

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

March/April 2016

2016 Annual Meeting Highlights

On February 4, 2016, the Nebraska Chamber of Commerce and Industry held its Annual Meeting and Legislative Caucus at The Cornhusker Marriott Hotel in Lincoln.

At the morning board meeting, Courtney Dentlinger, Nebraska's new economic development director, discussed some of the challenges facing her agency and communities across the state, such as workforce, housing and business recruitment. During the annual meeting luncheon, Governor Pete Ricketts spoke about his priorities for 2016 and honored local chambers of commerce by proclaiming February as "Chamber of Commerce Month" in Nebraska.

An afternoon discussion panel on Nebraska's workforce challenges featured former Speaker of the Legislature Greg Adams, now the executive director of Accelerate Nebraska, and Dr. Cory Epler, senior administrator of teaching and learning at the Nebraska Department of Education. Another panel examining federal issues impacting Nebraska was comprised of John Kirchner from the U.S. Chamber's Midwest regional office, and Michael Whatley with the Consumer Energy Alliance.

The traditional "Legislative Leaders" panel featured Speaker Galen Hadley of Kearney, as well as Senators Burke Harr of Omaha, Ken Schilz of Ogallala, Jim Smith of Papillion and Heath Mello of Omaha, all of whom addressed some of the top issues being considered at the Unicameral.

In the evening, more than 500 State Chamber members and guests attended the Nebraska Business Hall of Fame induction ceremonies and evening banquet, which featured the passing of the gavel from 2015 State Chamber Chair **Kimberly A. Russel**, President and CEO of Bryan Health in Lincoln, to 2016 State Chamber Chair **Steven S. Martin**, CEO of Blue Cross & Blue Shield of Nebraska, based in Omaha.

Right: Kim Russel, 2015 Nebraska Chamber Chair, is recognized for her service by 2016 Chair Steve Martin at the Chamber's Annual Meeting and Business Hall of Fame Banquet.

Below: Appearing at the Annual Meeting's "Legislative Leaders" panel were (from left) Senators Burke Harr of Omaha, Heath Mello of Omaha, Ken Schilz of Ogallala, Speaker Galen Hadley of Kearney, and Jim Smith of Papillion.

The evening concluded with the induction of the 2016 Nebraska Business Hall of Fame members. The newest Business Hall of Fame members are:

- **Maurice "Moe" Beardmore** (deceased) of Beardmore Chevrolet, Bellevue;
- **Tom Henning** of Assurity Life Insurance Company, Lincoln; and
- **Owen Palm** of 21st Century Equipment LLC, Scottsbluff. ■

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State Chamber Views...
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Nebraskans Will Suffer Under EPA's Attack On Traditional Energy

Remember paying last month's electric bill? Now imagine your next electric bill going up as much as 44 percent.

This will become reality for Nebraska ratepayers if the Obama administration gets its way and is able to implement its so-called "Clean Power Plan" (CPP).

The CPP is an extreme example of federal rulemaking by the Environmental Protection Agency (EPA). It would force states to radically restructure their electricity systems and curtail use of traditional energy sources.

Personal politics aside, we can all agree that without reliable and affordable electricity, modern life as we know it ceases immediately. That is why the CPP represents the largest regulatory threat to Nebraska's (and America's) economy – and it's why the Nebraska Chamber supports legal action to stop the plan in its tracks.

The CPP has been years in the making. In 2008, then-candidate Barack Obama was unabashed in his support for a "cap and trade" system to require states to use more costly and less reliable forms of electricity generation. He was quoted as saying: "Under my plan of a cap and trade system, electricity rates would necessarily skyrocket."

In 2009 and 2010, President Obama failed to win the votes necessary to enact cap and trade, even though his party controlled both houses of Congress and held a super-majority in the Senate. Moderate Democrats understood the real-world consequences that would have followed had the bill been enacted.

Now President Obama is trying to push through another version of cap and trade – this time by going around Congress.

