

2015 LEGISLATIVE POLICY GUIDE



The Utah Valley Chamber represents nearly 1,000 businesses, most of which are located in Utah County, the epicenter of Utah's economic development activities. The Chamber's mission is to make Utah Valley a better place. We believe advocacy for business-related issues at the local, county, state and federal levels helps promote a friendly business environment, allowing the economy to grow unfettered by excessive government regulation.



Citizens of Utah,

Utah Valley is frequently identified as being among the best places in the country to do business. These rankings do not come by accident. In fact, a primary reason for these accolades is the business-friendly laws passed by our legislature.

The Utah Valley Chamber of Commerce is committed to promoting legislation at all levels of government that strengthens and facilitates business growth. We believe a strong economy results in a broader and deeper tax base, which helps fund our critical government needs such as education, transportation and public safety.

Multiple levels of the business community have been engaged in the development of our legislative priorities for 2015. They were developed initially by the Chamber's Public Policy Committee and were ratified by the Board of Directors. We encourage Chamber members and others in the business community to contact their legislators to push for support of these priorities, which are outlined herein this policy guide. We also encourage legislators to exert their influence to promote the passage of legislation in support of these priorities.

The Utah Valley Chamber is proud to be the voice of business in Utah Valley. We are actively engaged in policy issues to represent the thousands of businesses located in our growing and prosperous region. With the help of legislators, we hope to continue to be the best place in the country to live, learn, work and play.

Rona Rahlf
President and CEO

Arthur Newell
Board Chair

Cameron Martin
Policy Committee Chair

2015 LEGISLATIVE PRIORITIES

ECONOMIC DEVELOPMENT

Utah Valley's economy ranks among the best in the country and is the heartbeat of our state's economy. In the first nine months of 2014, \$462 million dollars were invested in local companies by capital investors and angel investors. Attracting, training, and keeping qualified employees remains as one of the main challenges facing Utah County companies.

One of the reasons so many companies are locating in Utah Valley is the quality of life we enjoy here. There are limitless opportunities for culture and recreation. We must continue to improve those opportunities as the valley grows so that we continue to be seen as a desirable place to live, learn and, work and play.

2015 Legislative Priorities for Economic Development

1. We support Utah legislators in devising any and all measures that will expedite the availability and sale of Tier-3 gasoline in Utah and especially along the Wasatch Front as soon as possible.

Make a concerted statewide effort to refine the modeling for Division of Air Quality and EPA emissions standards that are currently inhibiting manufacturing companies from locating along the Wasatch Front.

Rationale:

Air quality issues and their attendant EPA restrictions have created a serious roadblock to attract large manufacturing companies to the Wasatch Front. We must find a way to continue to address air quality issues without discouraging manufacturing companies looking to locate or expand here in Utah. This will require a concerted effort between the counties, the state and the federal government.

National Ambient Air Quality Standards (NAAQS) are designed to protect the health and welfare of people who live and work in Utah County. Fortunately, air quality has improved over the years and air quality in Utah County, as measured in accordance with EPA methods, only rarely exceeds the daily NAAQS. Utah Valley experiences winter time temperature inversions which trap air contaminants. Extended inversions allow particulate matter to accumulate in the atmosphere. Air quality exceeds the daily NAAQS for particulate matter on an average of only 11.6 days each year. It is these infrequent and short periods of unhealthy air that threaten the economic development of Utah County. Large industry in Utah

County accounts for less than 10% of the emissions on a typical winter day. Opportunities to improve air quality through additional controls on industry are not likely to have a large impact. We are among seven counties of the Wasatch Front that have been recognized to benefit most from widespread use of Tier-3 gasoline.

Tier-3 gasoline use is widely recognized by experts as the most effective means to reduce pollution from vehicles. The EPA approximates additional cost of the adoption of Tier-3 gasoline to be less than one penny per gallon. The EPA further estimates that by 2030, the health savings as a result of the adoption of Tier-3 gasoline to be between \$6.7 and \$19 billion.

2. Commit \$3.5 million over the next two years to get to the end of the six-year carp removal effort from Utah Lake. (This is the fourth year in, with 13 million pounds to go.) That amounts to \$1.75 million per year for two years.

