

For

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

MANUFACTURERS Only



Spring 2014

What Does Manufacturing Mean To NEBRASKA?

In mid-March, the National Association of Manufacturers (NAM) – a national affiliate of the Nebraska Chamber – released an inspiring video that demonstrates the comeback of U.S. manufacturing and the promise it holds for America's economy.

NAM President and CEO Jay Timmons showed the video to NAM's Board of Directors, which includes Nebraska business leaders such as 2014 State Chamber Chair Chris Roth of Reinke Mfg. in Deshler, and former State Chamber Chair Tony "TR" Raimondo of Behlen Mfg. in Columbus.

The Nebraska Chamber works with NAM to educate policymakers, educators and others about the value of manufacturing in our state. Consider the following:

- Today, nearly 100,000 Nebraskans earn their paychecks in manufacturing.
- Nebraska's total manufacturing output in 2012 was \$12.5 billion.
- There are nearly 1,900 manufacturing businesses in Nebraska.
- For every 100 manufacturing jobs, around 300 additional workers are needed to support them, according to experts.
- Manufacturing compensation in Nebraska is 34% higher than other non-farm employers in the state, with the average annual compensation being \$54,984.
- Nebraska manufacturing exports have increased three times faster than the state's overall economy over the past decade – and manufacturing accounts for 79% of the state's exports.
- Manufacturers in Nebraska account for around 13% of the state's total output, while employing roughly 10% of the workforce.

Let's make sure all Nebraskans know that manufacturing is essential to our economic future and help more families achieve the American dream.

See the video at <https://www.youtube.com/watch?v=OJo1xlppqzg>.

Manufacturing is a vital component of the Nebraska economy. It also represents an essential segment of the membership within the Nebraska Chamber. The State Chamber Manufacturers Council evaluates and recommends policy positions to the State Chamber Board of Directors and serves as a forum for the exchange of views and information that the State Chamber manufacturing members wish to share.

<http://www.nechamber.com>
nechamber@nechamber.com
Editor: Jamie Karl



State Chamber Visits Ft. Sill To Promote Nebraska Career Opportunities

In late February, a group of Nebraskans led by the Nebraska Chamber traveled to Lawton, Okla., to be part of the Red River Career Expo at Cameron University and Ft. Sill – one of the U.S. Army's largest installations. In addition to Nebraska Chamber staff, the career fair drew representatives from the Nebraska Department of Labor, the AIM Institute, Southeast Community College, Northeast Community College, the Columbus Area Chamber, Reinke Manufacturing and the Nebraska VFW.

The Ft. Sill visit was part of the State Chamber's long-term workforce development plan and its new campaign, "The Good Life for Veterans." The Nebraska Chamber's 2013 statewide survey found a majority (52%) of respondents – including a large majority of manufacturers – had experienced difficulty hiring qualified employees in the past year.



The Chamber's campaign includes a website (www.TheGoodLifeforVeterans.com), as well as promotional literature being distributed to thousands of military members across the country. The Chamber will coordinate participation at other military job fairs, including at Fort Riley, Kan., and Ft. Carson, Colo.

As part of its comprehensive military recruitment strategy, the Nebraska Chamber is also supporting state legislation aimed at attracting and retaining separating or retired military personnel.

State Chamber President Barry Kennedy said: "Successfully targeting individuals separating or retiring from the military to settle in Nebraska is a focused strategy to grow the state's population and to proactively expand our skilled labor force, which is imperative to our economic future. Nebraska offers outstanding and rewarding career opportunities, as well as an unmatched quality of life. Military members like what they see when they stop and consider life in the Cornhusker State." □

On April 23, the State Chamber will participate in a career fair at Fort Riley, Kansas — which is expected to lose a brigade due to military cuts. If your business would like to attend the Ft. Riley career fair — to recruit qualified, disciplined individuals who are already close to Nebraska — register by clicking here...<http://godefense.cpmis.osd.mil/hiringheroes/riley/index.aspx>. If your business is unable to attend the event, but would still like to advertise employment opportunities to soldiers at Ft. Riley, contact Jane Brookshire at (785) 239-9435 or laura.j.brookshire.civ@mail.mil.



