



joliet region
CHAMBER of COMMERCE
& industry



STATE LEGISLATIVE AGENDA



2017/18

2017/18 STATE POLICY AGENDA

BUDGET

- We urge Democrats and Republicans to come together and negotiate in good faith to pass a FY '17 budget as soon as possible and pass a FY '18 budget on time.
- Long term budget projections are needed to help stabilize the State's yearly budget process. The State should implement, at a minimum, a three year revenue and expense projection by program. Long term planning and projections can aid in the certainty businesses are looking for.
- Implement a payment plan (possibly with borrowing) that addresses the back-log of unpaid bills. This monetary infusion could and should jump start the economy.
- Agencies need to take a very tough look into possible cuts. Each agency should be able to commit to a percent decrease based on reduction of ineffective, high cost, and low quality programs.
- Reform should start first with areas that have exact monetary impact, such as Procurement, Workers' Comp, and Mandates.
- The State of Illinois has gone far too long (2001) without a true balanced budget. Decreased Credit Rating, a Bill Backlog of \$12 to \$13 billion, and a population loss of 37,000 individuals indicates a need to change the way the State of Illinois functions.
- Recent stopgap budgets are ok for short-term fixes, but do not solve long-term issues. The time is now to end this impasse.

TRANSPORTATION

- Modern and efficient transportation resources are crucial, not only to reviving the Illinois' economy, but also to maintaining and enhancing the economic vitality of the state. Illinois has grossly underfunded our basic transportation needs to the point where our backlog of investment needs has been at crisis levels. The Governor and General Assembly must take immediate action to develop and implement a capital spending plan so that our State's transportation infrastructure needs and economic activity do not continue to languish.
- The Chamber strongly urges the Governor and General Assembly to set aside funds in a capital spending plan to address future expansion of these roadways. Both Interstates (80 & 55) are in critical need of expansion to accommodate significant truck traffic traveling to and from the intermodal developments (as well as future planned development) within the region.
- I-80, an extremely important link in the country's interstate system, could use additional lanes from Route 30 to at least Ridge Road to provide safer and more efficient travel by the public. In the center of the Joliet corridor is the Des Plaines River Bridges, two aging structures that carry an anticipated \$250 million plus price tag for replacement. The segment of this Interstate through Will County is the only location in the country to have a reduced 45 mph speed limit and is a recognized bottleneck for national freight movement. The Chicago Street/Route 53 ramp has become far too dangerous and is in immediate need for improvements.
- I-55 could use additional lanes from I-80 south to at least IL Route 129 to provide safer and more efficient travel by the public. The I-55 and Weber Road interchange area has seen tremendous population and employment growth since initial construction in 1990. Severe congestion in this area has led to delays and has developed a chokepoint. Addition of new interchanges at Airport/Lockport Rd. and IL 126 would be an asset.
- We applaud the Private/Public Partnership plan to construct a new bridge connecting the northern end of the Inland Port with the existing Houbolt Road interchange on I-80. Future projections show truck traffic volumes growing dramatically on I-80 through Will County in future years without a new East/West alternative, like the proposed Illiana Expressway. We hope this alternate route is still considered in the future.
- The I-55 / Seil Road corridor has received recent attention to further a massive project at the crossroads of I-55 and I-80 to accommodate a development impacting the entire region. We support and urge all parties to continue working on all possible funding (P3) to make this project a reality.