Rationale:

The Chamber recognizes Utah Lake as an asset to our community and as an important component of State economic development, quality of life and tourism. Recreational fishing estimated benefits are expected to exceed \$90 million discounted over twenty-years from services such as fishing, non-fishing recreation, property values and taxes. Carp were introduced into Utah Lake in the 1800s. They have completely altered the ecosystem of the lake and are the primary cause of the infamous murky water Utah Lake is known for. Until the carp and phragmites are removed, the lake will not achieve its recreational and economic development potential in the state and the region.

The Utah Lake Commission has a six-year plan for removing carp and phragmites from the lake. We believe the continued investment by the state in Utah Lake will reap significant returns on that investment as the lake's water quality and reputation improve.

3. The Utah Valley Chamber of Commerce has endorsed the principles of the Utah Compact. We encourage state and federal elected officials to work proactively in furthering immigration reform according to those principles. Our vision of immigration reform includes the five items below.

- Streamlining the immigration system that allows for a reasonable time period (months, not years) for getting visas and green cards.
- Increasing the number of visas for high-skilled and low-skilled workers.
- Providing a pathway to legal work status for undocumented residents.
- Allowing businesses to hire those workers through an e-verify system that holds business blameless if they hire in good faith according to regulations.

- Securing the borders to assure American safety.

4. The Utah Valley Chamber of Commerce acknowledges the merit of relocating the Utah State prison, but adamantly oppose any location in Utah County within the key economic development area.

Rationale:

In April 2014 at the Governor's Economic Development Summit it was announced that Utah County is the top performing economy in the State. Currently the Economic Development Corporation of Utah manages 190 projects of businesses that are either interested in locating in Utah or expanding here. Three of the top five projects on that list have serious interest in locating in Utah County. A prison relocated to Utah County would be a serious deterrent to economic prosperity, which already has great momentum. Utah County is not the right place for the prison relocation!

EDUCATION

The Utah Valley Chamber has partnered with other Chambers of Commerce in the state to promote and support Prosperity 2020 and Education First, a movement to strengthen our economy by improving education and becoming outcome based. An educated workforce is essential to economic development and continuing prosperity.

Prosperity 2020 and Education First's goals include:

- Ninety percent of third graders and sixth graders are proficient in reading and math.
- Two-thirds of Utahans have academic degrees or skilled trade certificates.
- Ninety percent of students graduate from high school.
- Salt Lake and Utah Counties rank in the top 20 metropolitan areas for concentration of science and engineering degrees.

2015 Legislative Priorities for Education

1. Partner with industry to promote and fund STEM education and career pathways in K-12 and Higher Education

Rationale:

The number one problem facing Utah County businesses is the shortage of qualified workers. Most technology businesses in Utah County and throughout the state are clamoring for employees who have graduated with science, technology, engineering or math degrees. These companies currently must recruit out-of-state talent because there

are insufficient numbers of STEM students graduating from Utah's colleges, universities and applied technology colleges. The state and industry must partner to invest in initiatives designed to increase the number of K-12 students preparing for STEM degrees in college and for those college students who choose to major in one of the STEM fields. The Utah Valley Chamber encourages the legislature to continue funding initiatives designed to promote STEM education.

2. Fund growth, Weighted Pupil Unit (WPU) and teacher professional development opportunities in public education

Rationale:

The Chamber encourages the legislature to fully fund growth and an increase in the WPU for public education. Educating our children is a top priority. With significant growth in Utah Valley's population now and in the future, we need to keep our class sizes manageable. Increases in the WPU are needed to continue to fund education costs per pupil. Currently Utah is the lowest in the nation for per pupil spending, which includes teacher salaries. We also encourage funding for professional development for teachers and employees so they can improve their skills. Stephen Covey's principle for "sharpening the saw" is just as applicable for a teacher as it is for someone in business. If we truly want better teachers, we need to invest in their continued professional development.

3. Adequately address equity funding for MATC, Compensation for higher education employees, and Mission-based funding for UVU.

Rationale:

The Utah College of Applied Technology (UCAT) Trustees and College Presidents unanimously support the request for Applied Technology College equity funding. Equity funding would enable MATC to provide training programs that are unavailable to the citizenry in the Mountainland region. Equitable revenues would allow MATC to positively affect economic vitality and workforce development to address business and industry needs. The Mountainland Applied Technology College is appreciative of initial legislative equity funding to address regional needs.

Higher education employees at state institutions are public employees and therefore should be included in the compensation package the state prepares for its employees. To require higher education to provide COLA and merit pay adjustments through tuition shifts the funding responsibility from the state to the student. The legislature can help higher education keep tuition cost down by including higher education employees in the state's employee compensation package.

