

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

May/June 2016

## Nebraska Legislature Concludes 2016 Session

Nebraska lawmakers finished the 2016 session April 20. Nearly 450 bills were introduced this year – a tally that does not include resolutions and constitutional amendments. In total, your Nebraska Chamber either took positions on or monitored roughly 250 measures due to their potential impact on the state's business community.

The 90-day session brought some notable achievements for the business community, including State Chamber-supported bills such as:

- LB1022 to extend Nebraska's business incentive programs by an additional three years;
- LB1093 to expand the Intern NE program, which provides financial assistance to businesses that create new internship positions; and
- LB176 to allow meat processors to use custom feeding agreements and contracts with individual producers to expand pork production in the state, while encouraging a new generation of producers to enter the industry.

One of the most notable achievements of the 2016 session was the

enactment of LB960, legislation that created the state's first transportation infrastructure bank, which will expedite work on Nebraska's major highway projects.

Supported by the State Chamber, the infrastructure bank bill was carried by Papillion Senator Jim Smith, chairman of the Transportation and Telecommunications Committee, and had the strong backing of Governor Pete Ricketts and his administration.

Representing the business community at the signing ceremony for LB960 was State Chamber Chair-Elect Dirk Petersen, general manager of Nucor Steel in Norfolk, who told news media that the bill was critical for Nebraska's long-term business growth.

By dedicating \$450 million over 17 years, LB960 should greatly accelerate

the completion of more than 130 unfinished miles of four-lane expressways. The new law sets aside \$40 million of the total to help repair and replace county bridges, while \$20 million will be used for transportation-related economic development.

It also allows the Nebraska Roads Department to use a different bidding process (design-build) to complete projects more quickly.

Because LB960 contained an emergency clause, it took effect immediately after the governor signed it.

For a complete list of the major bills that were tracked by the Nebraska Chamber during the 2016 session, see the Chamber's wrap-up edition of the Legislative Report – e-mailed to all members in late April. ■



State Chamber President Barry Kennedy (left) and Chamber Chair-Elect Dirk Petersen (right), general manager of Nucor Steel in Norfolk, are pictured with Transportation & Telecommunications Chair Jim Smith after the governor signed LB960 to create a transportation infrastructure bank.

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**State Chamber Views...**  
*Editorial by Barry L. Kennedy*  
**President**  
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## A Continued Focus On Nebraska's Workforce

Of the many challenges facing Nebraska employers, workforce remains at the forefront.

At last check, there were more than 50,000 private-sector job openings statewide posted on NE Works, the Nebraska Labor Department's jobs listing website. Of course, this comes as the state's jobless rate hovers around only three percent.

Every autumn, the Nebraska Chamber staff traverses the state for our legislative forums. During these forums, we conduct surveys of local chamber members and discuss key issues with business owners and management. As we reported late last year, our most recent survey found that nearly half of respondents cited workforce as the most prominent issue facing businesses today.

For four consecutive years, the lack of available workforce or skilled labor has been the leading concern in the Chamber's survey. Employer challenges include too few applicants for open positions, as well as a lack of necessary skills or training possessed by those who do apply.

The Nebraska Chamber has been working hard to help address the state's workforce woes.

### Intern NE Expansion

One of the most obvious answers to our workforce challenge is to keep young and educated Nebraskans here in the Cornhusker State. The Chamber is a strong supporter of Nebraska's five-year-old internship program – called Intern NE – which was created to give 2- and 4-year college students more work opportunities.

Administered by the Department of Economic Development, Intern NE matches students with employers in high-growth, high-demand industries, while providing financial assistance to businesses that create new internship

positions. This approach makes sense since roughly half of all interns go on to become full-time employees at their places of internship.

Intern NE not only helps businesses, it also helps communities to retain their young people.

During the Legislature's 2016 session, the Nebraska Chamber worked hard to expand Intern NE to ensure that more employers and students can utilize the program. The Legislature passed and Governor Ricketts signed **LB1093**, which eliminates Intern NE's residency requirement for student interns, while allowing high school students in the 11th and 12th grades to participate.

Both of these provisions to amend Intern NE were initially offered in **LB1017**, which had the strong support of the State Chamber. Thanks to Omaha Senators Brett Lindstrom and Heath Mello for their work to expand Intern NE.

If you are an employer – or you are a student looking for a worthwhile, paid internship – go to [InternNE.com](http://InternNE.com) for more information or to register.

### Workforce Housing

Available housing is another workforce concern cited frequently by business leaders, especially those in communities outside of the Omaha or Lincoln areas.

In the State Chamber's latest survey, one-third of respondents said that providing more housing in their community would be the best way to address workforce and population concerns. This is why the Nebraska Chamber recognizes the importance of available housing as an economic development issue.

