

Testimony Provided by the Rockford Area Economic Development Council

Job Creation Task Force – January 28, 2010 – Rockford, IL

Rockford Region History

Rockford was founded in 1834, approximately midway between Galena and Chicago. Rockford's first major employer was Rockford College, founded in 1847. As with many Illinois communities growth was spurred by the railroad. Rockford's first rail connection was the Galena & Chicago Union Railroad, 1852 (Now the UP was also Chicago's first RR). Shortly thereafter, the newly formed Water Power District erected a dam harnessing the power of the Rock River and began facilitating industrialization. By 1860 Rockford became a significant, growing industrial center, noted for production of agricultural machinery. By 1872, Rockford was the home of Illinois' second public library and in 1877 it saw the successful launch of a daily newspaper. Started in 1876, the Rockford Union Furniture Company was the first of 25 area furniture factories that were formed as cooperatives.

By the turn of the century, Rockford was recognized as a vital American industrial hub and was a major manufacturing center for machine tools, furniture, agricultural equipment and more. Many nationally known manufacturers called Rockford home including Ingersoll Milling Machine Company, Greenlee Brothers, and Barber-Coleman. Rockford was an important military center as well. Camp Grant was established at Rockford in 1917, provided training for thousands of soldiers during World War I. The camp closed in the late 1940's. Rockford's agricultural implement industry was already in decline by the First World War and the furniture industry was severely damaged by the Great Depression as well as the domestics sacrifices made during the Second World War.

Much of Rockford's industrial base would enjoy renewed and even greater prosperity as it capitalized on the World War II war effort and the post-war economic boom years. Rockford became know as a town that made toys with the presence of Testors Company, Nylint Company and others. The city's industrial background also produced many important inventions, among them the Nelson knitting machine, the airbrush, the electric brake, the electric garage door opener, the dollar bill changer, and the electronic dartboard.

Like many industrialized cities, Rockford's industry took a major hit preceding the Vietnam War years. Many core industries including furniture and agricultural equipment manufacturing were virtually extinct by the late-1960s.

The 1960's saw diversification of manufacturing segments in the area, as new industries began to emerge such as Transportation Manufacturing.

Surrounding communities adjacent to Rockford began to industrialize. An example near the outskirts of Rockford in Belvidere, a Chrysler vehicle assembly plant was built in 1965 which brought significant employment and a need for vendors and suppliers to the area. Older industries began to consolidate, yet they continue to have a significant concentration of employment in the region, but are a fraction the size that they once were, including machine tool and fastener manufacturing.

Rockford remained a major global manufacturing presence throughout the mid and late 20th century. Industry concentration has evolved to machine tools, heavy machinery, automotive, aerospace, fastener and cabinet hardware products, and packaging devices and concepts. Rockford Industry today is led by Hamilton-Sundstrand, which was acquired by United Technologies in 1999. Hamilton-Sundstrand through its Rockford operations is a global industry leader in aviation, aerospace and industrial products. Woodward Governor Company, an innovator in control systems for large machinery and aircraft propulsion, is based in Rockford. The presence of these companies has lead to the attraction of GE Aviation Systems and BE Aerospace.

Today Rockford's economic base has evolved to include logistics operations, set up to serve the industrial base of Chicago and Rockford, food processing, tourism and professional and business services, in addition to its historic manufacturing roots. Rockford is now a thriving international commercial hub for the region, as well as a cultural and entertainment center.

We will focus our testimony organized by our four key strategies:

- Targeted Marketing and Recruitment
- Workforce Development
- Thriving Business Climate
- World-class Business Infrastructure

Targeted Marketing and Recruitment

Abridged copy of testimony provided to the State of Illinois Economic Recovery Advisory Commission: Sub-Committee on Global Markets:

December 16, 2009
Eric D. Voyles - Vice President
National Business Development
Rockford Area Economic
Development Council

At the Law Offices of Ungaretti &
Harris LLP
70 W. Madison Street, Suite 3500
Chicago, IL

As the VP of National Business Development for the Rockford Area Economic Development Council (RAEDC), a not-for-profit association of over 200 Rockford Area businesses, governmental entities, educational institutions and trades unions, as well as an economic developer that has worked across the state of Illinois, -- I am here to testify that the state of Illinois' ability to both retain jobs and businesses that are currently located in the state of Illinois, as well as, our collective ability to attract new jobs and private investment into the state of Illinois is of significant importance to myself, as well as, the economic health of my region and the state of Illinois.