The Nebraska Chamber and its members have a strong interest in this issue. After all, affordable and reliable

es, including:

- A 31% annual average electricity price increase for Nebraska – the seventh highest increase in that category.
- A 44% spike in peak-year electricity prices for Nebraska – the sixth highest increase among the states.

The CPP would put the government in control of our energy choices and drive up electricity costs for Nebraska businesses, farmers, consumers and families. This attempt to fundamentally transform our energy system would cost tens of billions of dollars in annual compliance costs, while significantly reducing our nation's global competitiveness at a time when the U.S. economy is facing serious challenges.

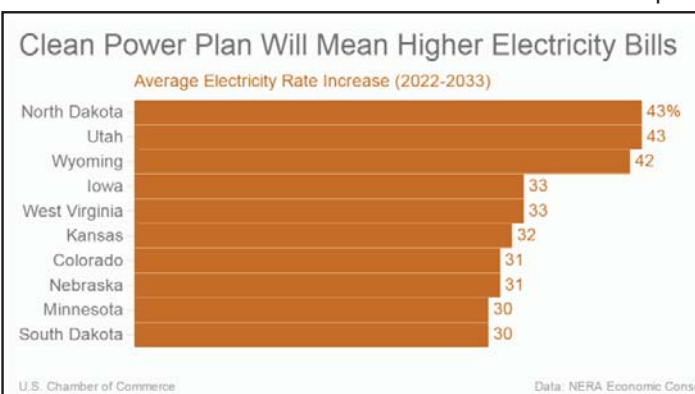
While the United States pursues these draconian reductions in carbon emissions, the rest of the world continues to rapidly increase their use of fossil fuels to improve their economies and quality of life. As a result, the president's plan will not reduce global emissions, but instead simply shift them (and U.S. jobs) to countries such as China and India that will not implement similar restrictions.

In an effort to halt the EPA's radical rules, the Nebraska Chamber has agreed to sign onto a "friend of the court" brief in legal action (State of West Virginia, Texas, et al. v. EPA) by the U.S. Chamber and National Association of Manufacturers (NAM) – our national affiliates – and 27 states.

We were pleased to see the Supreme Court's decision last Tuesday to temporarily halt the EPA's implementation of the CPP while the legal challenges play out. It is a good first step in the fight to stop the biggest regulatory threat facing Nebraska's economy.

Our economic future – and the ability of our children and grandchildren to prosper – is tied directly to energy reliability and affordability.

Nebraskans who care about keeping electricity affordable for families and businesses need to follow this Supreme Court case closely. ■



electricity is one of the state's most important offerings. A comparison by the U.S. Department of Energy found that Nebraska had the ninth most affordable residential electricity rates from 2014 through 2015. Nebraska had the twelfth lowest commercial rates.

These results are due in large part to Nebraska's public power suppliers, who have come under heavy pressure in recent years due to regulations supported by the current administration and extreme special interests. The CPP unfairly targets coal- and natural gas-powered facilities, which produce approximately 70% of Nebraska's electricity.

As originally proposed, the CPP offered some recognition for existing nuclear power plants – easily the largest single source of carbon free generation in the U.S. and Nebraska. But that was eliminated in the final regulation. This is politics at their worst.

Under the federal mandate, our state would be forced to reduce carbon emissions from power plants by 40%. This despite that in 2013 Nebraska had the 14th lowest carbon emissions of all 50 states – lower than any neighboring state except South Dakota, according to government data.

What does the CPP mean for Nebraskans' electric bills? A study by NERA Economic Consulting of Boston predicts serious financial consequenc-

2016 Annual Meeting Highlights - Continued

This year's inductees into the Nebraska Business Hall of Fame are: **Maurice "Moe" Beardmore** (deceased) of Beardmore Chevrolet, Bellevue; **Tom Henning** of Assurity Life Insurance Company, Lincoln; and **Owen Palm** of 21st Century Equipment LLC, Scottsbluff.

