



2012 Legislative Position Statements

The Burlington/West Burlington Area Chamber of Commerce exists to be a catalyst for economic growth and community development in Des Moines County. It is imperative that a successful chamber work within the political realm to advocate positions important to business. The purpose of this set of position statements is to reflect those issues that this Chamber believes are in the best interests of the business community in Greater Burlington and Des Moines County. These statements reflect the opinions of membership as measured by the annual "Political Action Agenda Survey", are recommended by the Government Affairs Committee and are adopted by the Chamber Board of Directors.

The federal government, State of Iowa and our local community must do everything possible to encourage investment and job creation. There is an alarming trend to take business for granted and assume that the factories, shops and offices will always be there and that business can and will overcome the impacts of rising taxes and fees and increased regulation. Businesses have the option to do business in other communities, states and countries.

The 2012 "Political Action Agenda Survey" revealed serious concerns on the part of businesses in our community. Businesses feel threatened and uncertain about the future. When business lacks confidence, decisions to expand and add employees are deferred. There is no sustainable recovery without healthy, vibrant private sector business climate. Full attention needs to be paid to creating an environment where business can compete and succeed.

POSITION STATEMENTS

LOCAL ISSUES

■ **Local Government Finances**

Local government, including the cities, county and school districts must recognize the impact of the growing tax burden and exercise great restraint with regard to budgets and tax increases. Property taxes are a serious threat to economic growth in Des Moines County.

■ **Growth Partnerships**

There are many good examples of how local units of government have partnered with private for profits, private nonprofits and other public entities to create positive opportunities for the region. Models of cooperation and mutual benefit should be explored and implemented wherever possible for the benefit of all concerned.

■ **Shared Services**

All public entities should explore any and all opportunities to share services and resources to a goal of reducing cost and improving efficiency. The public entities are encouraged to participate in shared strategic planning for the purpose of avoiding duplication and reducing costs, while improving services to residents and commercial property owners.

STATE ISSUES

Business Climate/Economic Development

■ **State Finances**

Businesses want to locate and do businesses in states that are well managed and in sound fiscal condition. Business seeks stability. It is imperative that the State of Iowa continue to focus on operating within a balanced budget and the limit the size and growth of government. The State of Iowa must not balance its budget on the backs of local units of government.

■ **Right to Work Status**

From a competitive standpoint for both new business attraction and existing business expansion it is imperative that Iowa retain its Right to Work status without modification.

■ **Property Tax Reform**

The reform of Iowa's commercial and industrial property taxes must be must be a top economic development priority in the 2012 session. The current level of commercial property tax is a barrier to small business growth and business location in Iowa.

■ **Worker's Compensation**

Care should be taken to not make changes to the worker's compensation system that add cost to the employer or that will be interpreted as unfavorable to the employer. Decisions about which plant to close or where to open a plant are influenced by these criteria.

■ **Tax Increment Financing (TIF)**

TIF has been a critical tool for local communities in their economic development efforts. This tool must be preserved.

■ **Enterprise Zones**

The Enterprise Zone program offers a powerful incentive to promote capital investment and encourage aggressive research and development. The program should be preserved but modified to designate entire counties as eligible zones instead of specific geographic districts within a community.

■ **Targeted Jobs Tax Credit Program**

The Targeted Jobs Tax Credit program is a very valuable tool for Burlington and the other eligible communities. The program should be retained. The Partnership supports an extension of the program to communities of less than 4,000 population which are contiguous to an eligible pilot community.

■ **Income Tax**

Iowa's income tax system must be simplified. The state is losing companies, prospects and potential residents who don't take the time to fully research the real tax rate. A flatter and simpler system is needed. Border communities have thousands of workers living across state lines based solely on Iowa's income tax structure.

■ **Wage Threshold**

Financial assistance programs administered by the Iowa Economic Development Authority have qualifying wage thresholds in place that are unrealistic in the current Southeast Iowa marketplace. Few companies entering the market are able to meet those aggressive thresholds in conjunction with the fringe benefits requirement. At a minimum, wage thresholds should vary based upon industry sector. To promote an expedited economic recovery in areas of high unemployment, the thresholds should be amended to account for entry-level wages in certain occupational categories.

■ **Public Employment Compensation and Benefits**

Every effort must be made to ensure that Iowa's public employee wages and benefits are comparable to their private sector counterparts. Evidence suggests that public sector wages and benefits have outpaced those of the private sector, are not comparable and do not reflect current reality. This will require the Governor, state legislature and local units of government to make a concerted effort to adjust compensation going forward.

Community Revitalization

■ **Destination Attraction Funds (CAT and RECAT)**

The Vision Iowa Program and the Community Attraction and Tourism program made significant enhancements to a great many Iowa communities. With tourism being a major economic driver and quality of life critical to attracting and retaining workforce, it is important that Iowa find new ways to promote and seed these types of investments in Iowa's quality of life.

