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ANNUAL  
REPORT

2010-2012

THE VOICE FOR

ILLINOIS CHAMBER  
OF COMMERCE



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Date 8/27/14 Reporter CC

## PURPOSE & MISSION

We promote and support the interests, successes and prosperity of our members and the Illinois business community.

Our mission is to lead and serve our members as well as the entire Illinois business community. We will enhance our reputation as a credible, highly regarded and effective business advocate which will enable the Chamber to serve as the unifying voice of the Illinois business community. Our ability to provide innovative support and services to Illinois businesses will strengthen their success and profitability thus promoting prosperity and opportunity for the citizens of Illinois.

## Mary Crego

In June 2010, I was honored to assume the role of Chairman, succeeding Calvin Butler. My two-year term will conclude with this June meeting, when we welcome Ray Drake from UPS as the new Chairman.

The Illinois Chamber is an organization with great synergy and commitment between the talented staff, the dedicated board members, and the businesses we serve. We are privileged to have a great leader and CEO in Doug's dedication to our members across the state is unwavering.

We live in a polarizing time, and business can sometimes be painted in a less than flattering light. The Chamber works tirelessly to portray the Illinois business community accurately—as a very diverse, talented, and hardworking group of business leaders investing their time and money in their local communities through employment opportunities and individual good works.

The demands of running a successful business don't allow the luxury of detailed research, pro-business lobbying and advocacy, and vigilance in assessing possible threats to business. Fortunately, the Illinois Chamber does that—promoting and supporting the interests, success and prosperity of our members, and the Illinois business community as a whole. Every business—large and small—should be a member of the Illinois Chamber of Commerce.

I'm proud of the work the Chamber does, and the past two years have been especially critical with the devastating economic downturn. The importance of our "Jobs Agenda" to the business climate of Illinois cannot be overstated. Embedded in our Jobs Agenda are themes of:

- Restoring fiscal integrity
- Reducing the cost of doing business
- Improving workforce readiness
- Investing in infrastructure
- Restoring fairness to our courts

Countless meetings, speeches, and op-eds have been generated on these issues by Doug and the tireless staff and members of the Chamber. Todd Maisch, our talented Vice President of Government Affairs, and his team are in constant communication with our elected officials to convey the Chamber's positions on issues critical to the state's business community. It is personally very important to me that our relationships with those elected officials are on both sides of the aisle—Democrats and Republicans—who serve with honor and integrity, and a fierce desire to do what is right. Their faith in the credibility of the information and research of the Chamber on business issues is clear; and we feel that obligation strongly to continue those efforts to help them restore confidence and trust in the state. That, in turn, leads to an improved business climate.

Our path ahead will continue to be challenging. But with the leadership of Doug Whitley and our new Chairman Ray Drake, at the Illinois Chamber, I know that the business climate in Illinois will continue to improve. As an Illinois native, that is important to me because business is an incredible economic, academic, and societal engine for citizens in every corner of our great state. As a convener and thought-leader of business, civic leaders, elected officials and other groups, we will continue our mission of promoting and supporting the interests, successes and prosperity of our members and the Illinois business community.

—Mary Crego

Senior Vice President, State Farm,  
Chairman, Illinois Chamber of Commerce



## The Jobs Agenda

In the wake of the state's massive tax increase, the Chamber published and pursued a Jobs Agenda for the State of Illinois. Its aim is to promote an agenda focused on tightening to reduce state-imposed costs on employers, restoring fiscal stability and sustainability to state government and promoting investment in the economy. A year and a half later, positive steps have been taken on the Jobs Agenda, but much more work remains.

## Illinois' Income Tax Increase

While there were many opponents of the largest income tax increase in state history, the Illinois Chamber stood up for employers with public testimony against the legislation in committee. We also generated thousands of messages to legislators and the governor opposing the increase. While Illinois currently must suffer with the third highest corporate income tax in the industrialized world and the painful suspension of net operating loss credits, steps are being taken to steer Illinois away from fiscal disaster. In particular, the Chamber has been an outspoken advocate for reforming public pension systems and Medicaid, two cost drivers that left unaddressed, would bankrupt the state.

## GOVERNMENT AFFAIRS

The Chamber's Government Affairs and council staff have continued to be the leading and unifying advocates for business. The Chamber's unique combination of internal expertise, legislative experience and active member engagement allows us to take on a broad set of issues and impact them successfully.



Our Government Affairs Team



## Workers Compensation

The Government Affairs team was instrumental in forcing the issue of workers' compensation costs to the forefront of the 2011 legislative debate. The Employment Law Council drafted legislation containing meaningful reforms when included changes to the standard for causation, and secured a vote in the full Senate. The bill received 26 votes, four short of passage, but only after the Senate President pulled votes off the bill. While the bill failed to pass, it raised the bar for the workers compensation amendments that passed later that session.

