



2017 PUBLIC POLICY GUIDE



OUR ROADMAP TO EFFECTIVELY INFLUENCING GOVERNMENT POLICY THROUGH ADVOCACY

GPCC PUBLIC AFFAIRS OFFERS A SEAT AT THE TABLE AND VOICE IN THE PROCESS



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The Greater Phoenix Chamber of Commerce's Public Affairs Committee is a high-level opportunity for qualified Chamber members to assist in crafting the policy priorities that help businesses succeed.

The Chamber's six issue committees are the ideal vehicle for community leaders, legal experts and policy advocates from all business sectors and industries to utilize their expertise to evaluate policy and regulatory matters and form policy recommendations.

The issue committees (Agriculture, Environment & Water; Budget & Tax; Economic Development; Insurance & Health Care; Legal & Regulatory Reform; Transportation & Infrastructure and Workforce Readiness) decide on individual guiding principles before submitting them to the Public Affairs Committee for review. The committee discusses, debates and fine-tunes the recommendations before submitting them to the Chamber's Board of Directors for evaluation and approval. The Board-approved recommendations become the Chamber's guiding principles.

After the guiding principles for each committee are approved, the committees meet regularly throughout the year to review legislative bills and ordinances, hear presentations and ultimately decide whether to unite in support or against policy proposals impacting the business community.

As a core pillar of the Chamber's mission, it is vital for business owners and entrepreneurs to have a say in the regulatory process, not only to oppose measures that are bad for business, but also to provide support to pro-business elected officials and pro-business policies.

The greatest benefit of the Chamber's Public Affairs efforts is providing business owners a seat at the table and a strong, united voice in the regulatory process at all levels of government.

Simply put, when the business community talks, our elected officials listen.

STATE FISCAL PRINCIPLES

The Greater Phoenix Chamber of Commerce (GPCC) urges lawmakers to adopt and follow a fiscal model that is fair, sound, balanced, and promotes job creation and economic vitality. Because the budget impacts all aspects of state government, GPCC has developed these fiscal principles to help guide comprehensive policy recommendations.

ENHANCE ARIZONA'S ECONOMY

- Promote pro-business tax policies and tax reform proposals that maximize the creation and retention of jobs and return on investment to the state while prioritizing job creation that facilitates economic growth.
- Promote and support the expansion of Arizona's comprehensive statewide transportation system to accommodate future population growth and the needs of the private sector to move people, goods and services in an efficient manner. Make immediate and strategic investments in transportation that can be supported by current federal, state and local budgets.
- Support Arizona's health care industry to ensure that state-managed health insurance programs are reasonably funded so providers do not shift costs onto the private sector.
- Advance responsible financial and academic reforms to Arizona's K-12 education system that result in improved student academic outcomes and yield a strong, prepared workforce, placing emphasis on proven achievement and transparent use of funds.
- Support Arizona's students and the state's public and private higher education systems so that they produce a well-educated and highly skilled workforce that meets the demands of Arizona's expanding economy.



ESTABLISH BEST PRACTICES

- **Multi-year Budget Forecasting:** Budgets should include a thoughtful assessment of the dynamic impacts of policy and fiscal proposals, augmenting the traditional static analysis on a multi-year basis (3 to 5 years).
- **Transparency for Major Policy Shifts:** All decisions to increase or decrease taxes, borrow or shift costs should be done through the standard public hearing process with a full understanding of the consequences to taxpayers, the state and other stakeholders.
- **Budget Crisis Response:** Executive and legislative leaders should timely intervene to address a substantial decline in state revenues, natural disasters or other emergencies.
- **Federal Funds:** Because federal dollars play a significant role in state financing, policymakers and stakeholders should recognize the interplay between federal and state funds and plan for the impact of inevitable changes to those funds.
- **Initiative/Referendum Reform:** All voter-approved measures should be re-referred periodically or sunsetted. Lawmakers should have the flexibility to carry out the will of the people and make the corrections necessary due to unintended consequences. Prior to actually getting on the ballot, a transparent process for the public and legislators should be established to review proposed initiatives and provide input. In addition, lawmakers should accelerate the filing date for initiatives.
- **State Retirement Systems Review:** Lawmakers should further reform the state retirement systems, legislatively and constitutionally, in ways that will ensure the systems are financially and actuarially sound and will not cause unexpected and excessive costs to the state or its employees.
- **Debt:** Lawmakers must exercise fiscal discipline to reduce the state's ongoing exposure to debt and adhere to existing constitutional requirements.
- **Taxes:**
 - When considering changes to the tax code, all areas of the tax code should be evaluated for impact to the economy and the stability of future revenue.
 - Support the continued implementation of adopted tax reductions, reforms and simplification.
 - Policymakers should look to create a more simplified tax system that promotes equity, ease of administration and increased compliance.
 - Every effort should be made to create more uniformity in state and city tax codes.
- Lawmakers should scrutinize efforts that circumvent the appropriation process through earmarking or other means.
- Recognizing there is a need to strike a balance between taxes and revenues, before considering a tax increase, every effort should be made to first identify and implement thoughtful, permanent reductions in state spending, leaving no options off the negotiating table.
- Oppose taxes on internet access and related electronic services.
- Support the establishment of clear and fair policies regarding digital goods and cloud services.
- **Fee Reform:**
 - Encourage a process to identify agencies that have statewide obligations and develop recommendations to fund those statewide obligations with state General Fund appropriations.
 - Policymakers should treat fee increases, hidden taxes, fund sweeps, rollovers and cost shifting with the same careful consideration as tax increases, recognizing the impact each of these practices has on the economy.
- **State Infrastructure:** Support improvements in state information technology infrastructure to ensure efficient and effective government operations.

