

## **Building a Strong Economy in Challenging Times**

### **Background**

The 2009 Legislative Session presents monumental financial challenges for our elected leaders. Business leaders unite in supporting legislators in the difficult, but necessary, cuts that must be made to match expenditures with expected revenues. We must also direct the purchasing power of the state to those expenditures that will get Utahns back to work AND advance long-term economic success. To this end, we seek legislative actions that will right size the state's budget, even as we build a stronger economy in challenging times.

### **Summary**

As Utah's business leader, the Salt Lake Chamber supports an economic stimulus package comprised of sensible bonding, user fees that will restore transportation funding and minimize cuts to public and higher education, investment in innovation and housing, and prudent use of the rainy day fund. To ensure our long-term prosperity, we support legislation that will contain health care costs and invest wisely in education. These priorities, along with our forthcoming bill-by-bill business advocacy, comprise the Salt Lake Chamber's 2009 Legislative Priorities.

Highlights include the following recommendations:

### **Utah Economic Stimulus**

- **Invest in Transportation Infrastructure:** All 50 construction projects that were put on hold late in 2008 must be resumed. Restoring the \$3.9 billion in road projects – including I-15 in Utah County and Mountain View Corridor in Salt Lake County – will immediately return thousands of Utahns to work and invigorate Utah's economy. The Chamber supports user fee increases to restore transportation funding.
- **Invest in innovation economy through the USTAR initiative:** During challenging economic times, it is important to invest in innovation rather than pull back. USTAR has been enormously successful, but we can spark an even higher economic return by providing full funding for the research teams. The Chamber supports legislation that will authorize up to \$10 million in tax credits each year to fully fund USTAR research teams.
- **Stimulate Housing Transactions:** Construction and housing can lead an economy into a recession and out of a recession. The Chamber supports innovative programs that will stimulate home sales and minimize foreclosures. A \$5 million stimulus program administered by the Utah Housing Corporation would help generate 1,250 new home sales in the short term, remove excess inventory in the market and stabilize jobs in the construction industry.
- **Bond for State Buildings and Leverage Private Funds:** State bonds that leverage private sector dollars are wise investments during economic downturns. For example, a \$400 million bond will create an estimated 6,400 jobs for Utahns and generate earnings of \$322 million. Examples of bonding projects with a large private sector match include the following:

Project	Total Cost	Private (%)
SLCC – Digital Arts and Design	\$35,452,000	\$8,962,500 (25%)
UU – David Eccles School of Business	\$90,260,000	\$64,445,000 (71%)
USU – Business Building	\$59,946,000	\$20,000,000 (33%)
Dixie – Centennial Commons Building	\$45,592,000	\$10,000,000 (22%)
SUU – Gibson Science Center	\$20,390,000	\$5,000,000 (24%)
WSU – Professional Programs Building	\$49,251,000	\$9,500,000 (19%)

Source: Utah State Building Board, FY2010 Capital Development Project Prioritization, October 16, 2008

- **Use the Rainy Day Fund:** The combined General Fund and Education Fund reserve accounts tally approximately \$400 million. These funds should only be used for one-time expenditures. Now is an appropriate time to prudently use a portion of these funds.
- **Create Stimulus Coalition:** The Chamber will convene a Utah Economic Stimulus Coalition to persuade legislators to adopt these and other stimulus activities.

#### Fix a Broken Health System

- **Support Health Reform Task Force Bills:** The Chamber supports the suite of bills prepared by the Health Reform Task Force. This legislation will contain costs by creating a defined contribution market facilitated by a viable Internet portal that enlivens competition. The Chamber supports administrative simplification, including embracing demonstration projects and increasing transparency between insurers and providers. The Chamber also supports e-prescription legislation and utilizing wellness programs to encourage healthy behavior.

#### Cultivate Business Growth through Education

- **Proceed with Caution in Cutting Higher Education:** Utah's colleges and universities are true engines of growth. We should not jeopardize our research universities and community colleges' national reputations, nor cripple their ability to leverage state dollars. We favor a measured and rational approach to these cuts. The Chamber supports increased transportation user fees as a means to free up general fund revenue and minimize cuts to higher education.
- **Minimize Cuts to the Classroom:** The Chamber supports the use of precision budgeting that least affects students. Increased transportation user fees will free up general funds to minimize cuts to the classroom.
- **Focus on High Demand Occupations:** The Chamber supports programs that address unmet labor market needs in the fields of science, engineering, math, technology and technical trades.
- **Implement Merit Pay:** The Chamber supports efforts to reward high-performing teachers.

#### Enhance International Competitiveness

- **Promote International Business Development:** With exports topping \$10 billion in 2008, Utah is global. The Chamber supports policies that will maintain momentum in this arena, including policies that increase Utah's competitiveness in international labor markets, thereby bringing highly skilled laborers to Utah.
- **Guest Worker Program:** The Chamber supports a Utah guest worker program, which includes obtaining federal waivers of existing immigration provisions.