## Cutting Red Tape

The Chamber and its environmental affiliate, the Environmental Regulatory Group, took on the maddening issue of timely issuance of permits out of the IEPA. Employers routinely waited years for permits in a process that ground investment to a halt. Organizing a broad and diverse coalition of employers, the Chamber balanced competing interests and negotiated a bill that speeds the existing process, allows for expedited permits for the first time as well as completely eliminates permitting requirements for many small businesses. The bill was signed into law and has become a fixture in Governor Quinn's speeches on economic issues.



Improvements to Illinois' workers' compensation laws happened because of the Illinois Chamber of Commerce. If not for the grassroots efforts of the Chamber throughout the state, the legislature would never have tackled the issue.

The Chamber knows that much more work needs to be done, and continues to be the driving force for workers' compensation reform in Illinois.



Tom Walters, Manager of State Governmental Affairs, Caterpillar

## Access to Policymakers

2011 saw the resurgence of the Chamber's annual lobby day. Held in April, the agenda for the day focused on workers' compensation reform. Speakers included Governor Pat Quinn and Senate President John Cullerton. 2012's event brought Wisconsin Governor Scott Walker to present a keynote address on pension reform. The Chamber also continued its yearly legislative summits for local chamber executives, bringing more than 50 chambers together to plan action on the key business issues of the session.

## Unemployment Insurance

Faced with \$2.4 billion in outstanding loans granted by the federal government to cover state unemployment insurance benefits, Chamber team members participated in negotiations to avoid the full brunt of a massive unemployment insurance tax increase on employers. After months of negotiations, the Chamber was instrumental in helping employers save over \$400 million in unemployment insurance taxes through 2019 and will continue to push for more changes.



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## Political Action

The Chamber's political program surpassed \$1 million in 2010 and for the first time expanded into congressional races. Highlights of the election cycle included independent expenditures by the Chamber that helped elect Senator Mark Kirk and Congressmen Booby Schilling and Randy Hultgren. At the state level, Chamber PAC once again elected a business owner over an entrenched anti-business legislator. In an upset win, Senator Sam McCann won election with more than \$50,000 of support from Chamber PAC.

## Illinois Prosperity Project

In the First Quarter of 2012, the Illinois Chamber Government Affairs Staff has been aggressively expanding the network of Prosperity Project websites throughout the state with local chambers of commerce. The website is an easy online government affairs tool that allows local chambers to educate and engage their members with elected officials on public policy issues that will directly affect their bottom line and how they conduct business in Illinois. We are offering the websites to local chambers free of charge and it is branded as if the website was created by the local chamber and all content was developed by the local chamber. This is a key selling point to local chambers interested in government affairs as it requires little to no website maintenance and/or content generation by the local chamber and adds value to a local chamber's membership.

As of this report, twenty local chambers of commerce have signed up for Prosperity Project websites. It is the goal to sign up 30 local chambers before the close of the Fiscal Year 2012. It is a further goal to sign up all local chambers that have more than 500 members (approximately 50) prior to the end of calendar year 2012.

In addition to local chamber recruitment, much of the First Quarter was focused on the redesign of the Prosperity Project website. It had been nearly two years since the website had been created and staff felt a redesign was required to create a more engaging site for the user.



## BUSINESS SERVICES

The Illinois Chamber's Human Resource products and services are designed to help senior managers of large corporations as well as small business owners gain the legal knowledge they require to minimize their company's risk of employment-related litigation.

### Business & Human Resources Webinars

The Chamber offers an affordable and convenient Illinois-focused series of human resource and business related webinars for Illinois business owners, human resource professionals, supervisors and managers.

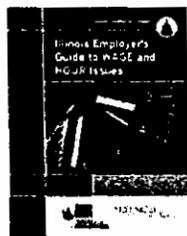


## Publications

Education is an employer's single best weapon against wrongful termination lawsuits, workers' compensation claims, and other legal issues that can drain a company's finances. The Chamber delivers cost-effective publications to provide managers with easy-to-understand guidelines.

More than seven compliance publications are available for purchase. Two new editions—the Workers' Compensation Manual 2nd Edition and the Employment Law Handbook 3rd Edition—will be printed later this year. Three new compliance publications were published in the last eighteen months: the Illinois Employer's Guide to Wage and Hour Issues, the Illinois Guide to Hiring and Firing and the FMLA, ADA, Military and Other Leave Issues.

One of the National Labor Relations Board (NLRB)'s primary responsibilities is to ensure that employees can hold secret ballot elections to decide whether they wish to be represented by a labor union or, if already represented, to remove the union or replace it with another union. The NLRB recently changed some election procedures which took effect April 30, 2012. Most businesses are required to post a NLRB notice. As such, the Chamber has printed updated posters printed which are available for purchase by employers.