Today, trade is increasingly global in scope. There are several reasons for this. One significant reason is technology—because of improved logistics and communication capabilities, international trade is now more practical. Thus, consumers and businesses have access to the very best products from many different countries at the very best prices. Increasingly rapid technology lifecycles also increases the competition among countries as to who can produce the newest in technology. ***Another major reason for the growth in international trade is improved efficiencies in transit have made the international movement of goods and service cheaper than any other time in human existence.*** In part to accommodate these realities, countries, states, regions and businesses around the globe have taken increasing steps to explore and promote global trade through agreements, trade organizations and direct promotion.

Illinois has a long tradition of being a center of commerce, industry and primary job growth. This tradition has eroded over the past years by globalization. It is easier and more efficient to produce and provide many goods and services outside the borders of Illinois and then to transport these items back into the state for consumption, than to produce these products in Illinois. ***The increase in the fluidity of the movement of capital and ideas has not been matched with innovative practices to 1) attract and secure new investments back into the state of Illinois or 2) enhance export promotion and***

grow targeted exports. In many cases the costs of operating certain wealth generating businesses in Illinois have increased dramatically while programs which are designed to assist these targeted businesses have been left unfunded, unchanged and underutilized. These actions make all company decisions (foreign or domestic) to retain and create quality wealth accumulating, living wage jobs, while investing in the construction and improvement of facilities in Illinois increasingly difficult for private enterprise.

The Rockford Region is home to some of the most technologically advanced jobs and finest quality of life available in the state of Illinois. **The region leads Illinois in aerospace employment and is second in on & off road vehicle and industrial machine manufacturing.** The region offers a comparatively low cost of doing business, hard-working people, available land and buildings, access to over 75 universities and colleges within a 90 minute drive, and close proximity to the largest and most diverse industrial market in the US – the greater Chicagoland region.

The Rockford region is a community that still understands shift work and values companies that need employees that require industrial skills. A recent study found that the Rockford Area labor shed consists of a two-state region and a population of over 807,000 individuals, and that the workforce has over 435,000 people. Their research found that approximately 65,500 people were underemployed in this market, over 75,000 today. Rockford MSA has the highest unemployment rate in Illinois at 15.7%. The research also found that 42,600 individuals commute out of the Rockford MSA daily.

The Rockford Region's logistics infrastructure is a global asset! **Rockford as part of the Chicagoland-area, is recognized as a "best logistics site" for connectivity and costs of operations.** Rockford's transportation infrastructure assets include:

- US Interstate System – The greater Rockford Region contains four interstates: I-90, I-39, I-43 and I-88. Within a two hour truck drive there are connections with I-80, I-74, I-55, I-57, I-94 and I-65, providing coast-to-coast and international access.
- Motor Freight Carriers – Over 60 service carriers and terminals can be found in the Rockford area.
- Third Party Logistics Services – Rockford has the ability to meet all supply chain management functions. Companies operating here specialize in integrated warehousing and transportation services that can be scaled and customized to customer's needs based on market conditions and the demands and delivery service requirements for their products or materials.