Mission-based funding has two parts: 1) Student Participation and 2) Distinctive Mission. *Student Participation* includes support for additional faculty, faculty services, advising resources, and course sections. Such support will also help UVU sustain its enrollment growth to maintain per-student funding on par with its peer institutions. *Distinctive Mission* includes expanded support for completion and economic development

strategies and programs as well as the use of technology to enhance and improve learning outcomes.

FEDERAL LAND

2015 Legislative Priorities for Federal Lands

- 1. Pursue a Declaratory Judgment that would require the Federal Government to fulfill its contractual obligation entered into in the Utah Enabling Act of 1894.**

Rationale:

The Federal Government controls 66.5% of the land in the State of Utah, the second highest percent in the country. This high amount of federal control restricts the amount of funds going into the state's general fund. Even if a small portion of the federal lands could be put into economic use and the mineral resources tapped, the State could fully fund its general fund needs.

WATER AND RELATED INFRASTRUCTURE

Utah's society and economy were founded upon and continue to depend upon a reliable, safe water supply. Residents have come to expect clean, pure water in sufficient quantity and quality to sustain their lives and grow their economies. Water sources, water rights, and the related infrastructure must be carefully planned, protected, constructed, maintained and operated to provide the necessary water for expected growth. The Utah Valley Chamber of Commerce recognizes the importance of the wise use and conservation of existing water, the replacement and repair of aging water infrastructure, and the ability to plan and fund new water projects to ensure adequate water for the future. We urge the legislature to encourage water conservation, long-range planning, and to provide the tools and policies to permit adequate repair and replacement of water infrastructure.

2015 Legislative Priorities for Water and Related Infrastructure

- 1. Encourage water conservation to meet the Governor's goal of a 25% reduction in current water use by 2025**

Rationale:

Almost all physically available water in Utah is currently allocated. "New" water for municipal and industrial use must come from conserved water or water converted from previous other uses. Innovation and improvements in agricultural methods may also result in additional 'new' water for increased food and fiber production. Water reuse

and conjunctive use will also be important parts of a conservation strategy. Laws, policies, and regulations should encourage wise watering practices and conservation practices, especially to outside landscaping, and also permit reuse, conservation and 'banking' of conserved water without risking the loss of the original water right or disruption of downstream users.

2. Protect water-funding sources necessary to meet expected growth

Rationale:

Large water development and conveyance projects frequently require decades of study, planning and design. These types of projects frequently must be designed and installed to meet the ultimate demand of the system many years prior to the projected full demand for the water. Large water projects such as the Central Utah Project and the Weber Basin Project are examples of this type of project. They were developed and installed using federal funding. It is very doubtful that future funding of water projects can depend upon federal monies and state water development programs will experience increased demands. In order to continue the timely development of the necessary water infrastructure projects, water purveyors need the ability to impose sustainable rates, require impact fees, levy property taxes, utilize the State of Utah's water development programs, and bond. Without these key revenue sources, the necessary water and related infrastructure cannot be funded and will not be available when needed. These revenue sources and mechanisms must be protected in order to provide adequate water supplies for the future.

3. Allow accumulation of reserve funds to pay for replacement of aging water delivery systems

Rationale:

Many water systems in Utah were installed over 70 years ago. This infrastructure has served us well, but is in dire need of repair and replacement. Older infrastructure is also a huge source of lost water through leaks and line breaks. The Governor-appointed State Water Advisory Strategy Team has estimated that the replacement cost of water infrastructure in Utah would require spending between \$3.7 and nearly \$5 billion dollars each decade over the next 40 years. Past practice has been to bond or borrow money for needed infrastructure improvements. The accumulation of large reserves for replacement was discouraged or prohibited. The reluctance to bond or borrow has resulted in many delayed replacements and performance of emergency-only type repairs. Water system operators should be allowed to impose the necessary rates and fees to fund the required replacements and be permitted to accumulate sufficient reserves to replace worn out pipelines, wells, and treatment plants.

4. Keep the State Engineer as the 'gate-keeper' responsible for the general administrative supervision of the waters of the state

and the measurement, appropriation, apportionment, and distribution of those waters. The Division of Water Rights should be adequately funded to administer water law throughout the State.