## Conferences & Seminars

Our regular conferences include the Annual Healthcare Conference, Central Illinois Healthcare Conference and Workers' Compensation Conference

The Chamber is holding its first Small Business Conference & Expo September 25, 2012. This conference is a joint venture between the Chamber's Membership Division and the Business Services Division.

Also new for 2012, a full-day seminar called HR Academy will be offered once a year with a curriculum developed (and presented) by the law firm Fisher and Phillips LLP. This program is designed to help managers, supervisors and small business owners who are responsible for human resource functions gain the awareness and knowledge needed to minimize their organization's risk of litigation.



## Online Business Resource Center

We anticipate these web pages, as part of the Illinois Chamber website, will offer significant resources for employers, thus increasing value for our members.

The law firm of Fisher Phillips LLP will be the authors, instructors and experts working with us in the development of this timely HR resource.

Workers' Comp Central  
HR Audits Web Page

Illinois Wage & Hour Institute

We are working with the law firms of Seyfarth, Shaw and Wessels, Sherman, Joerg, Liszka, Laverty, Seneczko P.C. in the development of the Illinois Wage & Hour Institute.



## Helplines

HR Helpline—the attorneys with Smith Amundsen LLP answer our HR Helpline

Workers' Compensation Helpline—the law firm of Keefe, Campbell & Associates, LLC answers this recently created helpline

## Certification Programs

### Illinois HR Excellence Certification Program

This professional certification program for human resource practitioners and small business owners is offered through a joint partnership between the Illinois Chamber of Commerce and the University of Illinois School of Labor and Employment Relations at Urbana/Champaign.

HR Certification Institute, Washington DC

The Illinois Chamber is an approved provider for continuing education credits (CEUs) for human resource professionals studying for their PHR and SPHR. These CEUs are called HRCI credits and are offered through the HR Certification Institute in Washington D.C. HR professionals earn these CEUs by attending our accredited webinars, seminars or conferences.

Illinois State Council of the Society for Human Resource Management (SHRM)

Partnering with the Illinois State Council of SHRM in the marketing of each other's signature events and promoting each organization where and when appropriate has just begun. It is a good "connect" for both organizations.

» More than ever, the Illinois business community has realized they need to be part of the solution. The Illinois Chamber gives the access to be involved. «

## MEMBERSHIP

The Illinois Chamber is a membership based organization that relies on investments from the business community to support our efforts to champion a pro-business climate in our state. The membership division is responsible for serving its current members through education of current public policy initiatives and engaging them in events that can help enhance their business or organization.

Over the last two years, Illinois Chamber members have spoken loud and clear through renewing their investments in the Illinois Chamber. With over 3,500 members and 680 new members, from tech start-ups, to small businesses, to major employers, more than ever the Illinois business community has realized they need to be part of the solution, and the Illinois Chamber gives the access to be involved.

In 2011, the Illinois Chamber saw a very active membership year in terms of member and financial growth. This was fueled by the Illinois Chamber's leadership on Workers' Compensation reform and involvement in addressing and making recommendations to Governor Quinn's tax increase and the overall corporate tax environment in Illinois.

The important work we do at the state capitol and throughout Illinois would not be possible without your support. The dollar commitment provides the resources vital to accomplishing the outcomes identified in this report.

## EMPLOYMENT LAW COUNCIL

### Workers' Compensation

Through our efforts of highlighting workers' compensation problems in Illinois, the Illinois General Assembly approved HB 1698 which the Governor signed into law. Prior to the 2011 action, our Workers' Compensation Committee developed proposals and strategy that sought to improve Illinois' workers' compensation system and lower costs. While our legislative initiative SB 1349 failed to receive the necessary votes for passage, it provided an impetus for what ultimately became law in June of 2011. Chamber-involved intense negotiations with lawmakers helped lead to a down-payment on reform, but was not worthy of being characterized as bringing significant reform to Illinois' workers' compensation law. Three of the four Illinois Chambers' major recommendations for achieving truly substantive reforms were inadequately addressed in HB 1698. As other states are advancing true reform, Illinois' worker's compensation system remains high-cost and out of the mainstream of the country.



The Council's Workers' Compensation Committee continues to work towards implementation of HB 1698 and is pushing true workers' compensation reform. SB 2521, sponsored by Sen. Kyle McCarter (R-Lebanon), would establish a "primary cause" standard and addresses the weaknesses in the new AMA guideline and Preferred Provider Program (PPP) provisions. Rep. Dwight Kay (R-Edwardsville) also has introduced a Chamber initiative to reverse the Will County Preserve v. IWCC Appellate Court decision and reaffirm over 100 years of case law calculating shoulder injury benefits as part of an arm. This measure also addresses abuses of body-as-a-whole injuries by providing credits for prior injuries to the same body area and capping such awards at 500 weeks.

## Employment Law

Over the past several years, the Employment Law & Litigation Committee has met with key decision-makers to discuss IDHR investigations and proposed legislation.

