don Bacon of Omaha.

luncheon, where all five members of Nebraska's congressional delegation addressed specific issues of concern to the business community.

Key themes discussed during this year's Chamber Fly-In included:

- The Trump Administration has brought major regulatory relief to the business community – especially within the EPA and Department of Labor. One expert called it “the most significant regulatory relief in the nation's history.”

- The administration's handling of

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State Chamber Views...

Guest Editorial by Dirk Petersen

Vice President & General Manager, Nucor Steel, Norfolk
2017 Chairman,
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Making Our Voices Heard

It is sometimes hard to believe that this organization has been advocating for Nebraska's business community for 105 years. That seems like a long time for anything to last these days. And yet here we are, still speaking up for approximately 2,000 business members across the state. I am honored to be a part of such a long-standing effort.

This year has gotten off to a fast start. At the State Capitol, the Legislature is pursuing comprehensive tax relief legislation, including a long-term plan to lower income taxes. We are actively supporting this effort to make our tax rates more competitive with other states, so that we can continue to grow and expand our businesses.

But we're not just active in Lincoln. We are also keeping up with the rapidly changing landscape of policy in our nation's capital. I am pleased to report that our annual trip to Washington, D.C. at the end of April was a great success. I accompanied 25 other State Chamber members on the Washington, D.C. Fly-In, a yearly tradition in which State Chamber members meet with policy experts from the National Association of Manufacturers and the U.S. Chamber. We received extensive briefings on the state of affairs in D.C. and how changes in federal policy may affect our businesses, for better or worse.

We discussed a number of important issues, including:

- The most significant regulatory relief since the Reagan administration.
- The possibilities for tax reform, including a lower corporate tax rate. Especially noteworthy is the proposed 15% tax rate for small businesses.
- The possible modernization and updating of NAFTA to improve and strengthen our relationships with our neighbors;

- The government's actions to promote and support American energy independence, including the approval of the Keystone XL pipeline; and

- The proposals being considered to modernize America's infrastructure.

"We had three great opportunities to make our voices heard on this trip."

We had three great opportunities to make our voices heard on this trip. The first was our Nebraska Breakfast at the U.S. Capitol. This event is a longstanding tradition in which our senators and congressmen meet with fellow Nebraskans to offer their perspectives on how the issues they are wrestling with will impact Nebraska businesses.

Next, we were able to meet with officials at the U.S. Department of Transportation to talk about the importance of Nebraska's infrastructure, and to exchange ideas on how to improve the nation's transportation infrastructure.

Finally, we hosted the Nebraska Chamber's Congressional Luncheon on Capitol Hill. Fly-in participants were able to meet with our congressional delegation and their senior staff members. This provided an excellent opportunity for us to have one-on-one discussions with our senators and congressmen. They were able to hear directly from Nebraska's business community regarding how we see things.

Our elected officials were very impressive, down to earth and interactive with our group.

We all walked away with a better understanding of the issues being debated in our nation's capital. I en-

courage everyone to be aware of how changes in Washington will have an impact on us here in Nebraska. It's up to all of us to stay informed and make our voices heard.

Speaking Up for Ourselves

It's tempting to think that once we cast our ballots, we don't have to think about our government until the next election. But once our officials are elected, our job is just starting. It's up to us to speak up about the issues affecting our businesses, because no one else will.

As a general rule, our representatives want to listen to us and learn how the policy they make has an impact on us. As business leaders, we must be proactive about expressing our concerns – and about showing our appreciation for the efforts they make on our behalf, like Senator Fischer's pursuit of the "Build USA Infrastructure Act" to properly fund highway, road and bridge projects across the country.

As Nebraskans, we are fortunate to live in a state in which our elected representatives make themselves available to the public and are happy to discuss issues important to the business community. This valuable relationship does not exist in all states. Even when we don't agree on an issue, just having the conversation is important.

The D.C. Fly-In was a timely reminder that through our association with the U.S. Chamber and the National Association of Manufacturers, we have a strong voice in Washington, D.C. By belonging to the Nebraska Chamber, you are doing your part to ensure that lawmakers in Lincoln and in Washington remain aware of the business community's position on the issues that matter most.

This was the first time that I have gone on the Fly-in. I would very much recommend that you, as a State Chamber member, consider going on this trip next year and in the future.

Thank you for your continued support. I know that – together – we will build a better future for ourselves, our families, and our communities. ■



Still Receiving Chamber E-Mails?

The Nebraska Chamber makes it a priority to keep in touch with our members frequently. Much of this communication is through our News Update e-mail, as well as our electronic legislative service and weekly State Chamber Legislative Report – both of which are e-mailed to members when the Legislature is in session.

If you are a State Chamber member who is no longer receiving your News Update or other electronic communications, it is likely due to one of two reasons:

1.) Bulk e-mails are occasionally delivered to your e-mail provider’s “junk folder.” Sometimes they are even blocked by individual servers. Be sure to check to see if either situation applies to you.