Carey and Brian Hamilton accepted the award in honor of Maurice "Moe" Beardmore, Beardmore Chevrolet.



Owen Palm, 21st Century Equipment LLC.



Tom Henning, Assurity Life Insurance Company



This year's Nebraska Business Hall of Fame Scholarships were awarded to: (Left to right) Justin Korth, University of Nebraska - Omaha; Colleen Anderson, University of Nebraska - Omaha; Jamie McCann, University of Nebraska - Kearney; Tiara Tingle, University of Nebraska - Lincoln; and Brooke Adams, University of Nebraska - Lincoln.

Missing Important Chamber E-Mails?

The Nebraska Chamber has recently heard from members who were not receiving the State Chamber's News Update and Legislative Service.

Please note that State Chamber's mass e-mails are occasionally sent to "junk folders" or are blocked by individual servers.

Also, be aware that if you forward the News Update or Legislative Report to others and those recipients click the "unsubscribe" link at the bottom of the e-mail, your subscription will be deleted.

If you forward the Chamber's e-mails, it is recom-

mended that you remove the unsubscribe text. By removing the unsubscribe link, recipients will not be able to delete your e-mail address from the Nebraska Chamber's e-mail list.

Also, if you have recently changed your e-mail address or have not yet provided it to the Nebraska Chamber, please take a second and e-mail it to Kay Koch at kkoch@nechamber.com or call (402) 474-4422. By providing us your current e-mail address, you will receive important communications from the Nebraska Chamber and get the most from your Chamber membership. ■

Leadership Nebraska Honors 27 Graduates



Twenty-seven Nebraska leaders were honored with certificates and commemorative awards at the State Chamber's Leadership Nebraska commencement ceremony held February 18 in Lincoln.

Graduates are current and emerging leaders from communities throughout Nebraska. Established in 2006, Leadership Nebraska enhances participants' leadership skills, while broadening their knowledge of the issues facing our state.

Barry Kennedy, president of the Nebraska Chamber of Commerce and Industry, said: "Leadership Nebraska is dedicated to the development of informed leaders who can define problems, develop solutions and achieve positions of higher responsibility."

The program includes six two-day sessions held in various locations across Nebraska. Topic areas covered by the sessions include: economic development, healthcare, agriculture, education, and government & policy.

The Leadership Nebraska Class VIII members who graduated February 18, 2016 are:

Cameron Arch, Blue Cross & Blue Shield of Nebraska, Omaha;
Jill Becker, Black Hills Energy, Lincoln;
Silas Clarke, Midwest Hop Producers, LLC, Plattsmouth;
Eric Drumheller, EducationQuest Foundation, Lincoln;
Linda Dugan, PayPal, La Vista;
Andrew Elder, Pinnacle Bank, Wisner;
Josh Erickson, Team Concepts, Kearney;
Kari Haase, Cuming County Public Power District, West Point;
Kyla Habrock, Nebraska Pork Producers Association, Lincoln;
Elizabeth Hilyard, City of Scottsbluff;
Amy Jacobsen, Deputy Douglas County Attorney, Omaha;
Melissa Jarecki, NUCOR Steel, Norfolk;
Meg Klosterman Kester, College of Agriculture Sciences & Natural Resources, UNL, Lincoln;
Scott Lloyd, Ameritas Investment Corp., Lincoln;
Christin Lovegrove, Heinisch & Lovegrove Law Office, PC LLO, Geneva;
Sarah McDonald, Werner Enterprises Inc., Omaha;
Stephanie Mueller, Metropolitan Utilities District, Omaha;
Andrew Niehaus, Nebraska Public Power District, Brownville;
Timothy Nissen, Omaha Public Power District, Omaha;
Shawn Pollock, Mutual of Omaha, Omaha;
Ann Prockish, CenturyLink, Omaha;
Greg Ptacek, City of Neligh Economic Development, Neligh;
Jeffrey Ray, JEO Consulting Group, Omaha;
Kyle Reisenweber, NUCOR Steel, Norfolk;
Darren Robinson, Economic Development Council of Buffalo County, Kearney;
Sara Semin, Robert B. Daugherty Foundation, Omaha;
Thomas Whiteing, Renaissance Financial Corporation, Omaha.