LOCAL GOVERNMENT

- Continue to support efforts to reform public pension systems as well as reforms in public safety pensions, including shifting employee benefits from a defined benefit plan to a defined contribution plan, in ways that will ensure the systems are financially and actuarially sound consistent with the state fiscal principles.
- Advocate for cities to establish stability indicators including a set of criteria to determine the financial well-being of their organization.
- Support local government efforts to link all employee compensation to both personal and organizational performance.
- Advocate for local government to strive for fiscal prudence and maintenance of top bond ratings through preserving appropriate but not excessive levels of contingency funds.
- Encourage cities and counties to conduct frequent resident reviews of their quality and delivery of current services and compare the results to other local governments in the state and, when possible, against available benchmarks.
- Encourage local governments to pursue or continue greater use of alternative health care plans, such as health savings accounts, which control costs and promote consumer choice.



ISSUE COMMITTEE GUIDING PRINCIPLES

AGRICULTURE, ENVIRONMENT AND WATER

CHAIR: Bob Lotts, APS

VICE CHAIR: Jason Baran, SRP

Works to support environment, water and natural resources policies that are based on sound science and responsive to Arizona's unique needs. The committee responds to the needs of the business community by participating in policy-making that supports a strong business climate, while respecting the state's natural resources.

- Advocate for policies that protect public health and enhance Arizona's natural resources and environment, while protecting the rights of the regulated community and promoting a strong business climate.
- Advocate for legislation, regulation and policies that:
 - a. Provide for streamlining government processes
 - b. Recognize Arizona's unique environment
 - c. Are based on sound science
 - d. Are cost-effective
 - e. Are technologically feasible
 - f. Provide regulatory certainty
 - g. Minimize and fairly allocate compliance costs
 - h. Are consistent with and not duplicative of existing federal, state and local legislation and regulation
 - i. Promote innovation and market-based strategies
 - j. Are based on clear statutory authority
 - k. Promote and preserve administration by the state of Arizona
 - l. Result in fair fees balanced with the continuing viability of the regulatory agencies
 - m. Promote a cost-effective energy and natural resource supply and encourage the development of critical energy and natural resource infrastructure, including long-range planning for utility corridors, and cost-effective and proven electric, natural gas and water infrastructure such as generation, transmission, distribution and energy and gas-storage facilities.
 - n. Recognize the electric power grid and other natural resources infrastructure delivery systems as assets requiring consistent maintenance, improvement and support through investments by all of those who use and operate them.
 - o. Encourage updated utility rates for solar rooftop customers that distribute system costs equitably by creating mechanisms that recover grid costs from distributed generation customers, enhance cost transparency, and minimize cost shifting between consumer classes to ensure all customers pay a fair and equitable share of costs to maintain the electric grid and to keep it operating reliably at all times. Support electricity rates that equitably charge customers for their use of the grid and encourage customers to reduce strain on the electric system during high/peak-use times of the day.
 - p. Protect Arizona's Colorado River allotment and Arizona's ability to effectively manage the allotment including maintaining the reliability of those supplies.
 - q. Promote water conservation and similar efforts that are designed to protect the water elevation of Lake Mead, including development of a Lower Colorado River Basin Drought Contingency Plan (DCP).
 - r. Support state primacy under the EPA Clean Power Plan. Support Arizona in defending state primacy and the state's role regarding EPA's carbon emission reduction requirements under the Clean Air Act. Support Arizona in developing, through extensive stakeholder collaboration, its state plan in response to federal carbon emission reduction requirements. Support legal pursuits against the EPA in the event the EPA does not give deference to Arizona's reasoned policy and technical determinations.



BUDGET AND TAX

CHAIR: Gretchen Kitchel, SRP

VICE CHAIR: Heidi Thomas, Apollo Education Group, Inc.