■ **Downtown Revitalization**

Main Street Iowa provides critical support to communities working to revitalize their downtowns. Financial support for the Iowa Main Street Program is critical. Continued funding of Historic Tax Credits is crucial to incent private investment in downtown districts. The Historical Resource Development Program, a part of the REAP program, provides critical resources to historical preservation programs, including emergency stabilization. The Historic Sites Preservation Grant is a significant resource to downtown development projects. These programs should be maintained and funded at increased levels.

■ **Iowa Tourism Funding**

Iowa is well below the Midwest regional average in tourism spending. The State of Iowa needs to reach at least the regional average in order for communities, regions and the State to maximize the economic development opportunity of tourism.

■ **Community Challenges**

Local, state and federal officials must work together to understand and respond to challenges created by new and often transitory residents that are taxing school systems, health care organizations, law enforcement agencies, human service organizations and housing providers.

■ **Economic Development Funding**

The 2011 legislature made some good changes to create the Iowa Economic Development Authority. Unfortunately, funding for the new department is below the levels necessary for Iowa to compete with other states for investment and jobs. Attracting capital investment and jobs requires both a great business climate and a competitive incentive system. It is imperative that the State of Iowa and local communities have incentive tools to maintain and attract jobs and investment. These tools must be looked upon as an investment, not a cost.

■ **Welfare Reform**

- Several states are considering or have adopted requirements that some or all “welfare” applicants be tested and found drug free prior to receipt of benefits. Iowa should adopt such a policy.
- Iowa should enact a one year residency requirement as a condition of receiving welfare assistance, assuming such a policy is possible under federal law
- Iowa should work with the federal government to adjust housing assistance programs to eliminate any incentive for persons to locate from one state to another for a benefit
- Iowa should work with the federal government to develop an automated welfare assistance interface to reduce state to state welfare fraud.

Infrastructure

■ **Highway Completion**

The Chamber urges our state representatives to do everything possible to assist us in the completion of the Highway 61 corridor as four lane from Keokuk to Dubuque. The project is back on the four year plan with work ongoing on the Ft. Madison By-Pass and land acquisition for three miles in Louisa County. It is critical that elements of the corridor be in the annual plan until its completion. Southeast Iowa has unique opportunities to be a regional transportation center with inter modal options. Great highway systems are the key to the building of these inter modal systems. Legislators are also urged to take an active role in supporting the four lane completion of Highway 34 in Illinois.

■ **Transportation Funding**

Iowa must have an aggressive plan for improving and expanding its transportation system. Funding for transportation is currently very inadequate to the need. The Chamber of Commerce supports a modest increase in the fuel tax to provide the resources necessary to maintain existing and develop new transportation infrastructure. The funds derived from a fuel tax increase must be dedicated to highway development and maintenance.

■ **The River**

The flood of 2008 devastated communities, businesses and homeowners along the Mississippi River. Much of the local economic impact was due to the disruption of critical transportation components, such as highway closures, lost rail service and lost barge service. It is critical that this type of human and economic devastation be prevented in the future. The Chamber of Commerce supports the comprehensive plan for flood control on the Mississippi and improvement of the levee system to a “500 Year” level of protection. The Governor and legislature are urged to join Illinois and Missouri in support of levee system improvements.

The Chamber of Commerce also supports modernization of the Mississippi River lock and dam system to preserve and grow the commercial use of the river.

■ **Southeast Iowa Regional Airport**

Commercial and general aviation is critical to Greater Burlington's economic future. It is very important that the State of Iowa continue to fund vertical infrastructure and general aviation vertical infrastructure programs for facility improvement projects at public-owned, public-use airports in Iowa.

■ **Rail**

Funding at the Iowa Department of Transportation for rail service into industrial parks and sites appropriate for rail projects is critical. Rail access has become an important element in many economic development projects.

Workforce

Iowa, and especially rural Iowa, has significant and economy threatening workforce issues in front of us. Population growth is modest in the state and population decline is common in many parts of the state. The demographics of the population with low education levels and aging citizens are creating worker availability and attraction issues.

■ **Worker Attraction**

The State of Iowa must assist local communities with tools to attract and retain young workers and skilled workers. Without this support, businesses in all but a few Iowa counties are going to face enormous challenges in hiring workers to expand and in hiring workers to fill vacancies created by retirement.

■ **K-14 Education**

The Governor's Education Summit and the "Rising to Greatness" report which was published in conjunction with the summit provide a clear call for major reform of the Iowa education system. Iowa is no better than an average state when it comes to the performance of its students on national achievement tests. Iowa must be an international leader in preparing our children to compete in a global environment. The 2012 legislative session must focus on reforming education in Iowa. World class standards for students, teachers and administrators must be adopted. Excellence in teaching must be rewarded and poor teaching cannot be tolerated. Business and education partnerships must be strengthened. Technical education must be strengthened to provide the number and quality of workforce entrants that employers require in order to remain competitive in Iowa.