This session, the Legislature passed and the governor signed **LB1059**, a bill addressing certain local economic development programs.

LB1059 includes language to authorize municipalities to use funds from their LB840 (Local Municipal Economic Development Act) plans for workforce housing.

Another passed bill, **LB884**, includes language to establish a state income tax credit for affordable housing. The State Chamber supported this concept as another tool to address the workforce housing shortage affecting many communities.

We thank the lawmakers who made efforts this session to help address Nebraska's housing challenge.

Despite this year's progress, there is still much more work remaining when it comes to ensuring an adequate, reliable workforce to grow Nebraska's businesses and communities.

The State Chamber will continue to work with lawmakers, the governor, educational leaders and community leaders to create the deep and dynamic labor pool needed to fill the jobs created by a vibrant, 21st century economy.

We welcome input and ideas from our members and our local chamber partners on this important issue. ■

## Help Us Grow Your State Chamber

The Nebraska Chamber of Commerce & Industry has successfully represented the state's business community for 104 years. Today, the State Chamber is at its strongest level ever – with record membership and major legislative accomplishments, and an earned reputation of being the most effective advocate of the state's business sector.

But to expand our influence and compete with opposing interests, we must grow our membership base.

Take a minute and let us know of businesses and individuals who would benefit from the services provided by the State Chamber.

Enclosed with this issue of The Executive is a form to help us identify new member prospects. By providing us with the names of potential new members, you will help us grow your Nebraska Chamber and ensure the organization's continued success throughout the 21st century. ■

## Save The Date: Chamber's Federal Legislative Summit Is Aug. 4

## At A Glance: Nebraska's State And Local Taxes

**P**lan to attend the annual Federal Legislative Summit on Thursday, Aug. 4, 2016, at the Strategic Air & Space Museum near Ashland (I-80 Exit 426).

This will be the eighth consecutive year for this high profile event hosted by the Nebraska Chamber, along with the Lincoln and Omaha Chambers.

The 2016 Federal Legislative Summit will feature an update on important federal issues from Nebraska's U.S. senators and congressmen (invited), as well as a special presentation by keynote speaker Jay Timmons, president and CEO of the National Association of Manufacturers (NAM). Mr. Timmons was recently named Association Executive of the Year by "Association Trends" magazine.

Other planned highlights of the summit will be presentations from experts addressing Nebraska's current workforce and skilled labor shortage, as well as an update on efforts to retain and grow Offutt Air Force Base, which brings the state an estimated \$1.3 billion in annual economic activity. Offutt is one of Nebraska's largest employers with approximately 10,000 military and civilian personnel.

More information on this year's Federal Legislative Summit, including how to register, will be available soon. ■

**S**tudies show that a high tax climate impedes job growth and new investment. That is why the Nebraska Chamber spends a considerable amount of time and resources to educate state senators and other decision makers about Nebraska's taxes and their effect on the business community.

The Tax Foundation in Washington, DC, recently examined the burden of Nebraska's sales and income taxes – the primary taxes collected by state government. Here is what the Foundation reports:

- **INCOME TAXES:** In 2013, the latest year available, Nebraska's personal income taxes were \$1,124 per person, according to the Foundation – the 18th highest in the United States. Nebraska's top personal income tax rate of 6.84% is the 15th highest rate among the states, while Nebraska's maximum corporate income tax rate of 7.81% is 16th highest.

- **SALES TAXES:** In 2012, Nebraska's state government and local governments collected \$1,021 per person in general sales taxes and \$323 per person in excise taxes, for a combined \$1,344. The state levies a 5.5% general sales or use tax on consumers, which is below the U.S. median of 5.95%. The average local sales tax rate is an additional 1.3%. ■

## State Chamber Continues Recruiting Vets To Nebraska

**I**n late April, a group of Nebraskans traveled to Ft. Riley, Kansas, to be part of that installation's jobs fair for individuals separating from the Army, as well as retired military veterans.

The visit was part of the State Chamber's "The Good Life for Veterans" initiative, in which the Chamber has partnered with the Nebraska Department of Labor, private employers, community colleges and veteran support groups to recruit more veterans to the Cornhusker State.

Nebraska Chamber staff will also participate in other military job fairs in nearby states, including Fort Carson, near Colorado Springs, Colorado, on May 19; and Ellsworth Air Force Base, near Rapid City, South Dakota, on June 29.

The State Chamber's "Vision Nebraska" initiative has identified the availability of qualified and skilled labor as the leading concern of Nebraska employers. A recent Nebraska Chamber survey indicated that more than half of respondents statewide had experienced difficulty in

hiring qualified or skilled employees during the past year. One in four respondents cited the lack of qualified workers as the key issue limiting their business growth.