The Committee developed a proposal and worked with the Illinois State Bar Association, the National Employment Lawyers Association, the Department of Human Rights and the Human Rights Commission to streamline the employment discrimination process for individuals to whom charges of employment discrimination against employers who are, in turn, defending against charges of employment discrimination. SB 1122, which became law in 2011, will help improve Illinois's business climate.

The Council also is pushing a measure to bring consistency to Illinois' interpretation of a non-exempt employee with that of the federal law. SB 2236 is sponsored by Sen. Pam Althoff (R-Crystal Lake).

## Unemployment Insurance

In 2010, the Unemployment Insurance Committee's work with the Illinois Department of Employment Security resulted in an emergency ruling regarding implementation of the expansion of the voluntary leave provisions for compelling family reasons and fraud. It was because of the Chamber's insistence during negotiations that we were able to provide some clarification and guidelines to the new eligibility provisions through these rules.

With Illinois' over \$2 billion in outstanding loans from the federal government to cover state unemployment insurance benefits, the Council, with the direct involvement of its Unemployment Insurance Committee, has helped lead the business community to solutions. After months of negotiations, an "agreed bill" was signed in late 2011 which resolves the unemployment insurance debt owed to the federal government. The agreement provides for Trust Fund solvency by 2018 through revenue bonding by the State. SB 72 expands the bonding authority granted in 2003 to \$2.4 billion. Employer taxes will cover the principle and interest payment on the bonds. Employers also will save over \$400 million in unemployment insurance taxes through 2019.

During the negotiations, a high priority of the Employment Law Council was to bring greater integrity to the payment of benefits by Illinois Department of Employment Security (IDES). Our proposals have led to IDES administrative reforms to significantly reduce the amount of overpayments that our system has allowed (\$1.2 billion over the past three years).

Many issues our Unemployment Insurance Committee considered necessary to reform the system saw little discussion. Senate Republican Leader Christine Radogno (Lemont) passed SR 446 which creates the Illinois Unemployment Insurance Reform Committee to study the system of unemployment insurance benefits, trust fund stability, and reforms that interested parties believe are warranted. A number of Republican lawmakers have introduced legislation to tighten the definition of "misconduct," which includes raising the minimum financial eligibility levels, expanding the definition to include knowingly failing to notify IDES of quitting, discharge, work refusal or knowingly failing to look for work and report otherwise, and adding of severance and vacation pay and payments in lieu of wages as income to postpone eligibility for benefits.



Presentations and briefings about Illinois energy issues for a wide variety of audiences including staffers of Illinois Congressional delegation, reporters, industry professionals, students, local chamber members, and more.

The creation of an Internet video on the basics of Illinois Energy.

Hosting an Energy Forum for industry, environmental and government contacts.

Tours of Illinois' energy infrastructure with legislators, key staff, media and Energy Council members. In the past few years, we've hosted tours of Prairie State (the newest coal plant in North America) and its adjacent coal mine, the Grand Ridge Wind Farm, Exelon's solar facility in Chicago and its nuclear power plant in LaSalle County.

Hosting an event at which guests test-drove 15 electric, hybrid and CNG vehicles from ten manufacturers on a private track in Joliet.



"Taking the Future Out for a Spin" at the Autobahn Country Club where members were able to drive the most recent hybrid and electric vehicles.

## ENERGY COUNCIL

The Council promotes the need for a strong energy industry in Illinois because every kind of energy creates economic development. The Council is the only "table" in the state where various energy interests—coal, wind, nuclear, natural gas, solar, waste-to-energy, crude oil, utilities, transmission companies and others—gather to discuss what's right and what's wrong with Illinois' energy policies and what can be done about it.

The Council's educational efforts include:

A Chamber's Foundation—funded study showcasing the importance of the energy industry in Illinois economy. The Northern Illinois University study revealed that more than 50,000 people in Illinois are directly employed in the energy industry and their annual salaries are twice the state's average.

➤ The Energy Council gives the Chamber a powerful voice on energy issues through its education and advocacy.



The Council's advocacy efforts include:

Legislation passed and signed into law that improves the permitting process for underground petroleum pipelines.

Negotiating, supporting or fighting legislation that affects the state's energy interests.

Talking to reporters, writing letters to the editor and op-eds on key energy projects and issues in Illinois.

Providing perspective on energy issues with state and national organizations, state and federal elected officials and with members of the Quinn and Obama administrations.

➤ We will continue our efforts to provide a big-picture, business voice on the on-going, critical energy decisions facing our state and our country.

## HEALTHCARE COUNCIL

Since the enactment of the Affordable Care Act—the federal health coverage reform law—in March of 2010, the Healthcare Council has forged a major leadership role in state implementation activities while further elevating the voice of the employer community in federal health reform regulatory issues. The Council not only continues to serve as an important advocate and educational resource for employers and members of the healthcare community on state and federal legislative and regulatory healthcare issues, but has also developed and implemented programs aimed at helping employers tackle escalating healthcare costs.