- North American Rail System– Four class-one railroads provide service to the Rockford area. They are: BNSF, Union Pacific (UP), CN and Canadian Pacific (CP). In addition the region is served by the short line railroad, Illinois Railway and the CP owns the DM&E which owns the ICE which traverses through the Rockford area. This presence insures coast-to-coast and international access. The UP’s largest intermodal facility, Global III, is located south of Rockford. The facility has excess capacity and is directly connected to west coast ports. Intermodal operations in the City of Chicago serve the East coast and are a short drayage distance away. As well, Reload a Watco Company, operates a transload operation off of the Illinois Railway.
- Foreign Trade Zone (FTZ) #176, located within our region, provides numerous working capital and import duty reduction benefits. The Chicago-Rockford International Airport (RFD) is a U.S. Customs Port of Entry with an on-site (container) Centralized Examination Station (CES) provider.
- Chicago-Rockford International Airport (RFD) – the 215th largest Commercial Airport in the US with direct flight to many of the nations top tourist destinations. RFD was recently added to the list of top 20 air cargo airports (19th) in the United States. UPS, with its second largest US air operation at RFD, has two services located in Rockford, Parcel Sorting and Bulk Cargo. BAX Global (Schenker) also has a regional air operation at RFD. Direct International service is possible and two-shift; next-day service is guaranteed from a Rockford location.
- O’Hare International Airport (ORD) – a tier-one airport is the world’s second busiest airport with world-wide direct flights to all major business cities! Rockford is a short, one-hour drive from a direct flight from Europe, Asia, Middle East, Africa and other locations! Rockford’s proximity to O’Hare, its commercial connections and its rank as a top 16 global air cargo airport allows for the use of multiple shipping companies and next day service.
- Mitchell International Airport (MKE) – Approximately one and one-quarter hour drive from Rockford in Milwaukee, WI. Mitchell offers less congestion and many direct connect flight options, at about the same distance as O’Hare.
- Midway Airport (MDW) – At approximately a two-hour drive from Rockford in Chicago, Midway offers additional options for flights with direct connect service.

The collection of these assets has caused the Rockford Area Economic Development Council to position the Rockford Region as, “The Best Mid-sized International City in the United States.” Further justification can be found in

the fact the Rockford is one of the most ethnically diverse communities in the state of Illinois. The region has nine Sister Cities spread around the globe and one industrial trade agreement. Over 11 trade delegations visited the Rockford Region in 2009 alone and the region sponsored six trade missions abroad. An international arrival gate is located at RFD with 24-hour Customs and Border Security Service. *The region boasts a growing export business culture that grew 49% from 2005 to 2008 and was \$1.475b for 2009.* Exports as a percentage of GMP are growing at an increasing rate and averaging a double digit figure. Exports made up 11.8% of the Rockford Area's GMP in 2008. *Companies from over 20 nations have made Foreign Direct Investment (FDI) decisions in the Rockford area.* The region was recently provided with a federal, "Immigration through Investment Zone." Finally, the region has future international aspirations, which include a "World Trade Center" and additional Sister Cities and Industrial Trade Agreements.

The Rockford Area Economic Development Council has increased its role in international foreign direct investment and export promotion by partnering with the US Department of Commerce, state of Illinois and local communities such as Rockford's Sister City Program to grow our international identity. The Rockford Area Economic Development Council has worked to develop relations with foreign Consulate Corps in Chicago; inviting these entities to numerous events in the region, assisting in introducing local companies to visiting trade delegations and organizing trade missions abroad.

Since 2007 - The Rockford Area has hosted trade delegations from these organizations, communities and countries:

2006

- Changzhou (China)
- Tourism Reporters Tour (Sweden)

2007

- Hong Kong Productivity Council (China)
- Changzhou (China - 2 delegations)
- Japanese Ambassador (Japan)
- S. Korean Ambassador (S. Korea)
- KOTRA (S. Korea)
- Chinese Investment Promotion Agency (China)
- US-China Chamber of Commerce (China)
- Lidköping (Sweden)

2008

- Wanxiang Group (China)
- Changzhou (China - 2 delegations)
- Guiyang (China)
- Chinese Investment Promotion Agency (China – 2 delegations)
- Tsinghua University (China)
- Lidkoping (Sweden)

2009

- Inner Mongolia (China - 2 delegations)
- CEIBS Alumni Automobile Industry Club (China)
- Wanxiang Group (China – 2 delegations)
- Federation of Israeli Chambers of Commerce (Israel)
- Lidkoping (Sweden – 2 delegations)
- Central Asia Research Council (Turkey)
- State Bank of India, EEPC (India)
- Shaanxi (China)

The Rockford Area participated in trade missions to these countries:

2006:

- China, Kyrgyzstan , Sweden

2007:

- Sweden

2008:

- China, Canada, Sweden

2009:

- China, Swede , Italy (3 trips), France

Specific International Tradeshows and Conferences include:

International and Domestic

- Entrepreneurial Days
- Bio-Energy Days
- Paris Air Show
- Forum on Science and Technology and Economic Cooperation
- IEDC & MAEDC Annual Meetings

In Illinois

- SACC Annual Meeting and Trade Show
- IDC Annual Conference and meetings
- CIP Conferences
- AIRE
- International Manufacturing Technology Show

