



**GREATER PHOENIX
CHAMBER**

PUBLIC AFFAIRS

2019 PUBLIC POLICY GUIDE



ABOUT PUBLIC AFFAIRS

Every year the Greater Phoenix Chamber gathers business leaders, policy experts, and Chamber members to develop the Chamber's annual Public Policy Guide.

The Public Affairs program offers members the opportunity to participate in constructing policy priorities through six issue committees. These committees offer industry and community leaders, legal experts, and policy advocates the opportunity to evaluate policy and regulatory matters and form policy recommendations on behalf of the Chamber.

During the year, the Public Affairs Committee and issue committees meet to review legislative bills and local ordinances, hear presentations, and unite in support of or against policy proposals impacting the business community.

The Public Affairs program unites government affairs professionals, industry practitioners, and business leaders to evaluate and craft meaningful policy recommendations and set policy priorities for the Chamber.

With a robust vetting and review process, the Chamber's Public Affairs program formulates policy positions and a legislative agenda to move the Phoenix forward!

MEET YOUR PUBLIC AFFAIRS TEAM



Todd Sanders,
President & CEO

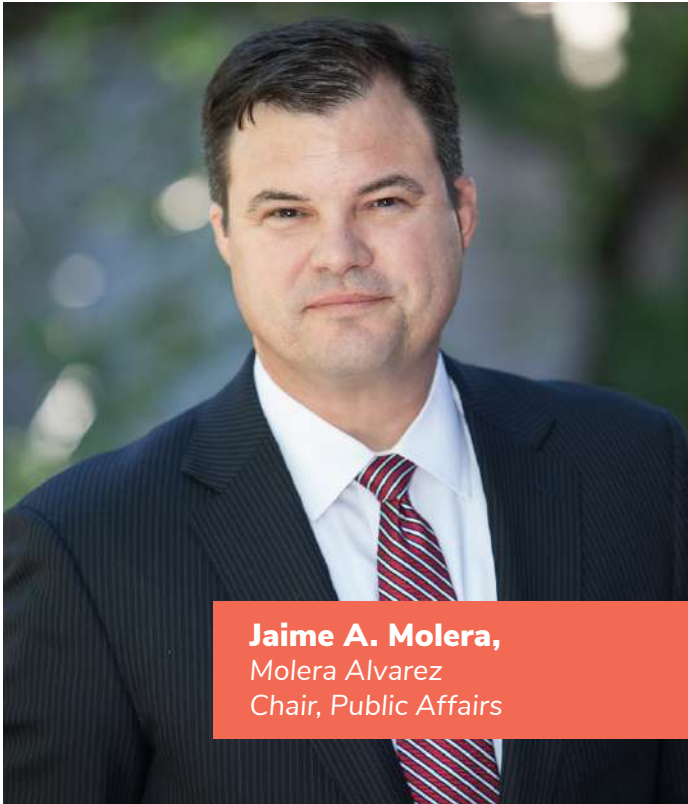


Mike Huckins,
Vice President of Public Affairs



Jen Springman,
Public Affairs Coordinator

MESSAGE FROM THE CHAIRMAN



Jaime A. Molera,
Molera Alvarez
Chair, Public Affairs

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

The Chamber's six issue committees convene 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 determine individual guiding principles before submitting them to the Public Affairs Committee for review. The committee discusses, debates, and fine-tunes the recommendations and submits them to the Chamber's Board of Directors for evaluation and approval. The Board-approved recommendations become the Chamber's guiding principles, which drive our advocacy efforts each legislative session.

After the guiding principles are approved, the committees meet regularly throughout the year to review legislative bills and ordinances, hear presentations from top policy-makers and business leaders, 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 strong voice 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 policies.

The greatest benefit of the Chamber's Public Affairs efforts is providing business leaders a seat at the table and a strong, united voice in the regulatory process at all levels of government. Arizona's quality of life is improving because of the organizations like ours.

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



**Agriculture,
Environment
& Water**



Budget & Tax



**Education &
Workforce**



**Insurance &
Health Care**



**Legal &
Regulatory
Reform**



**Transportation
& Infrastructure**

EXECUTIVE DIALOGUE IN WASHINGTON D.C.

During the Greater Phoenix Chamber's annual trip to Washington D.C., a delegation of business leaders in several productive meetings and forums, providing national leaders the opportunity to hear from Arizona's business and community leaders. This trip provides a platform for the Chamber and its members to connect and elevate the local impact of national issues.

TRADE

The renegotiation of NAFTA was crucial to maintain economic vitality and the new agreement—the United States Mexico & Canada Agreement (USMCA)—is a step in the right direction.

Now, the U.S. needs to address the crippling tariffs on exports. China, the European Union, Mexico, and Canada have already retaliated or announced plans to retaliate with billions of dollars in tariffs on American-made products. This practice threatens to derail our nation's recent economic resurgence.

IMMIGRATION

It is long past time for Congress to reform the country's broken immigration system. It does not work for individuals and it does not work for business.