### Illinois Health Benefits Exchange and National Health Reform

One of the major cornerstones of the federal Affordable Care Act (ACA) is the new health benefits exchange that each state must have operational by 2014 to allow individuals and small businesses to shop for coverage more efficiently. In the spring of 2011, the Illinois Chamber led a coalition of business groups, insurers, and producers in the development and support of a new law authorizing an Illinois Health Benefits Exchange and a bipartisan Legislative Study Committee to make further recommendations on key design elements of the exchange; countering a more aggressive approach towards exchange implementation backed by the administration.

The Chamber continues to be a visible leader on the exchange and other health reform issues, actively participating in additional state exchange implementation legislation; submitting extensive comments on federal regulations regarding pieces of the Affordable Care Act that have a direct impact on employers, including the exchange and employer shared responsibility provisions; conducting educational webinars on the exchange and employer obligations under the ACA; providing testimony and comments on health reform implementation issues before the National Association of Insurance Commissioners (NAIC); and joining forces with 14 other state chambers to file an amicus brief with the U.S. Supreme Court challenging the viability of a legal question that could delay Court ruling for several years.

## Worksite Wellness

The Illinois Chamber expanded its Live Healthy Illinois initiative—a team-based program targeting employee engagement in physical activity and a healthier lifestyle—in 2011 and 2012 through a worksite wellness grant from the Illinois Department of Public Health. Under the grant, the Chamber expanded the number of participating organizations to nearly 70 with more than 3,200 individual participants. The initiative is part of the Council's expanding platform to build healthier worksites and communities not only bend the healthcare cost curve, but to improve national health trends that threaten productivity—and ultimately—economic competitiveness at the local, national, and global levels.



## INFRASTRUCTURE COUNCIL

By representing a diverse set of interests and perspectives, the Infrastructure Council is the premiere voice of all who agree on the necessity of public and private investment in our state and country foundations: roads, bridges, waterways, airports, water systems, transit and IT systems.



## Federal Transportation Bill

The US Congress has been neglecting its constitutionally mandated responsibility to fund our transportation systems for many years. Rather than investing in our nation's roads, bridges and waterways over the long-term, Congress has passed short-term funding continuations, without a bold plan for the future. The Infrastructure Council has aggressively advocated through direct lobbying, grassroots advocacy and the media and saw the successful passage of a long-term, bipartisan funding bill in the US Senate. It is now up to the US House to move a funding bill forward, and the Infrastructure Council is leading the effort to encourage Illinois' Congressmen to act now.

## Water Infrastructure

The Infrastructure Council recently founded the Clean Water Committee to shed light on the state-wide need for investment in water infrastructure. With aging water mains and pipes bursting on a daily basis around our state, bold action is needed to repair and maintain these systems. The private sector is eager to assist public governments to solve these problems and the Infrastructure Council is urging policy-makers in Springfield to act quickly.

## Waterways Shipping

The Chamber continues to fight to keep Illinois' waterways open to commercial shippers. While the environmental community and many politicians have fought tirelessly to close Chicago's locks and physically separate the great lakes from the Chicago River, the Chamber has successfully led the charge to keep these waterways open. We are also working closely with the City of Chicago on redevelopment and commercialization of the Chicago Port District.

## Encouraging Rail Investment

Memphis, Kansas City and St. Louis are vying at the bit to be the next Chicago when it comes to freight rail shipping. Illinois must protect these jobs through public and private investment. The Chamber continues to advocate for investment in our rail network—supporting the CREATE project's federal grant applications and putting pressure on Illinois' government to release appropriated funds for critical CREATE projects.



## Public Private Partnerships

The Infrastructure Council helped a broad coalition advance the State's first sweeping public-private partnership legislation for transportation and infrastructure projects. Billions in private dollars are ready for investment in infrastructure projects, but those dollars will flow to other parts of the country and world unless Illinois shows itself immediately willing to pursue real projects. The Chamber is encouraging the state to appoint a group of experts to identify projects ripe for private investment and attract investors to those projects.



## Policy Makers

Key to achieving the Chamber's goals is maintaining strong relationships with policy-makers. In the last year, the Chamber has hosted meetings with the US Secretary of Transportation Ray LaHood, FRA Administrator Joseph Szabo and Federal Highway Administrator, Victor Mendez. We also were selected by US Senators Durbin and Kirk to appear at events and provide expert perspective or testimony on infrastructure topics. Additional meetings have included IDOT Secretary Ann Schneider, CDDT Commissioner Gabe Klein, CTA President, Forrest Claypool, RTA Chairman John Gates, Senate President John Cullerton, Senate Minority Leader Christine Radogno and House Minority Leader Tom Cross.