2017/18 STATE POLICY AGENDA

EDUCATION

- Legislators have long talked about the need for education funding reform without seeking serious steps toward change. We urge all to act in good faith to seek a resolution on this issue. The education funding formula and the funding mechanism both need revision. Funding levels provided by the State are inadequate and unfunded State mandates are unrealistic.
- Local school boards and administration face the task of funding relief through local tax referendum increases – most often with no success. We need to make education funding a true priority, seeking new and reasonable sources of funding (with equitable levels across the board) apart from the current property tax system.
- The Chamber supports legislation that will strengthen the articulation and accessibility between our education system and workforce needs. In particular, legislation that strengthens the links between high schools and employers through community-based learning programs, workforce development programs, and partnerships that will build employment related skills among students.
- Programs that enhance the ability of Community Colleges to educate and re-train the unemployed are a crucial need in our State. Additional funding for Community Colleges to expand their teaching programs and enhance aging facilities must not be overlooked.
- We support the need for MAP Grant funding and its importance to those who receive as long as there is a viable revenue source to cover funding levels.
- The Chamber is currently weighing the issue of Pension Funding and the potential shift from the State to School Districts. Strong consideration should be given to the impact it has on the State Budget.

PENSIONS

- The General Assembly can no longer pass unfunded pension mandates on local governments. State mandates on local governments should be funded or should at least be consistent with how the State handles its own pension liabilities.
- Current pension payments need to be a required priority in order to bring down the \$120 billion plus unfunded liability. In addition, review the pension ramp to confirm the validity of an affordable and realistic time table to reach the 90% funded ratio.
- Illinois is currently spending approximately 20-24% of its annual revenue (general funds) to fund public employee retirement, and the percentage allocated through 2045 will be constant between 22.8% and 24.9% according to a COGFA report. This path is fiscally unsustainable. Pension costs will crowd out spending on education, public safety, transportation and nearly every government service except interest on our debt. We cannot allow this to happen and must act now.
- Review models within the state and across the country that are working and work towards reform going forward that will ensure greater cost-sharing and program flexibility.
- Efforts on proposed legislation that mirrors change that has been already deemed unconstitutional such as future increases vs. pay raises is likely to continue to be challenged. We are interested in monitoring proposals that include lump sum payouts to inactive participants, private buyouts, and Tier III self managed plans for new hires.

GAMING

- The Chamber continues to strongly OPPOSE the expansion of gaming in Illinois. The increased revenue suggested by those who favor expansion is suspect at best. In the last three years over 19,000 VGTs have been installed in Illinois. That equates to 15 new casinos.
- While gaming revenues are certainly important to our State, we need to be fair with those casino investors who originally took the risk by investing millions of dollars in our communities.

2017/18 STATE POLICY AGENDA

WORKERS' COMPENSATION

- The Chamber believes that meaningful workers' compensation reform is essential to a thriving economy and increased development in our Region and State. Illinois has an issue with workers' compensation premiums being much higher (7th highest in nation) than in other states due to reasons with our system. Economic Development, expansion, hiring of employees, and increased wages are all areas that suffer due to premiums.
- In addition to those in the private sector, Non-profit and Government entities also face these increased premiums which in turn become a burden on the taxpayer.
- Adding new penalties on Employers will not lead to improvements. Illinois job creators need comprehensive and meaningful reform of the Workers' Compensation Act that will significantly reduce costs for employers – private and public sector - while protecting the rights of legitimately injured workers and ensuring their access to quality health care.
- We look to a causation standard change from "any cause" to a "major contributing cause." Responsibility greater than 50% at work would bring Illinois in line with 29 other states.
- Traveling employee language needs to be cleaned up, and eliminate coverage which an employee is exposed to the same risk as the general public (neutral risk). Travel should be covered in the instance of performing job duties rather than language that covers if an "errand" is substantial.
- AMA Guidelines should be strictly followed to measure permanent partial disability (PPD) and a more balanced view of the medical condition through full medical records review is essential in determining awards.
- The Chamber supports review of minimum wage replacement ratios and a more moderate amount for maximum awards. In addition, situations in which employers are responsible for 100% of pre-existing conditions needs to be updated. Hopeful future change would allow employers to cover the percentage that was caused by actual work as determined by arbitration.