Works to promote tax and budget policies that support the retention of businesses, attract new investment and create employment in the Greater Phoenix region and Arizona. Serves as a partner with other Chamber issue committees in evaluating policies that have a tax and/or fiscal impact.

- Support equitable tax and fiscal policies that will attract new investment and bring jobs to Greater Phoenix and Arizona while allowing existing businesses to flourish.
- Support budget policies that balance the collection of revenues to maintain essential services and constitutionally mandated requirements while ensuring continued economic vitality of business and industry.
- Place priority on efforts to create jobs and facilitate growth when considering tax reform proposals.
- Oppose fund sweeps as a budget-balancing mechanism.



INSURANCE AND HEALTH CARE

CHAIR: Don Isaacson, Isaacson & Walsh

VICE CHAIR: Kathi Beranek, BlueCross BlueShield AZ

Supports strong insurance and health care markets that offer affordable, quality options to Arizona's businesses and residents and creates a favorable business environment for these industries to thrive.

Health Care

- Support a robust public-private partnership that makes Arizona's AHCCCS program among the strongest in the nation. Preserve the Medicaid Restoration and expansion coverage gains made by the legislature in 2013, the restoration of KidsCare in 2016, and encourage continued innovation in AHCCCS that advocates health care for our state's children and adults.
- Advocate for a free-market based health care system that offers affordable, cost-effective and quality health care options to businesses and individuals.
- Oppose unnecessary state regulation, cost-shifting, coverage requirements and government mandates.
- Support sustainable, market-based measures and continuation of the Disproportionate Share Hospitals program to reduce uncompensated care and the number of uninsured.
- Support efforts to address shortages of physicians, nurses and other health care professionals across the state; including, but not limited to, expanding graduate medical education and providing funding for the State Primary Care Provider Loan Repayment Program.
- Recognize and promote delivery system innovations that improve the quality of patient care, maximize efficiencies, increase care coordination and reduce medical costs.

Insurance

- Advocate for a competitive, affordable and high-quality regulatory system for all lines of insurance that provides reasonable consumer protection while encouraging insurers to do business and establish operations in Arizona.
- Reduce the level of premium tax imposed on Arizona insurers to a level equivalent to the state's corporate income tax.
- Support efforts to remove burdensome regulations that unnecessarily restrict competition in the insurance marketplace.
- Oppose unnecessary state regulation, cost-shifting, coverage requirements and government mandates.



ISSUE COMMITTEE GUIDING PRINCIPLES

LEGAL AND REGULATORY REFORM

CHAIR: Janna Day, AZ Policy Connect

Addresses a variety of legal issues including tort and regulatory reform, labor/union, ballot reform and election/campaign finance reform.

- Ensure that any changes to the campaign finance system are consistent, clear, transparent and uniformly enforced fundraising and reporting rules.
- Ensure that any proposed changes to the lobbying registration and reporting system are clear, transparent and able to be uniformly enforced.
- Support reforms to establish a transparent process allowing the public, judiciary and legislature to review proposed initiatives and provide input prior to qualifying for the ballot.
- Support reforms to reduce frivolous or vexatious lawsuits and to resolve legal disputes in a fair, predictable, equitable and timely manner.
- Support the rights of employers to determine appropriate employment policies and procedures to meet the unique needs of their business or organization, including labor and union policies.
- Support efforts to streamline government, reduce the current regulatory burden where appropriate, and oppose new regulations that would unduly burden employers and prevent them from growing and creating new jobs. Encourage agencies to utilize lean processes to reduce regulatory burdens.
- Support legislation and regulatory policies which recognize Arizona's unique characteristics, provide regulatory certainty, promote transparency, are cost-effective, technically feasible, and not duplicative, and regulatory policies are based on clear statutory authority.
- Support the "Fairness in Fee Principles" adopted by the Chamber, to promote accountability, transparency, fairness/ certainty and flexibility in legislation and regulatory policies.
- Support sufficient funding for the court system to ensure timely resolution of issues that impact business.
- Oppose any and all efforts to place wage caps on industry.
- Support reforms to prevent gaming of the signature-gathering process for proposed ballot initiatives and to help ensure that initiatives are advanced by the Arizona voting public and not out-of-state interests.

TRANSPORTATION AND INFRASTRUCTURE

CHAIR: Terry Gruver, HDR, Inc.

VICE CHAIR: Mark Yalung, Parson Brickerhoff

Supports the development and maintenance of a balanced transportation system that improves mobility and connectivity for the region's employers, goods, residents and visitors alike. The committee evaluates proposed multimodal transportation projects and issues, and advocates for investments and policies that will improve mobility, contribute to economic development of the region and build coalitions representative of the diverse and multigenerational population in the region.