# TAX INSTITUTE

## Successful Tax Institute Legislative Initiatives

Legislation was passed (HB 5230) to simplify reporting requirements for companies that participate in economic development programs administered by the Department of Commerce and Economic Opportunity.

We lobbied to successfully repeal an increase in Illinois replacement income tax on publicly traded partnerships (SB 3646) while drafting and passing an extension of the Illinois sales tax temporary storage exemption.

Legislation was also passed (SB 1826) to amend the Income Tax Act to allow Illinois cooperatives to accurately compute their income subject to tax by allowing for the proper netting of income and loss.

We drafted and helped to pass amendments to the 2010 Amnesty legislation (SB 377) that made the program less onerous for Illinois taxpayers than previous amnesties, including:

- Allowing taxpayers to claim a refund for an overpayment of tax in an amnesty year, if the issue was unrelated to the amnesty reporting issue.

- Allowing refunds for overpayments of tax by taxpayers estimating amounts due under a non-final federal adjustment;

- Removing doubled penalties and interest for taxpayers reporting a federal change after the amnesty period.

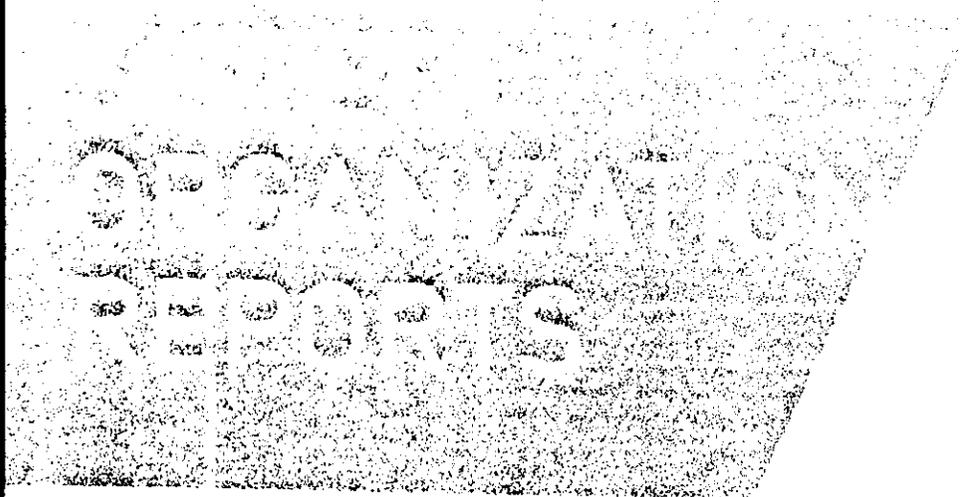


We successfully lobbied for the extension of the Research & Development credit as well as a legislative initiative calling for the establishment of an Independent Illinois Tax Tribunal. We are now in the lead drafting and implementing legislation.

We lobbied to prevent the extension of the Illinois income tax to income earned on U.S. possession islands and the Outer Continental Shelf. We also successfully lobbied to prevent end-of-year decoupling from federal 100% bonus depreciation.

We identified a last minute attempt by the Department of Revenue to impose new reporting requirements on Illinois financial institutions to require detailed disclosure of bank assets held by certain taxpayers.

Other successes included stopping the Illinois Secretary of State's Business Services Division from improperly implementing significant changes to the Illinois franchise tax by changing online forms—rather than going through the legislative or rulemaking process.



## IERG

The mission of the Illinois Environmental Regulatory Group, an affiliate of the Illinois Chamber, is to advocate our members' interests before state governmental agencies including negotiating environmental policies, laws, and regulations as they are promulgated, administered, and implemented. IERG provides accurate and technically sound input early in the regulatory development and legislative processes to promote favorable outcomes for Illinois' business community. From 2010 to 2012, IERG has been hard at work with significant achievements in the legislative, regulatory, and educational arenas.

## Legislation

IERG negotiated legislation with the State to improve the environmental permitting process. After it was signed by the Governor, HB 1297 resulted in streamlined permitting and a more transparent, client-friendly system in exchange for slightly higher fees spread out over more than 6,000 permit holders. A unique funding source was found—in the form of sales taxes that are already collected on the sales of certain pollution control materials—to lessen the burden of increased fees on impacted businesses. IERG continues to work closely with the Illinois EPA to implement HB 1297, including developing general permits and permits by rule, to create more efficient and predictable processes for permits while maintaining environmental protections.

The Chamber's Government Affairs and council staff have continued to be the leading and unifying advocates for business. The Chamber's unique combination of internal expertise, legislative experience and active member engagement allows us to take on a broad set of issues and impact them successfully.

Furthermore, after the Illinois EPA proposed legislation to address supposed shortcomings in its system of enforcement identified by U.S. EPA during a routine audit, which included significant new penalties for the failure to comply with Compliance Commitment Agreements ("CCAs"), IERG ensured that there were sufficient safeguards included in the legislation to protect those companies who comply with their CCAs, and minimized the financial impact by limiting both when the penalties would be incurred and the amount of the penalty.



