

For

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

MANUFACTURERS Only



Summer 2016

NEBRASKA CHAMBER TALKS BUSINESS IN WASHINGTON, D.C.

The Nebraska Chamber of Commerce & Industry's annual Washington, D.C. Fly-In was held May 18 and 19. This year, 45 State Chamber members participated in the event, including four State Chamber board members and a large delegation from Columbus. Representatives from the Lincoln, Grand Island and Omaha Chambers also attended.


The fly-in commenced May 18 with the traditional Nebraska Breakfast on Capitol Hill, where participants heard from all five members of the congressional delegation, while meeting with other Nebraskans visiting the nation's capital. Later in the day, the group received a briefing on key issues at the headquarters of the National Association of Manufacturers (NAM). Participants then traveled to the Eisenhower Executive Office Building to meet with administration officials – including Nebraska native Ambassador Darci Vetter, chief agricultural negotiator for the U.S. – to discuss the latest developments surrounding the Trans-Pacific Partnership (TPP) trade agreement.

During the evening of May 18, 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 Steve Martin, CEO of Blue Cross & Blue Shield of Nebraska, presented Senator Fischer the U.S. Chamber's "Spirit of Enterprise Award" in recognition of her 2015 voting record supporting pro-growth, pro-jobs policies.

On May 19, participants started the day with briefings at the U.S. Chamber's headquarters. Rob Engstrom, the U.S. Chamber's senior vice president and the national political director, met with participants to provide his perspective on the current election cycle and political landscape. The group then returned to Capitol Hill for the State Chamber's annual luncheon, where all five members of the Nebraska congressional delegation addressed specific issues of concern to the business community. Following the luncheon, Senator Fischer's staff conducted a tour of the U.S. Capitol building for those participants who wanted to learn more about the historical highlights of the structure.

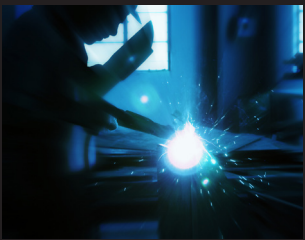
Although many issues were discussed during the fly-in, the following issues were mentioned most often:

- Department of Labor rules regarding overtime pay;
- OSHA's proposed rules to require public reporting of workplace injuries;
- EPA regulations impacting the energy sector;
- Transportation infrastructure funding; and
- Potential tax reform in 2017.

The 2016 D.C. Fly-In was sponsored by Blue Cross & Blue Shield of Nebraska; Nebraska Public Power District; HDR, Inc.; Novozymes; Behlen Mfg. Co.; and Home Instead Senior Care. 

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.

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IMAGES FROM THE CHAMBER'S D.C. FLY-IN



State Chamber Chairman Steve Martin introduces Nebraska's Third District Rep. Adrian Smith at the Chamber's Capitol Hill luncheon.

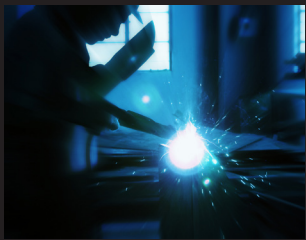


Many of the fly-in participants took part in the issues briefing at the U.S. Chamber.



Fly-in participants filled much of the room during the traditional Nebraska Breakfast on Capitol Hill.

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IMAGES FROM THE CHAMBER'S D.C. FLY-IN

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Clockwise from top left: 1.) U.S. Senator Deb Fischer addresses fly-in participants during the State Chamber's luncheon at the Capitol Hill Club. 2.) Ambassador Darci Vetter, chief agricultural negotiator for the U.S., discusses trade issues with Behlen Mfg. Chairman and former State Chamber Chairman A.F. 'T.R.' Raimondo and Terry Heimes, COO of Nelnet and a State Chamber board director. 3.) Novozymes' Kyle Nixon and Amy Davis discuss their priorities with First District Rep. Jeff Fortenberry. 4.) D.C. Fly-In participants are briefed on the details of key legislation at the headquarters of the National Manufacturers Association.