The Chamber urges members of Congress and the administration to support comprehensive proposals that would improve border security, provide a permanent solution to DACA, and institute bipartisan pro-business reforms to the immigration system.

EDUCATION & WORKFORCE

The Chamber advocates to enhance academic achievement and accountability at every level, and for appropriate skill training that supports an effective workforce.

This includes the continuation of the Higher Education Act (HEA), as well as improving financial aid programs and systems, including private sector innovations in higher education finance.

The reauthorization of the HEA is pending before Congress. The D.C. delegation urged Arizona's delegates to support the HEA and recognize its important role in furthering the state's economic prosperity.

INFRASTRUCTURE

The need for a comprehensive infrastructure plan continues to grow. States and cities across the nation are dealing with aging infrastructure and the need for new, 21st century roads.

Additionally, the Federal Motor Carrier Safety Administration (FMCSA) is considering regulatory changes including rulings on rate filings, management of rogue movers harming consumers and driver safety—and most recently, the hours of service rules that regulate professional drivers.

The delegation encouraged leaders to continue to develop an infrastructure plan with fiscally sound funding mechanisms.



FISCAL PRINCIPALS

The Greater Phoenix Chamber (the Chamber) 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, the Chamber has developed this fiscal principles document to help guide its 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 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 committee process with a full understanding of the consequences to taxpayers, the state, and other stakeholders.
- Budget Crisis Response: The Executive and Legislative and local leaders should timely intervene to address a substantial decline in state and local 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.
- Benchmarking: 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.

- Public Pension & Retirement Systems: Lawmakers should further reform the public pension and 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 government, public employees and taxpayers.
- 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 and uniformity of adopted tax reductions, reforms and simplifications and efforts at uniformity in TPT bases between the state and municipalities.
- Policymakers should look to create a more simplified tax system that promotes equity, ease of administration, and increased compliance, rather than being left to administrative discretion.
- 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.
- Support a statutory clarification regarding the taxation of digital goods and services; with the objective of providing taxpayer clarity and certainty regarding the taxation of the cloud-based services industry.

FEE REFORM

- 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 and local information technology infrastructure to ensure efficient and effective government operations.



AGRICULTURE, ENVIRONMENT & WATER

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.

GUIDING PRINCIPLES

- 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 are based on sound science, cost-effective, technologically feasible.
 - Provide regulatory certainty that is based on clear statutory authority.
 - Minimize and fairly allocate compliance costs.
 - Promote innovation and market-based strategies based on Arizona's unique environment.
 - Promote and preserve administration of federal programs by the state of Arizona consistent with and not duplicative of existing federal, state, and local legislation.
 - 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 without affecting core agency functions.
 - Support local jurisdictions in their reasonable and cost-effective efforts to address critical infrastructure needs in response to pending shortages on the Colorado River including aging infrastructure that will enhance their ability to meet the water needs of their community and the continued growth of the economy.
 - 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.
- Support 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.
 - Protect Arizona's Colorado River allotment and Arizona's ability to effectively manage the allotment including maintaining the reliability of those supplies for current and future use in Arizona.
 - Promote water conservation and similar efforts that will protect the water elevation of Lake Mead, including development of a Lower Colorado River Basin Drought Contingency Plan (DCP).
 - Support state primacy of carbon emission regulations under the EPA Clean Air Act. Support Arizona in defending State primacy and the State's role under the Clean Air Act while working cooperatively with the EPA to replace carbon emissions regulations with a reasonable, state-driven alternative. Support legal pursuits against the EPA in the event the EPA does not give deference to Arizona's reasoned policy and technical determinations.

CO-CHAIRS:



Jason Baran,
SRP



Rodney Ross,
APS



BUDGET & TAX

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.

GUIDING PRINCIPLES

- 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.
- Advocate for state and local government to strive for fiscal prudence and maintenance of top bond ratings through preserving appropriate but not excessive levels of reserve funds.
- Encourage cities and counties to conduct frequent citizen 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.

CHAIR:



Alan Maguire,
The Maguire Company





EDUCATION & WORKFORCE

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

GUIDING PRINCIPLES

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, especially the opioid epidemic, as well as promote other workplace safety measures and workplace efficiencies.
- 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.

Education, Career Readiness and Job Training

- Support appropriate levels of stable and equitable funding for the P-20 education system with emphasis on performance measures tied to academic outcomes.
- Support the efforts of Achieve 60 AZ to reach the goal of 60 percent of our adult population, ages 25-64, having a professional certificate or degree by 2030.
- Demand high expectations of all students and educational institutions, and eliminate the achievement gap.
- Promote policies that hold all educational institutions accountable for producing high quality outcomes.