Application forms for the next class of Leadership Nebraska may be submitted until April 15, 2016. For more information on the program, please contact Roberta Pinkerton at (402) 474-4422, or visit www.leadershipnebraska.com. ■



State Chamber's D.C. Fly-In, May 18-19

The State Chamber's 2016 visit to Washington, D.C., will be held May 18-19. All members of the Nebraska Chamber and/or local chambers are invited to participate.

This year's planned activities include:

- Policy briefings from the U.S. Chamber and National Association of Manufacturers.
- Reception at Husch Blackwell, LLP, overlooking the White House and Old Executive Mansion.
- Dinner at The Oceanaire restaurant.
- The traditional Nebraska Breakfast at the U.S. Capitol.
- The annual Nebraska Chamber Congressional Luncheon at the Capitol Hill Club.

Register by e-mailing Jamie Karl at jkarl@nechamber.com or calling (402) 474-4422. Please provide your name and your business and/or organization.

Registration cost for the fly-in is \$85 per person to cover the costs for the Chamber's Capitol Hill luncheon. Send your check to the Nebraska Chamber of Commerce & Industry, P.O. Box 95128, Lincoln, NE 68509 – or call (402) 474-4422 to provide your credit card information.

Participants must plan their own travel and lodging. The \$85 registration fee does not cover your travel or lodging.

A block of rooms has been reserved at the Beacon Hotel, 1615 Rhode Island Avenue, NW in D.C. for our participants. The special room rate is \$265 a night (including up to two days before/after the event). To reserve a room, call (800) 821-4367 no later than April 20 and reference the Nebraska Chamber's D.C. Fly-In. The rate includes a complimentary room upgrade, complimentary wireless Internet, VIP amenities, and access to the fitness center and business center. ■

U.S. Workforce Participation Drops As Retirements, Welfare Enrollments Soar

The availability of skilled and educated workers remains one of the foremost challenges for businesses in Nebraska and throughout the United States. In the manufacturing sector alone, it is estimated that two million U.S. jobs will likely go unfilled over the next decade.

Meanwhile, America's labor force participation rate has plummeted to levels not seen since the 1970s. In December 2015, the labor force participation rate was 62.6%, just off its lowest point since 1977. (For men, the rate has fallen from over 86% after World War II to around 68% today.)

According to research by the Federal Reserve Bank of San Francisco, part of this decline is due to the aging of the workforce, combined with lower participation rates among people in their prime working years (ages 25 to 54), as well as the growing number of individuals enrolled in federal and/or state welfare programs. The CATO Institute reports that the federal government currently funds 126 separate means-tested welfare programs, 72 of which provide either cash or in-kind benefits to individuals, while state and local governments operate additional public assistance programs. Combined, the cost to taxpayers easily exceeds \$1 trillion every year.

Analysts note that the percentage of the working-age population (ages 16 to 64) who received disability benefits more than doubled from 1990 to 2014. The food stamp program – which saw a pre-2008 peak enrollment of 27.5 million recipients in 1994 – today claims around 45 million participants, encouraged in part by the Affordable Care Act, according to analysis by the Associated Press.

The CATO Institute also reports that in 33 states and the District of Columbia, government assistance pays more than an \$8-an-hour job. In 12 states and the District of Columbia, the welfare package is more generous than a \$15-an-hour job. ■



Governor Ricketts Proclaims Chamber Of Commerce



At the State Chamber's 2016 Annual Meeting in Lincoln on February 4, Nebraska Governor Pete Ricketts honored chambers of commerce throughout the state by proclaiming February as "Chamber of Commerce Month."

The governor's proclamation was presented to the leaders of the Nebraska Chamber of Commerce Executives (NCCE).