In Rockford Region

- Entrepreneurial Days
- Go Global International Trade Conference
- Bioenergy Days

Select regional international FDI successes include:

2007

- Radius (Sweden) moves U.S. headquarters to Rockford
- Schneider (France) acquires local company, TAC

2008

- Danfoss (Denmark) began a 129,000 square foot expansion
- Global Display Solutions (Italy) expands into Rockford

2009

- Wanxiang Group (China) began development of solar panel assembly plant
- Tigerfish (Australia) announces development of prototype aircraft in Rockford

In addition, the region has seen growth in domestic operations with an international presence such as:

2007

- SupplyCore relocates global HQ to downtown Rockford into newly renovated multi-story office structure
- Watt Publishing relocates global HQ to the region and into a newly renovated multi-story office structure downtown

2008

- Chemtool, announces relocation of global HQ to Rockford area community

2009

- Tandem Development begins marketing completed Phase I of Chicago Rockford International Air Cargo Center at the Chicago Rockford International Airport.

I know that you, the other members of the Commission, the State of Illinois Legislature and the Governor, all have tough decisions to make during this review session as you seek out best practices for implementation. However, *in order to continue to make Illinois a more competitive place in which economic development can and does occur state-wide for the benefit of all of Illinois' citizens so that they have the ability to work at Illinois companies that pay a living wage and remain globally competitive, I ask you to consider the importance of the following six recommendations for the future economic well-being of the residents of the State of Illinois:*

Initiatives that could substantially improve Illinois' global competitiveness are:

1. Establish sustainable and dedicated funding source for DCEO and local economic development organizations (EDOs)

- Create, via legislative approval, a dedicated funding source for the running of DCEO and its mandated programs
- Separate the marketing and communications efforts from DCEO as related to primary job creation and capital placement and provide a dedicated funding stream to a separate, stand alone, not-for-profit, state-wide marketing entity.
- This entity would be charged with enhancing the brand of the state of Illinois as a destination for primary jobs and capital placement
- This entity would be charged with developing a unique selling proposition for the greater Chicagoland region, the few primary, more urbanized, centers found outside of the greater Chicagoland area, as well as the more rural portions of the state
- Develop a multi-year program of work for DCEO aligned with regional efforts and embed DCEO regional staff in local regional efforts with funding for EDO's

2. Initiate certification process of EDO's for improved coordination and consistency of delivery of economic development services

- Create a certification process for local EDO's to participate with DCEO programs such as International Trade as a partner at a level based on proficiency. Required factors can be:

- Public-private partnerships, operated on a regional, multi-county basis
 - Have specific funding in a budget
 - Have appropriate staff, for international a dedicated, multi-lingual staff
 - Have a program appropriate focus for international FDI or export focus
 - Has demonstrable results
- Create an official partnership between DCEO and these certified local EDO's to help maintain an industry standard of professionalism, efficiency and results.
 - Utilizing an outside consultant develop regional boundaries of key urbanized region's within the state of Illinois.
 - Develop a regional understanding of economy including:
 - Targeted Industries
 - Cluster profiles and make-up including costs
 - Workforce Issues, including Labor Shed analysis and costs
 - Logistics Profile of the region and interconnectedness to global supply chain
 - Consult with local EDO on the development of the local brand and promotion
 - Coordinate RFP development and responses with local EDO's
 - Coordinate prospect tracking, report and follow-up with local EDO's

3. Support economic development legislation for regionally targeted industries such as air cargo, alternative energy and aerospace

- Develop key policies and drivers and estimate there potential impact. Present to legislature to make structural changes.
- Create forum for businesses to express suggested legislative changes, use their testimony to further cause
- Develop processes that help to build an analysis and communication infrastructure down to the local EDO level so that more information can be easily disseminated and gathered. Allowing the vast knowledge that Illinois' state departments and businesses have about internal information and operations to be more easily shared with decision makers

4. Coordinate international event participation with IDC and local EDO's International Event Participation

- Participation in all major international tradeshows that come to Chicago or St. Louis
- Take advantage of significant international presence by orchestrating more reverse trade missions with Illinois communities
- Further support of participation in international trade shows such as the Paris Air Show, Farnborough and others
- Assistance in promotion and recognition of international conferences hosted in Rockford and other smaller communities, such as Go Global and International Bioenergy Days