Key Facts About New Overtime Regs

Despite vocal opposition from the business community, the U.S. Labor Department (DOL) on May 17 finalized a new rule that is expected to make an additional 4.2 million salaried workers eligible for overtime pay. DOL's final rule increases the federal overtime salary threshold 100 percent – a devastating amount for small and mid-sized businesses, municipalities, educational institutions, non-profits and other employers.

The rule, which takes effect December 1, raises the salary threshold at which white-collar (salaried) workers are exempt from overtime pay from \$23,660 to \$47,476. The threshold will automatically update every three years.

These new rules will present considerable challenges to both employers and employees – which is why the Nebraska Chamber (along with its national affiliates, NAM and the U.S. Chamber) support pending legislation to block the rule and instruct DOL to go back to the drawing board.

Here are the key elements of DOL's overtime regulation, as finalized:

1. Salary Threshold Changed to \$913/week (\$47,476 per Year)

This threshold doubles the current salary threshold level. While this level is slightly lower than the threshold in the original draft of the rule, it still encompasses many employees that are currently classified as exempt. The business community is disappointed that DOL did not offer a more reasonable increase pegged to, as it was in the past, a level designed to identify those employees that are clearly not engaged in exempt-type work, rather than deliberately expanding the number of employees eligible for overtime.

2. Automatic Salary Threshold Increases Every Three Years to Maintain Level at 40th Percentile in Lowest-Wage Census Region

DOL reduced the frequency of the automatic increases in response to concerns raised by

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Key Facts About New Overtime Regs

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the business community. Instead of annual increases, the threshold will be adjusted every three years to maintain the level at the 40th percentile of full-time salaried workers in the lowest-wage census region. However, this automatic update to the salary threshold does not allow the government to take into account changing economic conditions, specific impact on certain industries, or regional differences. It also denies the public the ability to have input on the threshold as required by the regulatory process.

3. Duties Test is Unchanged

DOL made no changes to the standard duties test. The absence of a duties test change is a significant win for the thousands of stakeholders who expressed concern in this area.

4. Effective Date is December 1, 2016

The final rule goes into effect on December 1, 2016. Employers in conjunction with their HR professionals should review their current workforce immediately to determine which employees are affected, whether to re-classify those employees or increase salaries to maintain exempt status, and devise a communications strategy. Employers will also want to keep in mind the periodic adjustments and set a regular review process.

5. Highly Compensated Employee (HCE) Exemption Is Now \$134,004 Per Year

The final rule increases the salary threshold for HCE's to \$134,004, instead of the proposed \$122,148. The new regulation retains the methodology in the proposed rule setting

the threshold at the 90th percentile of full-time salaried workers nationally. This threshold will also be updated every three years.

6. Up to 10% of the Salary Can Come From Bonuses or Commissions

DOL floated allowing a 10% credit for bonuses or commissions and this is what they included in the final regulation. However, for employers to credit non-discretionary bonuses and incentive payments toward a portion of the standard salary level test, such payments must be paid on a quarterly or more frequent basis and the employer is "permitted" to make a "catch-up" payment. More specific details of this new development are still unclear.

7. Advocacy in Congress is Even More Important Now

Now that we know what's in the final regulation, the need for Congress to act is clear. Congress must pass the Protecting Workplace Advancement and Opportunity Act (S. 2707 and H.R. 4773), which would nullify this rule and require DOL to perform an economic analysis of how changes to overtime regulations will impact employers in vulnerable industry sectors before issuing a new rule. The bill would also prohibit any future proposal from including any automatic update mechanism.