IERG successfully negotiated with the Illinois EPA an extension of Illinois' compliance date for major sources to control nitrogen oxides emissions under the NOx RACT program. The extension prolongs the need for affected businesses throughout the State to make millions of dollars in unnecessary expenditures while significant regulatory uncertainty still exists.

## Regulation

IERG has played a role in the development, adoption, and implementation of dozens of regulations over the last two years. A few of those stand out in terms of the potential impact they would have on the business community. IERG continues to monitor and participate in the Illinois EPA's efforts to develop a numeric water quality standard for nutrients, and serves on the Agency's Nutrient Roundtable and the four subgroups tasked with identifying the scope of the problem and the potential fixes.

After the new sulfur dioxide National Ambient Air Quality Standard was adopted by U.S. EPA in 2010, Illinois EPA responded by sending approximately 700 information request letters to sources with allowable emissions of at least 1.5 tons per year of SO<sub>2</sub>. Faced with the enormity of the requests, and the issues raised by how the standard would be implemented, IERG convened a meeting with the Illinois EPA seeking an explanation of the rationale and information needs underlying the letters, and advised our Members regarding how to respond. Further, IERG has continued to monitor the status of federal requirements and guidance regarding states' modeling for purposes of making designation determinations and satisfying State Implementation Plan requirements.

IERG successfully fought USEPA's adoption of a restrictive Total Maximum Daily Load determination for arsenic in the Mississippi River basin, arguing that the discharge rules would set standards below what was already naturally occurring in the river, and protected over 400 permit holders from facing unreasonably restrictive requirements.

## Education

IERG co-sponsored with the Illinois EPA the Title V Permitting and Environmental Basics Seminar Series. Nearly 500 attendees came to learn how to operate and comply with their permits and meet their other regulatory obligations. Speakers from the Illinois EPA presented background information on state regulations, permitting obligations, compliance issues, and enforcement procedures in regard to air, land, and water.

# IACCE

## Local & State Chamber Partnership

From the annual Legislative Summit to Lobby Day, local chambers of commerce partner with the Illinois Chamber to advocate for Illinois business. This partnership formed during the 2012 legislative session to promote the initiative Chambers for Pension Reform, which proposes that:

The retirement age should be increased and employee contribution revised.

Pensions should be converted to a defined benefit/contribution hybrid.

The compounding COLA adjustment should be eliminated.

The Illinois Chamber spearheads the MetroCouncil which includes the 25 largest chambers in Illinois. This group weighs in on regional issues and addresses programs and services uniquely specific to larger metropolitan areas.

The Illinois Chamber provides staff and resources for the Illinois Association of Chamber of Commerce Executives (IACCE). The IACCE's mission is to be an accessible and valued resource for the professional development of Chamber of Commerce executives and their staff in Illinois. Monthly webinars, newsletters and an annual three day conference provide these professional development and networking opportunities for executives of local chambers.



Retirees must share in the cost of their healthcare.

Pension systems should be consolidated and uniform practices put in place

"Cram Down" is not reform.

Beginning with a presentation at the 2011 IACCE fall conference, Chamber President, Doug Whitley, continued to explore the relationship between local chambers and the Illinois Chamber. This resulted in a pamphlet distributed to all local chambers within Illinois which discussed significant benefits of partnership between local chambers and the Illinois Chamber.

## ESGR

### Illinois Chamber Partners With The U.S. Military

Throughout 2011, the Illinois Chamber allocated staff time and financial resources to support the U.S. military in a number of ways.

The Chamber is proud that its Executive Vice President/COO Dr. Michael Ayers holds four positions of leadership within the Department of Defense and the U.S. Army that meld easily with the Chamber's mission to strengthen the Illinois economy and create jobs. Dr. Ayers' positions include: Chair, Illinois Committee for Employer Support of the Guard and Reserve (ESGR), Chair, National ESGR Committee Outreach Subcommittee and member of the ESGR HQ Executive Advisory Subcommittee. Dr. Ayers was also notified in 2011 of his appointment to the Advisory Board for the U.S. Army Command and General Staff College at Ft. Leavenworth.



ESGR is an agency of DoD dedicated to: 1) working to assist National Guard and Reserve Component members and their families find meaningful employment, 2) ensuring a smooth transition from work to active duty and from active duty to work following deployments, 3) recognizing employers for outstanding support of their military member employees, 4) ensuring awareness by all of applicable federal laws that govern military leave, and 5) helping resolve conflicts between employers and service members as they arise during the transitions.

In 2011, the Chamber provided direct support to the U.S. Chamber, U.S. Armed Forces Employer Partnership Program, the Illinois Department of Employment Security, ESGR and other business and military support organizations in the conduct of Hiring Our Heroes veteran and National Guard and Reserve Component (NG/R/C) job fairs. The first of 100 such job fairs was hosted in Chicago in March 2011. It was attended by an estimated 1,500 veterans and NG/R/C members. A second event was hosted in Naperville later in the year.