5. Enhance communication channels between state, IDC and local EDO's

- More research staff or better coordinating with Illinois institutions that have this feature (Educational Institutions) so they can provide research services
- Subscribe to global databases that local/regional EDO's could access at no charge
- Strategic Planning
- Reformulate scope and approach to trade development and export promotion
- Conduct comparative analysis across agencies and states to learn what works
- Develop and distribute business development goals and action plan including:
 - Marketing approach
 - Domestic & international activities
 - Success metrics
 - Service delivery partnerships
- Develop and distribute to EDO's and businesses:
 - A listing of the international trade & business develop and export promotion resources found in the state of Illinois
 - A listing of the international trade & business develop and export promotion resources found within DCEO
 - A process guideline of funneling projects back to EDO's within Illinois
 - A process guideline for bringing DCEO into locally initiated international projects

- Overview of legislative and DCEO management mandates to staff
- Develop an organizational chart for distribution to supporting organizations, including reporting lines within government, including POC information
- Enhance communication channels to clients and supporting agencies, improving process of relaying prospect information and RFP distribution
- Coordination between International trade offices i.e. encouraging these offices to provide regional EDO's with a quarterly update about what is happening in their area and how Illinois might leverage emerging opportunities
- Education and Training
 - Develop a program to facilitate internal knowledge transfer of international trade development and export promotion
 - Develop a culture of cross-agency knowledge sharing within and outside of DCEO
 - Develop Online tools that support trade development and export promotion
- Furthering Statewide Partnerships
 - Collaboration between DCEO and Illinois Development Council (IDC)
 - Encourage knowledge management partnerships amongst public and private sector entities within Illinois, leveraging Illinois' large businesses such as Boeing, John Deere, and Caterpillar to gain insight and promote legislation

6. Assistance in sister city partnership development focusing on economic gain Sister City Development

- Assign staff to participate in, assist and become experts in sister city efforts to leverage local efforts and connections create good will abroad and economic gains here at home

Conclusion:

The Rockford Area Economic Development Council believes that with the development and implementation of strategic plan significant changes can be made in how the State of Illinois is perceived regarding capital investment decisions, this shift in perception will lead to more jobs being created for Illinois citizens. All improvement programs begin with the willingness to ask hard questions, i.e. "What we can do better?" The Rockford Area Economic Development Council thanks the Governor for asking this tough question and

being willing to receive the input from the Rockford Area Economic Development Council. As the public input and/or evaluation process moves forward please know that the Rockford Region would welcome a call for additional participation.

Respectfully submitted,

Eric D. Voyles
Vice President of National Business Development

Workforce Development

Illinois Works for the Future is a campaign endorsed by over 120 organizations and individuals who believe to compete successfully in a global economy and end poverty, ***Illinois needs an integrated economic and workforce development policy*** that works for everyone: producing skilled workers, in strong businesses, with good jobs, that foster thriving communities.

Investing in workforce preparation is an essential component of job creation. We know that the quality and skills of the workforce are a key factor in businesses' decisions about location or expansion. We must look at both the supply and demand sides of the equation for job creation to have a true impact in the economy.

Illinois is facing a growing gap between the skills of the workforce and the skills businesses demand in a modern economy. In 2007, there was a 9 percent gap in the percentage of workers with the education and training required to fill middle-skill positions. Through 2016, middle-skill jobs will still represent the largest share of openings in Illinois.

Job creation needs to be integrated with job training and education at the front end of the planning process to ensure that workers in Illinois are well-prepared to benefit from jobs created. It will not matter how many jobs are created in Illinois, if there are not workers ready to fill those positions. As job creation tactics are determined, they should include guidance that directs employers to work with the job training and education community so they can shape their services to best prepare workers for the emerging jobs

Job creation efforts should prioritize those that provide sustainable quality jobs, wages and benefits that allow workers, including those with varying skill levels and barriers to employment, to add meaningfully to the local economy job creation efforts that bear fruit in both the short and long term.