NEBRASKA CHAMBER'S D.C. FLY-IN SET FOR JUNE 10-11, 2014

The Nebraska Chamber's annual visit to Washington, D.C., is set. This year, State Chamber members will descend upon Capitol Hill on June 10 and 11. All members of the Nebraska Chamber or local chambers are invited to participate.


Manufacturers are especially encouraged to participate in this event.

This year's D.C. Fly-In will include: A tour of the Pentagon; policy and political briefings from the U.S. Chamber; a reception overlooking the White House and Old Executive Mansion; the traditional Nebraska Breakfast; and the State Chamber's Congressional Luncheon on Capitol Hill.

Registration cost for the event is \$75

per person. Participants must plan and pay for their own travel and lodging. A block of hotel rooms has been reserved at the Beacon Hotel at a special rate of \$219 a night if you reserve (800-821-4367) before May 9.

The D.C. Fly-In is being held in coordination with two special events hosted by the Nebraska Chamber's national affiliates: the U.S. Chamber's Small Business Summit and the Manufacturing Summit.

For more information or to register for the Nebraska Chamber's D.C. Fly-In, e-mail jkarl@nechamber.com or call (402) 474-4422. 



Is Your Business Utilizing Internships?

In recent years, surveys have shown a common concern shared by manufacturers doing business in Nebraska: the availability of skilled and qualified employees.

Fortunately, Nebraska offers a unique program to improve our workforce situation and help retain the state's best, brightest and most industrious young people. The Intern Nebraska (InternNE) program – administered by the state's Department of Economic Development – provides financial assistance to businesses in Nebraska that create new internships.

With an internship, a two- or four-year college student will gain valuable business experience, while a business will be developing a potential future employee and leader.

If internships are not currently part of your business' plan to recruit qualified workers – and retain your young people – they should be. Research shows more than 50% of interns become full-time employees at their place of internship.

The InternNE program was established in 2011 with the strong support of the Nebraska

Chamber. In late 2013, it underwent some significant revisions. Under the current rules of InternNE, grants awarded may be up to 50% of the cost of the internship for eligible projects, up to \$5,000 per internship. Businesses that hire students receiving federal Pell Grants may provide a supplemental application and may be awarded a grant of up to 75% and an additional \$2,500 per internship. Businesses may be awarded up to five interns per location and up to 10 company-wide per year.

For a more detailed description of the rules and requirements of the InternNE program, visit the website of the Department of Economic Development at www.neded.org and click on the "Talent and Innovation Initiative" link. Or call Allison Hatch with DED at (402) 471-3368 or e-mail allison.hatch@nebraska.gov.

To see what internships are currently available, or to register your business or student with InternNE, go to www.InternNE.com.



MAGAZINE: Nebraska No. 1 For Business Expansions Per Capita

Nebraska and its business incentive programs made national headlines recently when it was announced that the Cornhusker State had the most business expansions per capita in 2013.

Site Selection Magazine counted 109 projects to either expand or build new business facilities in Nebraska last year. While the Cornhusker State didn't crack the top 10 overall, it was No. 1 when population was considered.

In addition to Nebraska's top ranking, two of the state's metropolitan areas were also ranked No. 1. The Omaha metro area ranked first in the 200,000 to 1 million population category with 48 business expansions, while the Sioux City area, which includes South Sioux City, Neb., ranked first in the under 200,000 population category with 14 expansions. □



Top 10 Nebraska Manufacturing Sectors

(In Millions of Dollars, in 2011)



Source: U.S. Bureau of Economic Analysis

NOTEWORTHY BILLS IN THE NEBRASKA LEGISLATURE

The Nebraska Legislature has entered the final stretch of the 2014 legislative session, as the Unicameral is scheduled to adjourn April 17. Here are some of the noteworthy measures moving through the Legislature this session and/or have been designated as priorities:

- **Budget:** This year's three budget adjustment bills (**LB905, LB906, LB130**) would keep spending growth at a rate of 5.5% to address long-deferred priorities, while maintaining a deep cash reserve. Among the notable provisions in the budget package are: \$25 million to the state's Property Tax Relief Fund; \$21 million to the Water Sustainability Fund; \$15 million to the Game and Parks Improvement and Maintenance Fund; \$14.5 million to begin work on upgrading the State Capitol heating, ventilating and air-conditioning system; \$14 million to address issues in the state's corrections system; and \$10 million to the Job Training Cash Fund.
- **Indexing Tax Brackets:** **LB987**, the Revenue Committee's priority legislation, would index the state's individual income tax brackets for inflation. Over the next 10 years, the bill would provide an estimated \$100 million of tax savings for those subject to the state income tax. In addition, the bill would expand tax exemptions on Social Security income. The Nebraska Chamber supports LB987, and has for years urged lawmakers to index Nebraska's income tax brackets to prevent the tax-raising effect known as "bracket creep" – which comes when personal incomes rise with inflation. LB987 would ensure Nebraska's tax keeps pace with this inflationary effect, just as the federal system does. State income tax brackets would be indexed annually by the state tax commissioner. According to the Tax Foundation, 24 of the 43 states that impose an income tax currently either adjust their tax brackets for inflation or have a single tax rate.
- **Business Innovation Act Extension:** One of the key economic development bills of the session, **LB1114** would extend and make revisions to Nebraska's Business Innovation Act, enacted in 2011 to encourage research, innovation and development in Nebraska's small businesses and in its colleges and universities. The Nebraska Chamber supports LB1114. The bill would extend the termination date of the Business Innovation Act until December 1, 2021, while authorizing a study to find ways to increase venture capital in Nebraska.
- **In-State Tuition for Veterans:** **LB740** would allow military veterans and their family members to qualify for in-state tuition at state colleges and universities. The bill is part of a package of legislation that would help recruit and retain military veterans, enhancing Nebraska's skilled workforce. To be eligible, the veteran would have to be registered to vote in Nebraska and show objective evidence they plan to become a Nebraska resident. The State Chamber supports LB740.
- **Extension of Business Incentives:** **LB1067** would extend the sunset date – from December 31, 2015 to December 31, 2017 – for tax incentives under the Nebraska Advantage Act, the Nebraska Advantage Research and Development Act, and the Nebraska Advantage Microenterprise Tax Credit Act. The State Chamber supports LB1067.
- **Minimum Wage Hike:** **LB943** would raise Nebraska's minimum wage to \$9 an hour over three years. Nebraska's minimum wage was last increased less than five years ago, in 2009, in concert with the federal minimum wage boost. As amended by the Business and Labor Committee, the bill would also increase the minimum wage for tipped employees. The State Chamber opposes LB943 and other legislation to expand Nebraska's employment mandates beyond federal law. The Chamber supports less harmful, more targeted efforts to increase take-home pay, such as income tax relief and expanding the earned-income tax credit.

- **Reclassification of Residential Property for Taxing Purposes: LR423CA**

is a constitutional amendment that, if approved by the voters, would allow the Legislature to reclassify residential real property as a separate and distinct class of property for purposes of taxation. The State Chamber opposes the establishment of any further separate classifications of property for tax purposes as being contrary to good tax policy.

- **Workers' Comp Exclusive Remedy Repeal: LB961**

would, at the option of the employee, make the exclusive remedy protection for the employer inapplicable in cases where the Workers' Compensation Court has determined an injury is due to the willful negligence of the employer. In a May 2013 case, the Nebraska Supreme Court upheld the exclusive remedy doctrine of the Workers' Compensation Act, writing that it was wary of providing any exceptions to the exclusive remedy doctrine of the law. The State Chamber opposes LB961, which would upset the employer-employee balance by moving cases of willful negligence outside a jury setting.

- **Exemption for Ag Parts: LB96**

aims to make agricultural implement businesses in Nebraska more competitive with those in neighboring states. Under the bill, repairs and replacement parts for ag machinery or equipment would be exempt from state sales tax. The State Chamber supports LB96. Currently, Nebraska is one of only eight states that still charges sales tax on these purchases.