CO-CHAIRS:



Jay Kaprosy,
Veridus



Marc Osborn,
Kutak Rock, LLP

K-12 Education

- Support access to high quality, evidence-based early childhood programs for all families in our community, including programs designed to improve the learning, behavior and social-emotional development of young children.
- 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 high-quality, rigorous academic and industry-specific standards.
- Advocate for educational policies that will endeavor to decrease the high school drop-out rate, pursue higher education, and provide meaningful levels of training and education for quality employment to ensure that graduates are college or career ready.
- Support cost-effective mechanisms to enhance access to high quality education opportunities that lead to academic proficiencies by the end of third grade.
- Support policies that promote academic readiness at all levels of education along with metrics in order to meaningfully measure progress.

Higher Education

- Encourage and support an accountable system of public and private educational institutions that are sufficiently funded and provided flexibility in resource spending to develop a quality workforce, encourage innovation, and foster entrepreneurship.
- Support universities 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 a stable funding model based on the state funding half of the cost to educate resident students, supporting critical capital projects, and enhanced flexibility to ensure access for qualified students, world-class research capabilities and an excellent workforce preparation.
- 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.



INSURANCE & HEALTH CARE

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

GUIDING PRINCIPLES

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 healthcare 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 (i) state regulation, (ii) cost-shifting, (iii) coverage requirements, and (iv) government mandates.
- Oppose expansion of government programs that place the private market at a competitive disadvantage. Encourage evidence-based policy solutions.
- 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, other healthcare professionals and direct care workers across the state; including, but not limited to, expanding graduate medical education and providing funding for the State Primary Care Provider Loan Repayment Program.
- Promote and recognize delivery system innovations that improve the quality of patient care, maximize efficiencies, increase care coordination and reduce medical costs.
- Work in conjunction with the healthcare industry to address the opioid crisis.

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.
- Support efforts to remove burdensome regulations that unnecessarily restrict competition in the insurance marketplace.
- Oppose unnecessary (i) state regulation, (ii) cost-shifting, (iii) coverage requirements, and (iv) government mandates.

CO-CHAIRS:



Kathi Beranek,
Blue Cross Blue Shield AZ



Don Isaacson,
Isaacson & Walsh



LEGAL & REGULATORY REFORM

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

GUIDING PRINCIPLES

- Ensure that any changes to the campaign finance system are consistent, clear, transparent, and that fundraising and reporting rules are uniformly enforced.
- Ensure that any proposed changes to the state or local lobbying registration and reporting systems 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, including engaging in the current legislative council review process.
- Support reforms to prevent fraud in 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.
- Support reforms to reduce frivolous and 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 without affecting core agency functions.
- Support legislation and regulatory policies which recognize Arizona’s unique characteristics, that promote accountability, transparency, fairness/certainty, and flexibility in legislation are cost-effective, technically feasible, and not duplicative, and ensure regulatory policies are based on clear statutory authority.
- Ensure cost-effective private sector delivery of services including the support of efforts to ensure that school district spending for new construction, building maintenance, materials, services and goods are conducted in a manner consistent with the State Procurement Code and allows for open and competitive bidding through the use of historically successful alternative project delivery methods.
- Support sufficient funding for the entire court system to ensure timely and cost efficient resolution of issues that impact business, including information technology issues.
- Oppose efforts to place wage caps on industry.
- Support Initiative/ Referendum Reform in that 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.

CO-CHAIRS:



Michelle Bolton,
Cox Communications



Janna Day,
AZ Policy Connect



TRANSPORTATION & INFRASTRUCTURE

Support the development and maintenance of a balanced and cost-efficient transportation system that involves all modes of transportation that improves safety, mobility, and connectivity, and reduces congestion for the region's employers, goods, residents and visitors alike.

The committee evaluates all proposed modes of transportation projects and issues, and advocates for the protection and growth of investments and policies that will improve safety, mobility, contribute to a sustainable and healthy economy of the region and build coalitions representative of the diverse and multi-generational population in the region.

CO-CHAIRS:



David Skinner,
HDR, Inc.



Manny Tarango,
SRP

GUIDING PRINCIPLES

- Promote a quality, multimodal transportation system that allows people and goods to move efficiently, conveniently, safely, and reliably around the region that is necessary to preserve and improve quality of life, economic growth, and environmental quality.
- Support transportation investments that will improve mobility and contribute to economic development, environmental quality, and jobs.
- Support efforts to secure, protect and increase revenues and resources for transportation needs from all sources that are consistent with the Greater Phoenix Chamber's Budget and Tax Guiding Principles.
- Support efforts to protect and enhance the regional air transportation system, including Phoenix Sky Harbor International Airport's continuing role as the region's premier airport.
- Support state and local policies governing use of the public rights of ways that ensure fair access and reasonable regulation of all rights of way users without adding costs that prematurely and unnecessarily burden the users of the public rights of way.
- Support strategic and consistent policies that will contribute to increasing all modes of transportation safety for all users.
- Encourage local determination of voter-approved funding for implementation of the regional transportation plan.

POLICY GUIDE PROCESS

1

SIX ISSUE COMMITTEES

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



2

FINALIZED GUIDING PRINCIPLES

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.

5

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.

SPONSORS



Greater Phoenix Chamber

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