The state should *better utilize and expand investments in existing employer-linked programs such as the Job Training and Economic Development program (JTED), the Employer Training and Investment Program (ETIP), the Employment Opportunities Grant Program (EOGP), Critical Skills Shortage Initiative and transitional jobs.* These programs can work to meet the increased workforce needs generated by new economic development and job creation activities and assure employers that a quality workforce is ready to fill positions they create. They are proven strategies that can and must be used to help low income persons, and low skilled individuals get employment, build skills in demand in the labor market, and advance.

Any investments designed to spur economic development through job creation or retention should be integrated with investments in the workforce to leverage all available resources towards a more robust economy that works for everyone. New investments could flow through Illinois' 21st Century Workforce Development Fund established last year, which was designed as a vehicle to insure integration of economic development and workforce development. In addition, as workers are placed in the newly created jobs and businesses begin to reap profits from their expansion, a portion of the increase taxes generated should be used to fund ongoing successful job training programs to ensure the pipeline of workers remains full.

Thriving Business Climate

- *Through our Voice of the Customer process, our employer's repeatedly tell us that the workmen's compensation system costs and regulations place a non-competitive burden on Illinois employers and should be restructured.*
- *Approve SB 1522, the Emerging Technology Industries Act to create, retain, and attract early-stage high technology firms.* This bill applies only to qualified technology Illinois enterprises of 50 or fewer employees.

SB 1522—sponsored in the General Assembly by a bi-partisan group of well-respected legislators—was approved unanimously by the Senate on a 54-0 vote. It is now supported across Illinois by all of our major research universities, scores of companies, including many global firms, and economic development specialists from Carbondale to North Chicago, and from Champaign to Moline and Peoria. SB 1522 contains two programs which have proven enormously successful in other states:

- A capped (\$10 million annually) grant-matching program. Over twenty US states have some sort of grant matching programs. For example, if a qualified Illinois tech startup obtains a \$100,000

federal Small Business Innovative Research (SBIR) grant, the state of Illinois will match that grant. DCEO instituted a hugely successful partial match program in recent years but ran out of funds; this bill would restore and augment that program.

- A capped (\$15 million annually) investment tax credit for state-registered and qualified venture capitalist (VC) or early stage ("Angel") investors. Under appropriate circumstances, such an investor making an early-stage investment in a tech startup would receive a capped credit against his/her Illinois tax bill.

Illinois' failure to translate its world class research capabilities into a vibrant startup community has been documented by numerous studies over the last 10 years. Technology firms created here frequently move to other states—including those in the nearby Midwest—recruited away by SB 1522-like programs which allow startups to stretch their working capital.

As a result, brains, talent, and Illinois-taxpayer financed technical discoveries move out of state. This pattern amounts to a gigantic give-away of Illinois resources to other jurisdictions.

I know we are facing a tough budget situation in Illinois, but failure to institute programs like those in SB 1422 will make our fiscal situation worse. According to the National Academies of Science, small companies create between 60-80% of all new American jobs. And each technology job creates 3-6 jobs elsewhere in the economy.

Illinois cannot build a stable jobs and tax base without programs like those in SB 1522.

Abridged copy of testimony provided to the State of Illinois:

March 25, 2008
Eric D. Voyles - Vice President
National Business Development
Rockford Area Economic
Development Council

At the Zeke Giorgi Building Auditorium
200 S. Wyman in Rockford.

I know that you, the other members of the Legislature and the Governor, will all have tough fiscal decisions to make during this legislative session. However, in order to continue to make Illinois a place in which we and our children have the ability to work at companies that pay a living wage, I ask you to consider the importance of funding the following programs that are already on the books for the State of Illinois:

Please fund the Prime Sites Fund (bond dollars) –This fund is the source of monies for two key state incentive programs, The Large Business Development Fund Program and the Business Development Public Infrastructure Program.

- The Large Business Development Fund Program (LBDG) – provides grants for capital expenditures in order to offset costs of doing business in Illinois to companies which meet employment and investment thresholds.
- The Business Development Public Infrastructure Program (BDPIP) is also funded through Primes Sites. The BDPIP is essentially the state equivalent of the federal, Housing and Urban Development-run, Community Development Assistance Program (CDAP). This program allows monies to be granted to local units of government (including those that are CDAP entitlement communities) in order to help cover the costs of infrastructure – e.g. water, sewer, road and other – improvements necessary in order to create or retain a specified levels of jobs and capital investment.