Employers are very concerned about the work ethic and "soft skills" they see from applicants for jobs, especially young applicants. There must to be a renewed emphasis on these critical workforce skills/attributes.

■ **Post-Secondary**

Community colleges must be funded at levels that will allow them to lead the way in workforce preparation for the 21st century. Current resources are inadequate for community colleges to meet all of the challenges presented by their employer communities. Many community colleges are preparing workers for a 2012 world with outdated equipment/technology. Significant, long term funding commitments are needed to provide the workforce necessary for the growth of Iowa's economy. Existing tools which support workforce and economic development utilizing Iowa's community college's must be maintained and/or enhanced.

FEDERAL ISSUES

The Chamber has identified the following federal issues.

■ **Fiscal Responsibility**

A key concern of Chamber members is the dramatic increase in federal deficit. Member after member expressed in the 2011 survey that the deficit is their most serious concern and that children and grandchildren are being saddled with a horrible burden and perhaps one that will be unsolvable. The federal government must operate within its means, reduce spending and resist the temptation to increase taxes.

■ **Highways**

Federal assistance is needed to insure that Highway 61 in Southeast Iowa and Highway 34 in West Central Illinois will be completed as four lane. These two projects are essential to the economic development of the region.

■ **Regional Airport**

The Greater Burlington Partnership recognizes the critical importance of a well maintained airport and of commercial air service to the region. The Airport Improvement Program (AIP), Essential Air Service, Small Community Development Grants, and other programs that develop and maintain facilities at airports and support commercial air service are vital.

■ **River Issues**

The Chamber supports development of a systemic flood control plan for the Upper Mississippi River Valley that will protect and promote the economic vitality of the region. A "500 Year" level levee system needs to be built to prevent the type of flood events on the Upper Mississippi that are occurring far too frequently.

The Chamber also supports the modernization of the Mississippi River's lock and dam system.

The Chamber supports a balanced regional view of the river that includes current and future needs of the community, property owners, business, recreation and conservation.

■ **Immigration**

As potential worker shortages loom for Iowa and the nation, the Chamber supports streamlining the processes for immigrants, with the necessary skills and willingness to contribute to Iowa's economic growth, to become legal workers. The Chamber of Commerce also supports efforts to secure the nation's borders to prevent illegal immigrants from gaining entry.

■ **Social Security**

After retirement, some workers choose to return to work while receiving their retirement benefits. The Chamber encourages federal officials to refrain from penalizing workers who return to work prior to being fully vested in Social Security.

■ **Reduce Business Health Care Costs and Improve Access to Affordable Health Insurance**

Many Chamber members are very concerned with the implementation of health care reform. The Chamber urges that the legislation be re-examined and refined to lessen the perceived negative impact on business. Given the current national debt, it is critical that the projected expenditures and “savings” be given a reality check. Reducing the national debt is a priority issue for most Chamber members.

■ **Equality of Medicare Reimbursement**

Although legislators assert that there are measures in the health care reform bill to address this inequity, health care professionals remain uncertain that a substantial and permanent fix has been put in place. Iowa is severely disadvantaged under current reimbursement policy.

■ **Energy Policy**

Since 1973, U.S. energy production has grown only 13%, while U.S. energy consumption has increased 30%. Even when increases in efficiencies are taken into account, significant increases in demand are projected. The Chamber supports actions to ensure the development and deployment of affordable, reliable energy supplies that promote economic development, the environment and national security, as well as, reasonable conservation measures that will not negatively impact a recovering economy.

Any federal energy policy must take into consideration the global aspect of this issue and the United State’s limited ability to impact the international carbon footprint.

■ **Federal Regulation**

Businesses small and large agree that a primary impediment to the expansion of jobs is the constant growth of regulations which increase the cost of doing business. A report released recently by the Small Business Administration places the cost of federal regulations at over \$8,000 per employee per year for U.S. businesses. The federal government must resist imposing regulations that do little more than impede business and thus employment growth.

■ **Expansion of Entitlement**

It is appropriate for a nation to have programs that provide for the temporary needs of its citizens in times of economic stress. Examples are unemployment insurance and temporary assistance for needy families. Most people use these programs as intended to transition through a difficult period and return to productive employment. There is a growing concern that citizens become accustomed to not working and being supported by various forms of assistance and lose their motivation to work. During the period from 2008-2011 numerous employers have reported difficulty in filling vacancies, despite 8-10% unemployment levels. The government must not unintentionally create a culture of entitlement in our nation.