For more information, visit www.protectin-gopportunity.org – published by the Partnership to Protect Workplace Opportunity, a coalition of business interests – to quickly and easily send an email to your members of Congress to ask that they co-sponsor this important workplace legislation. ■

NEBRASKA DROPS IN LATEST RANKING OF AVERAGE ELECTRICITY PRICES

In a comparison of average electricity retail prices from all 50 states, Nebraska comes in at 16th lowest nationally. That's according to 2015 data compiled by the U.S. Chamber's Institute for 21st Century Energy and the U.S. Energy Information Administration.

While Nebraska remains in the top 20 for lowest electricity prices -- at 9.04 cents per kilowatt hour -- the Cornhusker State has become less competitive in recent years as public power continues to come under pressure from federal regulations negatively affecting coal-fired generation. According to the U.S. Chamber, the EPA is pushing some of the most burdensome and restrictive energy regulations in history, driving up electricity costs in most states.

In the 50-state comparison, Nebraska trails No. 4 Wyoming (7.95 cents/kwh) and No. 9 Iowa (8.47 cents), but is ranked above No. 18 Missouri (9.30 cents), No. 19 South Dakota (9.31 cents), No. 30 Colorado (9.78 cents), and No. 32 Kansas (10.06 cents). ■


HELP US GROW YOUR STATE CHAMBER

The Nebraska Chamber of Commerce & Industry has successfully represented the state's manufacturing 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 manufacturing sector.

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

manufacturing 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. 

AT A GLANCE: NEBRASKA'S STATE AND LOCAL TAXES

Studies 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 lawmakers 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 two 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%. 

SAVE THE DATE: CHAMBER'S FEDERAL LEGISLATIVE SUMMIT IS AUG. 4


Plan to attend the annual Federal Legislative Summit on Thursday, Aug. 4, 2016, at the Strategic Air Command (SAC) & Aerospace Museum, located between Lincoln and Omaha near Interstate 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.

For more information on this year's Federal Legislative Summit, including how to register, see the flyer at the end of this newsletter. To register on-line, please visit: www.nechamber.net/event/2016-federal-legislative-summit. 



Nebraska Legislature Concludes 2016 Session

Nebraska lawmakers finished their 2016 session on April 20. Nearly 450 bills were introduced during this year's session – 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 of 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 with 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.

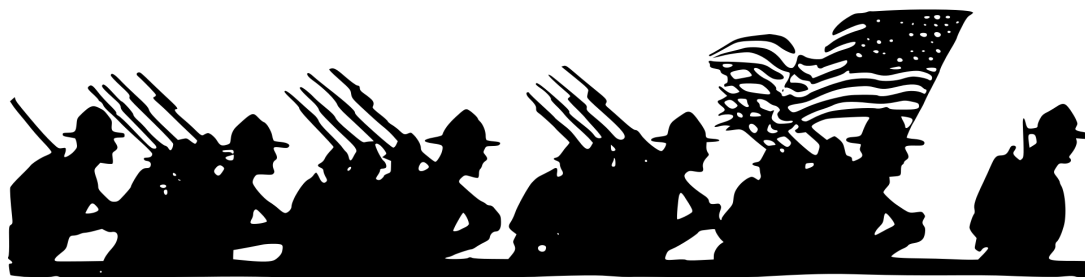
It also allows the Nebraska Roads Department to use a different bidding process (design-build) to complete projects more quickly.

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. Or call the State Chamber at (402) 474-4422 if you need a copy of the Legislative Report wrap-up issue. □



Left: State Chamber President Barry Kennedy (left) and Chamber Chair-Elect Dirk Petersen, 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.



STATE CHAMBER CONTINUES RECRUITING VETS TO NEBRASKA

This spring, Nebraska Chamber staff traveled to Fort Riley, Kansas, and Fort Carson, Colorado, to be part of the installations' jobs fair for individuals separating from the Army, as well as retiring military veterans.

The visits were 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 veterans groups to recruit more military veterans to the Cornhusker State.