Rationale:

The historic role of the State Engineer has included reviewing and ruling on the validity of water rights and change applications, including nonuse claims. This process has served Utah very well. Recent court rulings have threatened to disrupt this process and remove certain authority from the State Engineer. The State needs a “gate keeper,” with the necessary education, background, and experience to fairly evaluate and rule on the beneficial use of water in the State. This person is the State Engineer. In addition, the Division of Water Rights should be adequately funded to administer the law and to gather the necessary data concerning water use and availability. This will result in the beneficial use of existing water and conservation of this valuable resource. A strong office of State Engineer and an adequately funded Division of Water Rights will ensure protection of the value and use of water rights in the State.

TRANSPORTATION

Utah is arguably the most topographically and economically diverse land-locked state in the country. Utah County has seen steady growth over the years in both populations and in the business communities. Utah's economic development potential is boundless. Tourism, renewable energy, aerospace and defense, and IT are all areas of strength. There is a concern that the weak link with all of the growth is in adequate funding of local transportation needs. Local governments are receiving less revenue from the gas tax and higher demand on infrastructure. The Utah Valley Chamber of Commerce recognizes the importance of having a quality transportation system to continue to grow economically and attract businesses to our county. We urge the legislature to continue to find fair and balanced ways of supporting our local communities to continue to build and maintain our transportation systems.

2015 Legislative Priorities for Transportation

- 1. Address the issue of declining buying power of the gasoline excise tax to maintain relative buying power of the tax for continued maintenance of the transportation system**

Rationale:

The current gasoline tax is based on a ‘cents per gallon’ excise tax. As the fuel economy of vehicles increases, the gallons of gasoline used to travel the same distance is reduced. While increased fuel economy is a good thing, it creates a short fall in required tax revenues to maintain the transportation system for users. One way several states have addressed this issue is to convert a portion of the gasoline excise tax to a sales tax. The sales tax rate would stay the same, but the revenues would rise or fall based on the price of fuel. The price of oil is a key factor in the price of transportation infrastructure. By

converting a portion of the existing tax to a sales tax or other option, it would go a long way toward keeping up with inflation on transportation costs.

2. Preserve existing sources of transportation funding

Rationale:

Transportation funding in Utah comes from many sources including gas tax and auto related sales tax. It is important that these funding sources be preserved. The transportation funds are capital improvement funds and have been used in the past as a very important rainy-day fund and additionally to fund capital improvements in the education system. The auto-related sales tax portion of the general fund is very close to a user fee, in that those who purchase automobiles or auto-related products pay for improvements to the transportation system. Transportation and education should work together to ensure appropriate levels of funding for both of these critical concerns to the state's economy and Utahans' way of life.

EGGS AND ISSUES

During the legislative session, the Utah Valley Chamber of Commerce hosts a Saturday morning breakfast with members of the Utah County legislative delegation. These breakfasts are sponsored by Intermountain Healthcare and are held in the Clark Auditorium of the Northwest Plaza at the Utah Valley Regional Medical Center (1230 North and 500 West) in Provo.

This year these breakfasts will be held on Saturdays, January 31, February 21 and March 7. Registration and breakfast starts at 7:00. Program begins at 7:30. We hope legislators will make every effort to be in attendance so Chamber members can interact with them and learn about key legislative issues.

The American Fork Chamber of Commerce will be hosting Pancakes and Politics on Saturday February 7 and Saturday March 7 at American Fork Hospital, 170 N. 1100 East. Bagels and Bills will be held in South County on Saturday February 7 as well as Saturday February 28.

WEEKLY MEETINGS ON THE HILL

During the last four weeks of the legislative session, the Public Policy Committee will meet once a week at 7 a.m. with members of the Utah County delegation; February 18, 25 and March 4, 11 in the Beehive Room in the East Senate Building.

The Chamber will also sponsor a Utah Valley Chamber Day on the Hill on February 18 for any members who would like to come to Capitol Hill to experience the session, meet with legislators and learn more about the legislative process. Register to attend at www.thechamber.org.

CHAMBER PUBLIC POLICY COMMITTEE

The Utah Valley Chamber of Commerce Policy Committee meets monthly to review key policy issues affecting business and to propose to the Board of Directors the Chamber's legislative priorities and its stance on proposed legislation.

The Policy Committee is chaired by Cameron Martin, with Craig Carlisle as vice chair. The committee is comprised of key business and civic leaders from throughout Utah Valley.