Joseph Young, who leads the Chamber's "Vision Nebraska" initiative, said: "Nebraska receives positive attention because of its low unemployment rate. However, low unemployment means there are relatively few Nebraskans available to fill the more than 50,000 current job openings in our state. 'The Good Life for Veterans' campaign lets veterans know they are wanted in Nebraska and that great career opportunities are available right now."

Military veterans offer a vast range of skills and abilities, a strong work ethic and proven self-discipline, Young said. In addition, they are mobile and are willing to relocate for career and educational opportunities.

For questions about the initiative, contact Joseph Young at (402) 474-4422 or [jyoung@nechamber.com](mailto:jyoung@nechamber.com). ■



**Pictured here is Joseph Young, Executive Vice President of the State Chamber's "Vision Nebraska" initiative, speaking with a job-seeking soldier at the Fort Riley jobs fair on April 20.**



# Chamber PAC Preparing For 2016 Election

When it comes to the philosophical makeup of the Nebraska Legislature, much is at stake in this year's election.

This marks the sixth consecutive cycle in which Nebraska's term limits law will play a significant role, as 11 state senators are term limited and another 14 are seeking re-election. In total, 25 of the state's 49 legislative seats will be on this year's ballot.

That's why this is another busy year for the State Chamber Political Action Committee (PAC), which serves as a separate, political arm of the Nebraska Chamber. The PAC's mission is simple: To elect business-minded representatives to the Legislature.

The Chamber's staff has dedicated a considerable amount of time in helping recruit good candidates who understand the challenges facing the business community.

State Chamber staff has also met personally with candidates to assess their qualifications and business acumen.

Through the Nebraska Chamber PAC, political investments are consolidated with those of other businesses from across the state, ensuring that individual donations have a more dynamic impact on key legislative races.

"The State Chamber PAC has repeatedly demonstrated its worth," Nebraska Chamber President Barry Kennedy said.

"Electing the right people to Nebraska's Legislature is the most effective way to ensure your business interests are respected and recognized."

For more information on how you or your business can contribute to the State Chamber PAC, call (402) 474-4422 or e-mail Makayla Oltjenbruns at [moltjenbruns@nechamber.com](mailto:moltjenbruns@nechamber.com). ■

## 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.

### ALDA

**Nebraska Fire Sprinkler Corporation**  
Michael Evers

### ALLIANCE

**21st Century Equipment LLC**  
Chad Propp

### PREMA

Ryan Reiber  
*Recommended by: Keith Harvey, North Central Public Power District, Creighton*

### BEATRICE

**Rare Earth Salts LLC**  
Kayla Brewer

### BRIDGEPORT

**21st Century Equipment LLC**  
Lloyd Harding

### CAMBRIDGE

**Tri Valley Health Systems**  
Deborah Herzberg, RN, MS, FACHE

### CENTENNIAL, CO

**Elk Creek Resources Corp./NioCorp**  
Jim Sims

### CENTRAL CITY

**Central City Area Chamber of Commerce**  
Angie Cordsen

### GORDON

**21st Century Equipment LLC**  
Rod Bailey

### HOLDREGE

**Landmark Implement – Corporate**  
Andy Grollmes

### IMPERIAL

**21st Century Equipment LLC**  
Larry Talbott

### LINCOLN

**Nanonation, Inc.**  
Bryan Fairfield

### **Nebraska Manufacturing Extension Partnership**

Curtis L. Weller  
**Nebraska State Fair 1868 Foundation**  
Lindsey Koepke

**We Support Agriculture**  
Ansley Mick

### MARTIN, SD

**Lacreek Electric Association Inc.**  
Wayne Sterkel

*Recommended by: Keith Harvey, North Central Public Power District, Creighton*

### NEBRASKA CITY

**Nebraska City Tourism & Commerce, Inc.**  
Amy Allgood  
*Recommended by: Dan Mauk, Nebraska City Area Economic Development Corp.*

### NORFOLK

**Moore Brother's, Inc.**  
Brenda Hendren

### OGALLALA

**21st Century Equipment LLC**  
Greg Hilt

### OMAHA

**UnitedHealthcare**  
Wade Hapgood

### SCOTTSBLUFF

**21st Century Equipment LLC – Corporate Office**  
Owen Palm

### **21st Century Equipment LLC**

Scott Helt

### **21st Century Water Technologies**

Chad Schneider

### SCOTTSDALE, AZ

**Nextiva**  
Yaniv Masjedi

### SHENANDOAH, IA

**KMA Broadcasting, L.P.**  
Ed May, Jr.

### SIDNEY

**21st Century Equipment LLC**  
Joel Hardy