## A Military Affairs Committee was created by the Illinois Chamber formalizing our mission of garnering resources and providing support to Illinois installations.

Chamber executive staff provided information and perspective to the Illinois Governor's Office and the Director of the Illinois Department of Veterans Affairs regarding possible incentives to employers to hire veterans and NG/R/C members.

President Douglas Whitley, along with board members Tom Walters (Caterpillar), Bill Kelley (Jelly Belly Candy Company) and Executive Vice President/COO, Michael Ayers, participated in the Illinois ESGR Committee's Basalt to Colorado Springs to Peterson AFB, USNORTHCOM and NORAD Headquarters, and Ft. Carson in Colorado.

Working with the Illinois United States Property and Fiscal Officer and his staff at Camp Lincoln, the Chamber hosted two workshops within the state wherein about 150 businesses were able to register to market and sell their goods and services to the Illinois National Guard and other federally funded agencies.

Partnering with the Illinois National Guard and Militia Historical Society, the Chamber funded a reception held at the Illinois Governor's Mansion to celebrate the 375th birthday of the National Guard. The event was attended by Illinois National Guard command staff, elected officials and business and civic leaders from around the state.

The Illinois Chamber of Commerce is the largest Chamber of Commerce in Illinois with over 3,500 active members.

We would like to thank our key investors for making an additional investment to increase our strength and resources.



## EXECUTIVE TEAM

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Doug Whitley  
President & CEO



Michael Ayers  
Executive Vice  
President & COO



Candace Gerritsen  
Vice President  
Operations



Glana Guy  
Vice President  
Business Services



Todd Maisch  
Vice President  
Government Affairs



Alex Ferry  
Vice President  
Membership and Marketing

## GOVERNMENT AFFAIRS



Todd Maisch  
Vice President  
Government Affairs



Sarah Frye  
Manager  
Legislative Relations



Andrew Proctor  
Director  
Advocacy



Connie Beard  
Executive Director  
Tax Institute



Gideon Blustem  
Executive Director  
Infrastructure Council\*



Laura Minzer  
Executive Director  
Healthcare Council



Jay Shatluck  
Executive Director  
Employment Law Council



Tom Wolf  
Executive Director  
Energy Council

## MEMBERSHIP & MARKETING



Alex Perry  
Vice President  
Membership & Marketing



Jim Bajt  
Director  
Membership Retention



Jeff Schulman  
Director  
Corporate Partnerships



Tom Rath  
Director  
Corporate Partnerships



Amy Tripp  
Director  
Corporate Partnerships



Bethan Whiting  
Senior Director  
Corporate Relations

## BUSINESS SERVICES



Gloria Guy  
Vice President  
Business Services



Julie Brennan  
Director  
Customer Service



Stacey Duncan  
Publication & Event Sales  
Representative



Pam Hoileman  
HR Specialist & Publication  
Sales Representative



Laurie Silvey  
Director  
Event Planning and Social Media

## OPERATIONS & ADMINISTRATION



Michael Ayers  
Executive Vice President & COO



Candace Gerntsen  
Vice President  
Operations



Jeanette Anderson  
Office Manager



Megan Gormaly  
Administrative Assistant



Peggy Hardy  
Membership Accounts  
Manager



Mary Taylor  
Receptionist



Lisa Weitzel  
Manager  
Corporate Communications

\*Through April 30, 2012

# BOARD OF DIRECTORS

**Mary Crego**  
**Chairman of the Board**  
**Senior Vice President**  
**State Farm Insurance**  
**Companies**  
**Bloomington, IL**

**Ray Drake**  
**Vice Chairman, Vice**  
**President State**  
**Government Affairs**  
**UPS**  
**Aurora, IL**

**Matthew Gamba,**  
**Board Secretary**  
**President & CEO**  
**Diamond Bancorp**  
**Chicago, IL**

**George W. "Bill" Beck,**  
**Board Treasurer**  
**President & CEO**  
**TEI, Inc.**  
**MT. Vernon, IL**

**Robert P. Bost**  
**Springfield Bank President**  
**Warren Barton State Bank**  
**Springfield, IL**

**Edgar F. Yeager**  
**Vice President, State**  
**Government Relations**  
**Peabody Energy**  
**St. Louis, MO**

**John J. Maguire,**  
**Chief Financial Officer**  
**CDL, Inc. Financial**  
**Southwestern, IL**

**Robert Lusk**  
**Executive Vice President**  
**Hanson Professional**  
**Services, Inc.**  
**Springfield, IL**

**James P. McSherry**  
**Senior Vice President**  
**Hanson Professional**  
**Services, Inc.**  
**Oak Brook, IL**

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