The proclamation states: "Chambers of commerce play a vital role in shaping Nebraska's future by promoting the free enterprise system that is essential to the success of our society" – while also "providing leadership that helps create and foster an economic climate conducive to growth and development of our great state." The proclamation adds that chambers of commerce enhance the quality of life for our citizens.

Receiving the proclamation from Governor Ricketts were NCCE President Marion McDermott, who is the executive director of the Kearney Area Chamber, and NCCE Advisory Council Chair Dan Mauk, who serves as the new executive director of the Nebraska City Area Economic Development Corp. ■

Marking A Decade Of Success With Nebraska Advantage Act

Nebraska's business incentives have yielded solid results over the past decade. Without incentives, the Cornhusker State would often miss out on new jobs and investments due to its high tax climate. Fortunately, the Nebraska Advantage Act -- implemented in 2006 -- levels the playing field.

Over the past decade, it is estimated that Nebraska Advantage incentives have attracted tens of thousands of new jobs and billions of dollars in

investments across the state. As for the "cost" of these incentives, the unrealized tax revenue triggered by the Nebraska Advantage program in 2014 equaled about 1% of the state government's general fund spending for one year.

New figures provided to the Nebraska Chamber by the State Department of Economic Development show there were 70 Nebraska Advantage applications in 2015 alone. While some

of the applying businesses may fall short of qualifying for incentives, it is worth noting that last year's Nebraska Advantage applications represent private-sector commitments of \$1.8 billion in investments and 33,978 new jobs statewide. When broken down by location, more than 30 of the applications were for projects in "Greater Nebraska" communities -- surpassing the number of applications for projects in either the Omaha metro area or Lincoln. ■

At A Glance: Nebraska's Sales Tax

Forty-five states collect statewide sales taxes. Among them is Nebraska, which levies a 5.5% general sales or use tax on consumers. Nebraska's sales tax rate is below the national median of 5.95%, according to the Tax Foundation, although Nebraska's average local sales tax rate adds another 1.3%. (In Nebraska, local sales and use taxes can be set at 0.5%, 1%, 1.5%, 1.75% or 2%.)

The Tax Foundation reports that Nebraska's state and local governments collect \$1,021 per person in general sales taxes and \$323 per person in excise taxes, for a combined figure of \$1344, which is 19th lowest nationally. When compared to surrounding states, Nebraska's state sales tax of 5.5% is third highest. ■

State Sales Tax Rates (as of July 1, 2015)

Kansas: 6.50% (9th highest)
Iowa: 6.00% (16th highest)
Nebraska: 5.50% (29th highest)
Missouri: 4.23% (37th highest)
South Dakota: 4.00% (38th highest - tie)*
Wyoming: 4.00% (38th highest - tie)
Colorado: 2.90% (45th highest)

* South Dakota applies its sales tax to many services.

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.

BROKEN BOW
Custer Economic Development Corporation
Deb McCaslin

GRAND ISLAND
T & E Cattle Company
Greg Baxter

LEONIA, NJ
Infocrossing, Inc.
Donna Wiseman-Allen

LINCOLN
Capitol City Electric, Inc.
Rodger Dean

Holmes Lake Rehabilitation and Care Center
LaVonne Harrom

RE/MAX Real Estate Concepts
Larry Holmes

Tomorrows Online Marketing
Wayne Boesiger

NEBRASKA CITY
Nebraska City Area Economic Development Corporation
Dan S. Mauk, IOM

NORTH PLATTE
The North Platte Telegraph
Terrie Baker

OMAHA
AAA Bank Nebraska
Bart Qualsett

COMC, LLC/dba SnapStone
Jonathan McIntosh

Midwest Housing Development Fund, Inc.
Lara Huskey

Prochaska & Associates
Donald F. Prochaska

OSMOND
Aschoff Construction
Becky O'Brien

WASHINGTON, DC
Tyson Foods, Inc.
Matthew D. Mika