Please fund the Technology Based Economic Development (TBED) programs that were created in 1999 but which have since been zeroed out. TBED is vital to our role in the global economy. Funding should be restored for:

- Illinois Technology Enterprise Centers (These centers help universities and companies commercialize new technologies and create new tech-based start-up companies);
- Technology Challenge Grants (These grants allow for activities to move technologies from the lab into the marketplace);
- Matching grant funds to match federal grants, such as Small Business Innovation Research (SBIR) Grants and the Small Business Technology Transfer (STTR)

Please fund the IDOT Rail Freight Program –this program provides low interest loans to companies which need additions or enhancements to rail for a job creation project.

Please fund the IDOT Economic Development Program (EDP) – this program is available to local units of government which need to do roadway improvements to support a job creation or retention project.

Please continue to fund both the Illinois Manufacturing Extension Program and Chicago Manufacturing Extension Program. These programs provide small to medium-sized manufacturers with consulting services to integrate manufacturing technologies, improve process flow, reduce waste and otherwise improve processes and systems to make the manufacturer more

competitive. A state match is required in order to access federal funding available for this program.

Reinvigorate the High Technology School to Work Program, a business-driven initiative that establishes programs in high schools to get students interested in technology-driven jobs. These are the jobs of tomorrow that require excellence in Science, Technology, Engineering and Mathematics (STEM).

Continue to support and fund Employer Training Investment Program (ETIP). The budget appears to request a significant increase in this important investment in Illinois' workforce.

Support and fund Illinois Higher Education Institutions and Community Colleges – they provide invaluable training and education systems for our citizens as well as research which lead to more development opportunities for the state. Continued decreased state funding is resulting in the need for significant annual increases in tuition, making affordable post-secondary education out of the reach of many of Illinois' neediest citizens at a time when more and more high-wage jobs are requiring at least some post-secondary education.

Continue to support and fund primary and secondary education. We encourage more experiential based learning, including individual and group decision making and leadership skill development. Not only should we support primary and secondary education with funding but also by reviewing mandates and getting rid of onerous issues that strip student of the opportunity to learn and grow in a nurturing environment that takes advantage of this type of learning.

Business Loopholes: In order to better determine what should truly be considered "business loopholes," providing no value to the state of Illinois, *a thorough review of the business tax credits, or a comparative bench-marking study should be completed by a reputable firm to determine which incentives are viable economic development/economic stimulus tools and competitive in today's global marketplace*. Some, such as the Research & Development tax credit are constantly on the budgetary chopping block; however, this credit has been proven to be one of the reasons for creation of jobs and investment in Illinois that produce wealth for its citizens.

Thank you for your consideration of support for these programs. We all want the same thing – to make Illinois the place to live, work, grow and learn. If I can be of additional assistance as you go through the budget process, please feel free to contact me evoyles@rockfordil.com or 815-987-8118.

Sincerely,

Eric D. Voyles

VP of National Business Development

World-class Business Infrastructure

- Accelerated funding for entryway improvements. While we have approved a capital budget, the funding mechanisms have not been finalized. The pace of road repairs and improvements is not in line with our business community's expectations.
- Updating the 1985 Telecom Act to be current with the technology changes and allow job growth to occur in Illinois. The State of Illinois has copper line laws in a wireless world. Infrastructure upgrades will be made by telecommunication providers in locations that allow for a reasonable return on investment. The world of today and tomorrow will rely on advanced telecom network infrastructure the way roads and bridges have been infrastructure for many decades. Building and maintaining those networks will create and retain Illinois jobs.

The Illinois Telecom Act is set to expire. The General Assembly has two choices:

- 1. Just extend the expiration on this old set of laws -- or*
- 2. Act to help catch up with other states that are attracting more investment and jobs to build and maintain these networks.*

The current Illinois telecom law was first written in 1985 and hasn't been revised since 2001. The world of telecommunications technology has been transformed since then. The State's law should be made more modern (less focused on copper landlines) and should help attract investment in these advanced data networks. As the nation comes out of this recession, states that are poised to attract economic investment will grow their economies and create jobs. *Those who are playing catch up while focusing on old copper landlines will be playing catch up and will miss the boat. That's why Illinois should act NOW.*