2.) If you have forwarded the Chamber’s News Update or Legislative Report to others and they click the e-mail’s “unsubscribe” link, your subscription will be deleted. If you suspect this has occurred, contact Charlie Volnek with the Nebraska Chamber at (402) 474-4422. ■

Nebraska Has 7th Largest Number Of Gov’t Employees (75% Are Local)

As state lawmakers continue to look at ideas for tax relief, the Nebraska Chamber still opposes initiatives that purport to provide property tax relief by shifting the mix of tax collections from local taxes to state taxes – including legislation to raise the state sales tax. Such “solutions” would increase Nebraska’s already-high state tax burden, while doing nothing to contain spending by property-taxing entities.

To spotlight Nebraska’s government spending, particularly at the local level, Nebraska taxpayers should note the following:

- The Small Business & Entrepreneurship Council found that Nebraska’s state and local governments had the nation’s 11th highest per capita spending as of 2013.
- A recent Census Bureau comparison found Nebraska had the seventh highest per capita state and local government employment. (Nebraska had 54.3 full-time state or local government employees for every 1,000 Nebraska residents – far exceeding the U.S. average of 44.6 government workers.)
- The Census Bureau comparison also found the average annual pay for Nebraska government employees was \$50,509 as of 2014.
- According to the Nebraska Department of Labor, last year there were nearly 150,000 state and local government employees in Nebraska — and roughly three-quarters of those workers were employed by local governments. (Only about 4% were public power employees, according to data.) ■

Study: Lincoln, Omaha Named Top 25 Cities For Business Startups

A new study has placed Nebraska’s two largest communities on its list of the best 25 U.S. cities in which to start a business. The study by HeroPay and the HeroPay Academy examined 358 metro statistical areas and ranked Lincoln No. 10 overall, while the Omaha metro came in at No. 25. The study considered government and private-sector data focused on 17 key metrics, including business activity, quality of life, cost of living, labor costs, commute times, and taxes.

The study concluded that the best states to start a business were those in the upper Midwest -- including Nebraska, as well as next-door neighbors South Dakota, Wyoming (Cheyenne was rated the No. 1 city to start a business) and Missouri. ■

Total State Tax Dollars Allocated to All Local Governments by Category for Fiscal Year 2015-2016

State Aid to Schools (TEEOSA).....	\$973,036,625.91
Property Tax Credit Act.....	204,000,000.00
Special Education Payments.....	193,242,659.00
Highway User Revenue Distribution to Cities.....	144,363,530.16
Highway User Revenue Distribution to Counties.....	144,085,059.92
Community College Foundation and Equalization Aid.....	98,891,562.00
Homestead Exemptions.....	71,585,955.74
State Temporary School Fund.....	48,154,353.08
Municipal Equalization Fund (MEF).....	21,166,883.34
Convention Center and Arena Turnback to Cities.....	9,310,273.76
Nebraska Resources Development Fund.....	5,199,483.64
Insurance Premium Distribution to Counties.....	4,416,160.66
Total Tax Dollars Distributed.....	\$1,917,452,547.21

At A Glance: State Aid Sent To Nebraska’s Local Governments

Last fiscal year, Nebraska’s state government sent nearly \$2 billion in financial aid to local government entities, according to the Department of Revenue.

State aid to local government comprises nearly a third of the state’s General Fund budget, which is almost fully funded by state income and sales taxes. State aid provides local governments with additional funds that complement local revenue sources, primarily real estate and personal property taxes.

The largest recipient of state aid in Fiscal Year 2015-16 was K-12 public schools, which received nearly \$1.2 billion in direct assistance for “equalization” aid and special education. That was in addition to \$2.4 billion collected for K-12 education from statewide property taxes. ■

State Chamber D.C. Fly-In

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trade is still a concern, including the modernization of NAFTA.

- Health care reform appears to be the most complex and difficult of the Trump administration's objectives, due in large part to division within Republican ranks.
- The infrastructure package will likely be as much about regulatory reform and process overhaul as it is about new public investment.
- A potential tax reform package could come by August, but many believe it will lag into late 2017 or early 2018.

The Chamber's D.C. Fly-In was sponsored by Blue Cross & Blue Shield of Nebraska; Nebraska Public Power District; Novozymes; Behlen Mfg. Co.; and Home Instead Senior Care.



Above: Several fly-in participants attended the policy briefing held at the U.S. Chamber's headquarters just a block north of the White House.



Left: Fly-in participants took time for a photograph in front of the White House.

Right: Many of the fly-in participants took part in the issues briefing at the National Association of Manufacturers. The Nebraska Chamber is affiliated with NAM, as well as the U.S. Chamber.



Right: Senator Deb Fischer addressed a full room at the State Chamber's Congressional Luncheon held on Capitol Hill.