Nebraska Chamber staff will participate in more upcoming military job fairs in nearby states, including 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 among 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 more information about "The Good Life for Veterans" initiative, contact Joseph Young at (402) 474-4422 or jyoung@nechamber.com. □



Pictured is Joseph Young (left), Executive Vice President of the State Chamber's Vision Nebraska initiative, receiving an award from the U.S. Department of Defense in recognition of the Nebraska Chamber's efforts to recruit veterans and help them find employment. The award was presented at the jobs fair at Fort Carson, Colo.



CHAMBER PAC PREPARING FOR 2016 ELECTION

When it comes to the philosophical make-up 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 and 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. □



MANUFACTURING DAY SET FOR OCTOBER 7

Manufacturing Day is a celebration of modern manufacturing meant to inspire the next generation of manufacturers. The Nebraska Chamber has learned through its national affiliate, the National Association of Manufacturers, that Manufacturing Day 2016 will be recognized on October 7.

However, any day can be a Manufacturing Day. Companies and community organizations should plan their Manufacturing Day events on the date that works best for them and their community.

While details are still being planned for a Nebraska-specific Manufacturing Day, manufacturers throughout the state are encouraged to open their doors to the public and elected officials -- to share their stories and spotlight their operations that make modern manufacturing among the most rewarding careers in America today. Technical colleges and other educational institutions can organize their own Manufacturing Day events or collaborate to invite students, educators and officials to local Manufacturing Day open houses.

Visit www.mfgday.com to learn more and watch for updates in the Nebraska Chamber's News Update and other publications. □

2016 Federal Legislative Summit



August 4, 2016
Strategic Air Command & Aerospace Museum
Ashland, NE
~ 8:00 a.m. - 1:00 p.m.

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

Don't miss your chance to participate in this important public policy event!

The Nebraska Chamber of Commerce & Industry, along with the Lincoln Chamber and the Greater Omaha Chamber, will or again host this summit to address key federal issues. Hear directly from Nebraska's federal delegation and other experts important policy matters and learn more about the topics that could impact your business and ability to grow.

LEGISLATIVE SUMMIT HIGHLIGHTS

- ▼ Doors open at 7:30 a.m. with welcoming remarks at 8:30 a.m.
- ▼ An update on key federal issues from Nebraska's U.S. senators and congressmen (invited);
- ▼ A special presentation by keynote speaker Jay Timmons, president and CEO of the National Association of Manufacturers (NAM), the largest manufacturing association in the U.S.
- ▼ An in-depth look at Nebraska's workforce and population trends; and
- ▼ An update on efforts to retain and grow Offutt Air Force Base, which brings Nebraska an estimated \$1.3 billion in annual economic activity.
- ▼ A continental breakfast and lunch will be served
- ▼ Adjourn at 1:00 p.m.

Jay Timmons

Jay Timmons is president and CEO of the National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing small and large manufacturers in every industrial sector. He became NAM president in January 2011.

Jay is a leading advocate for the nearly 12 million men and women who make things in America, educating the public and policymakers on issues that affect this critical sector of the U.S. economy. He promotes a broad-based agenda to strengthen U.S. competitiveness and bring about a manufacturing renaissance.

Jay's knowledge and expertise is valued and respected by influential policymakers on both sides of the aisle in Congress and the Administration. He knows how to navigate the complexities of the policymaking process in the nation's capital and brings with him an exceptional understanding of manufacturing issues.



The Legislative Summit offers sponsorship opportunities to get your business recognized before a large target audience. Businesses or organizations interested in sponsoring should contact James Berringer with the State Chamber at 402-474-4422 or jberringer@nechamber.com

RSVP Today! You may register online at <https://www.nechamber.net/event/2016-federal-legislative-summit> or mail this form to Legislative Summit, P.O. 95128, Lincoln, NE 68509, or fax to 402-474-5681, or e-mail cvolnek@nechamber.com by July 25, 2016.

AUGUST 4, 2016 - STRATEGIC AIR COMMAND (SAC) & AEROSPACE MUSEUM

(Between Lincoln and Omaha on I-80 - Exit 426)

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