HEALTH CARE & INSURANCE

- Medicaid liabilities continue to grow despite the reforms that were passed previously that were rolled back by the legislature. Medicaid liability doubled between 2003 and 2015, growing from \$6.4 million to \$12.7 million.
- Chamber supports aggressive investigation to curb fraud. We support the practice of bulk purchasing and competitive bidding as ways to decrease costs.
- Hospitals and Doctors are owed millions of dollars in back pay from the state for services provided under Medicaid. In addition, local health departments have cut back on hours and services
- Taxing local hospitals hurts the communities they serve and diverts dollars that could be used to care for patients, and to upgrade equipment, modernize facilities and hire needed staff.
- Hospitals already provide \$5.5 Billion in benefits to their communities annually, including more than \$1 Billion in charity care alone (measured at cost).
- Hospitals are also strong economic drivers in their communities, generating \$88.8 Billion annually for their local and state economies as well as employing more than a quarter million people, generating nearly 500,000 direct and indirect jobs.

TERM LIMITS

- Illinois is one of 11 states without term limits.
- Public opinion strongly favors term limits for elected officials and we are currently reviewing view points from both sides of the issue, especially limits on leadership positions.

2017/18 STATE POLICY AGENDA

MINIMUM WAGE

- Increases in minimum wage fall disproportionately on small businesses that are least able to afford such a dramatic increase in labor costs. It also affects employers by increasing unemployment insurance and workers compensation insurance rates as well as Social Security and Medicare taxes. These increased costs may well force employers not to invest in business expansion and additional positions. Increases may require the layoff and/or reduction in hours of current employees.
- Our neighboring states of Indiana, Iowa, Kentucky, and Wisconsin all have minimum wage levels of \$7.25 and Missouri is \$7.70. Any increase may affect business location decisions, especially coupled with the highest unemployment rate of these states as well.

TAXES – INCOME, PROPERTY, AND SERVICE

- We support and promote a competitive and fair tax climate that encourages entrepreneurship, investment and job creation. If any consideration was given to a tax increase, it would have to be coupled with major reforms.
- We oppose any tax that hinders a pro-growth policy. Recent proposals to include service tax on a limited number of industries is worrisome. We are interested in consideration of an across the board minimal service tax, coupled with a reduction in the 6.25% sales tax.
- The Chamber is currently reviewing proposed consolidation of Township Government and the impact it could have on the State Budget.

NON-PROFIT / SOCIAL SERVICE GROUPS

- The budget impasse is causing a severe financial drain and service impact on local providers. Agencies with state grant funded programs have not been paid since July 1 causing a loss of services, staff layoffs, and major cash flow issues impacting the safety net of services.
- Social service agencies face a workforce crisis due to low staff wages as a result of inadequate/low reimbursement levels from the state. Service providers experience an average staff turnover rate of 25%.
- Human service agencies suffer from low state reimbursement levels that fail to keep up with the actual costs of providing services. UIC and Illinois Partners for Human Service recently conducted a study of human service rates which indicates reimbursement rates need to increase significantly as rates have not kept up with inflation as measured by CPI.

BUSINESS GROWTH & RETENTION

- We seek to identify and address local business concerns that pertain to the economy and correct those that negatively impact the business climate.
- Illinois' small businesses operate in an environment that includes high taxes, uncertainty generated from budgetary deadlock in the State Capitol and an economic recovery that has not kept pace with the rest of the nation. We support legislation that will reverse this trend.
- We strongly believe a centrally located, national transportation hub coupled with a highly skilled and diverse workforce positions our state to thrive once unnecessary hurdles are overcome.

LEGISLATIVE COMMITTEE MISSION

"To advance the interests of businesses, organizations, and institutions within the Joliet Region on the local, state, and federal level. "

CHAMBER MISSION

"To advance the interests of business, professional and service organizations in the Joliet Region, acting as their voice in governmental and social affairs, communicating and servicing their needs, and thereby enhancing the business environment and the local quality of life."



www.jolietchamber.com • 815-727-5371 • info@jolietchamber.com