Below: All five members of Nebraska's federal delegation spoke to Chamber members at the Nebraska Breakfast, as well as the State Chamber's Capitol Hill Luncheon.



Below: This year's fly-in included a stop at the U.S. Department of Transportation to discuss infrastructure.



Left: Blue Cross & Blue Shield of Nebraska CEO Steve Martin met with Nebraska's Third District Congressman Adrian Smith.



Above: State Chamber Chairman Dirk Petersen presents Senator Deb Fischer with the U.S. Chamber's Spirit of Enterprise Award in recognition of her 100% voting record in support of pro-growth policies.

Save The Date: Federal Legislative Summit Will Be August 9

Whether it is taxes, trade or regulations, what happens in Washington, D.C. can dramatically impact Nebraska employers and employees.

Plan to attend the ninth annual Federal Legislative Summit on Wednesday, August 9, 2017. Hosted by the Nebraska Chamber, along with the Lincoln and Omaha Chambers of Commerce, the summit will again be held at the Strategic Air Command (SAC) & Aerospace Museum, located immediately north of Interstate 80 at Exit 426, near Ashland.

This year, attendees will be treated to a congressional update presented by Nebraska's U.S. senators and congressmen, as well as a special presentation by keynote speaker Frank Newport, Ph.D., editor in chief at Gallup.

More details will be coming soon. To register, call (402) 474-4422 or e-mail cvolnek@nechamber.com. ■

Governor Signs Unemployment Insurance Reform

Earlier this spring, State Chamber representatives joined Governor Pete Ricketts as he signed legislation to address the Nebraska Unemployment Insurance (UI) program.

Unemployment Insurance is a major cost of doing business for Nebraska employers, who in 2015 paid more than \$107 million in UI taxes. (That figure does not include federal unemployment taxes.) Like Workers' Comp, the UI program is fully funded by employers.

Introduced by Senator John Kuehn of Heartwell and prioritized by the Business and Labor Committee, LB203 reforms Nebraska's UI system by bringing it more in line with national standards by implementing requalification provisions. Under LB203, UI applicants who quit their most recent employment without good cause will be ineligible for additional UI benefits until they have returned to insured work and have earned at least four times their weekly benefit amount.

Nebraska had been one of only three states that did not require a requalification for benefits after individuals voluntarily quit a job without good cause. "LB203 fixes

this and makes Nebraska's unemployment system more sustainable and fair," Senator Kuehn said.

The bill is expected to save an estimated \$3.7 million in 2018 and nearly \$5 million in 2019. Business and Labor Committee Chair Joni Albrecht of Thurston and Hastings Senator Steve Halloran, who also serves on the committee, joined Gov. Ricketts and Sen. Kuehn at the bill signing. ■



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.

ALLIANCE

Parker Hannifin Corp.

Chris S. Nelson

*Recommended by: Jeff Crick,
Parker IHP, McCook*

BEEMER

Jeffrey Scherer

BRIDGEPORT

Bridgeport Ethanol, LLC

Lisa Carter

FREMONT

The Oilgear Company

Alan Circo

HASTINGS

Krieger Electric Co.

Paul Krieger

LINCOLN

J-Tech Solar

Jason Olberding

Nebraska Corn Board

Kelly Brunkhorst

New Horizons Enterprises, LLC

Stephanie Isaacson

Two Men and A Truck

Justin Tangeman

WellCare

Carey Potter

NORFOLK

Faith Regional Health Services

Mark Klosterman, FACHE, CMPE

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of NUCOR
Corp., Norfolk*

Feidler Eye Clinic, PC

Dr. Ann Feidler-Klein

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of
NUCOR Corp., Norfolk*

Insight Financial Planning LLC

Daniel K. Goeken

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of
NUCOR Corp., Norfolk*

Midwest Health Partners

Dr. Keith Vrbicky

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of
NUCOR Corp., Norfolk*

Northeast Nebraska Economic Development District

Thomas L. Higginbotham Jr.

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of NUCOR
Corp., Norfolk*

K. Porter Construction, Inc.

Kenneth Porter

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of
NUCOR Corp., Norfolk*

Sunny Meadow Medical Clinic

Jim Galyen

*Recommended by: Dirk Petersen,
NUCOR Steel, Div. of NUCOR
Corp., Norfolk*

OMAHA

Embassy Suites by Hilton

Omaha Downtown Old Market

Stephanie Grade

KVI Associates, Inc.

George Venteicher

Lueder Construction Company

Greg Key

SOLVE Consulting, LLC

Virginia Collins, PhD

PLATTSMOUTH

Vireo Resources LLC

Mark Faulkner

VALENTINE

Valentine Chamber of Commerce

Dean Jacobs

WEST DES MOINES, IA

Kum & Go

Jason Bassett

*Recommended by: Michelle
Weber,
Zulkowski Weber*

YORK

York Equipment, Inc.

Steve Ermer