- A quality, multimodal transportation system that allows people and goods to move efficiently, conveniently, safely and reliably around the region is necessary to preserve and improve quality of life, economic growth and environmental quality. In order to help build and maintain a quality transportation system, the Chamber will:
 - Support efforts to enhance all modes of transportation that move people and goods efficiently while contributing to a sustainable and healthy economy.
 - Support transportation investments that will improve mobility and contribute to economic development, environmental quality and jobs.
 - Support efforts to secure revenue and resources for transportation needs from multiple sources that are consistent with the Greater Phoenix Chamber of Commerce's Budget and Tax Guiding Principles.
 - Support efforts to enhance the regional air transportation system, including Phoenix Sky Harbor International Airport's continuing role as the region's premier airport. Efforts will include advocating for maintenance and improvement of the competitive air transportation environment, including quality service and affordable, efficient and safe passenger and cargo operations for the region.
 - Support state and local policies governing use of the public right of ways that ensure fair access and reasonable regulation of all rights of way users without adding costs that prematurely and perhaps unnecessarily burden the users of the public rights of way.
 - Support strategic and consistent policies that will contribute to increasing traffic safety for drivers, passengers and pedestrians alike.



WORKFORCE READINESS

CHAIR: Marc Osborn, Kutak Rock, LLP

VICE CHAIR: Angela Creedon, Arizona State University

Works to enhance academic achievement and accountability while offering appropriate skill training that answers employment needs to create a more effective workforce.

Employment Policies

- Advocate for employment policies that encourage job creation and retention, and fosters an environment for continued business expansion.
- Support the rights of employers to determine appropriate policies and procedures to meet the unique needs of their business or organization, as well as reduce costs and administrative burdens. Key areas include: immigration, workforce development, workers' compensation insurance, unemployment insurance and job training.
- Support policies that allow employers to maintain a safe workplace, including the ability to regulate weapons and a drug-free workplace, as well as promote other workplace safety measures and workplace efficiencies.

Education and Job Training

- Demand high expectations of all students and educational institutions, and eliminate the achievement gap. To that end, the Chamber will:
 - Support policies that increase the number of students who are college and career ready by focusing on Arizona's College and Career Ready Standards, Science Technology Engineering & Math (STEM) and other academic and industry-specific standards.
 - Advocate for educational policies that provide meaningful levels of training and education for quality employment and continued pursuit of higher education.
 - Support policies that will endeavor to decrease the high school drop-out rate and ensure that graduates are college or career ready.
 - Promote policies that hold educational institutions accountable for producing high-quality outcomes.

- Encourage and support a system of public and private educational institutions that develops a quality workforce, encourages innovation and fosters entrepreneurship.
 - These organizations should be sufficiently funded and provided flexibility in how they spend these resources while still being held accountable for results.
 - Support cost-effective mechanisms to enhance access to high-quality education opportunities that lead to academic proficiencies by the end of third grade.
- Support university research and other Arizona research institutions as being an important driver of economic development, including retention, expansion and the formation of new industries.
- Support a robust community college system that creates structured career pathways.
- Strengthen public universities with stable funding and enhanced flexibility by collaborating with the Arizona Board of Regents to build upon the existing strengths of the university system and ensure world-class research capabilities, access for qualified students and excellent workforce preparation. With the state's improving fiscal situation, secure the state's financial relationship with the university system as one that is based on per-resident student funding, and obtain funding to support critical capital renewal projects needs that is consistent with the Chamber's Budget & Tax Guiding Principles.
- Support the efforts of Achieve60AZ to reach the goal of 60 percent of our adult population, ages 25-64, having a professional certificate or degree by 2030.
- Support policies that promote academic readiness at all levels of education along with metrics in order to meaningfully measure progress.
- Support efforts to reduce regulation, increase operational flexibility and minimize costs of conducting business. Support enterprise model of operations which recognizes and advances each university and its differentiated mission.
- Support policies that enable employers to promote skill and educational development, as well as eliminate barriers to employment. Policies should enable employers to easily navigate changes in the economy and be responsive to the dynamic nature of Arizona's economy.

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6 ISSUE COMMITTEES



Our six issue committees meet in August to discuss and evaluate each committee's guiding principles.

2



Each committee's finalized guiding principle document is then sent to the Public Affairs Committee.

3

PUBLIC AFFAIRS COMMITTEE

Review Approve Send to the Board

4

CHAMBER'S BOARD OF DIRECTORS

The final step in approval is the Chamber's Board of Directors meeting in October.



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PUBLIC POLICY GUIDE



APPROVED

Once approved by the Board each committee's guiding principles document is compiled to create the Chamber's Policy Guide for the next year.

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To learn more about these committees,
contact the public affairs department at
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