



# Chicago Metropolitan Agency for Planning

Agenda Item No. 9.0

233 South Wacker Drive  
Suite 800  
Chicago, Illinois 60606

312 454 0400  
www.cmap.illinois.gov

## MEMORANDUM

**To:** CMAP Board

**From:** CMAP Staff

**Date:** December 31, 2013

**Re:** 2014 State Legislative Framework and Agenda

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Staff has revised the State Agenda and Legislative Framework to reflect policy priorities based on research developed at CMAP and issues that remain important to the implementation of GO TO 2040. CMAP intends to use the Framework to inform the Governor, legislators and other state policy makers about CMAP's principles regarding transportation, land use, energy and water, economic development, and other quality of life issues that have a regional and statewide impact. The revised version contains minor edits and is recommended for approval.

The State Agenda is developed and approved in advance of each regular session of the Illinois General Assembly. The agenda identifies specific state policy issues of interest to CMAP and its partners. Many other issues arise during the legislative session that are not listed in the Agenda and will be addressed using the revised Legislative Framework. The 2014 State Agenda identifies six priority issues:

- Sustainable Funding for Comprehensive Regional Planning;
- Steady and Reliable Capital Investments for Transportation;
- Innovative Strategies to Manage Congestion and Fund Capital Projects;
- Performance-based Transportation Funding;
- State Tax Policy; and
- Transparency and Accountability.

For this calendar year, staff is recommending these six priorities be pursued as appropriate with the Governor, Illinois General Assembly, relevant state agencies, and key partners. Based on your feedback and direction at the Board meeting, we will formalize these documents and outline a strategy to communicate these priorities.

**ACTION REQUESTED:** Discussion and Approval



## 2014 State Agenda

The Chicago Metropolitan Agency for Planning (CMAP) develops an annual State Legislative Agenda to communicate its policy priorities regarding specific issues that directly impact northeastern Illinois. The priorities are based on GO TO 2040 and policy research previously developed by CMAP. This document serves as a tool for our state delegation, relevant state agencies, the Governor and his staff and CMAP partners.

### SUSTAINABLE FUNDING FOR COMPREHENSIVE REGIONAL PLANNING

In FY 2011, the General Assembly passed legislation that dissolved the Comprehensive Regional Planning Fund (CRPF), which supported effective planning in urban and rural areas of the state. In addition to supporting CMAP's important non-transportation work – such as housing, land use, water, natural resources, economic development and more – the fund provided an essential match of our agency's federal transportation planning dollars. Dissolving the fund was a critical setback in the state's commitment to effective planning across Illinois. Currently the Illinois Department of Transportation (IDOT) provides replacement funds, but this limits CMAP's ability to complete non-transportation work. *CMAP supports diversification of funding from the state with secure stable, dedicated non-transportation sources, in addition to a \$6 million appropriation under Metropolitan Planning and Research in the IDOT FY 2014 budget for statewide metropolitan planning organizations (MPOs).*

### STEADY AND RELIABLE CAPITAL INVESTMENTS FOR TRANSPORTATION

The traditional state revenues for transportation— the motor fuel tax and vehicle registration fees— have lost significant purchasing power over the last 20 years, jeopardizing the safe and adequate maintenance of our highway system. The region's transit system also remains critically underfunded, with no stable source of non-federal capital funding. In recent months, transportation and business leaders across Illinois have begun the conversation about a potential new capital program and the need to increase revenues for transportation. Given the lack of stable funding, the continuation of the arbitrary "55/45 split" that directs only 45 percent of state highway funds to the Chicago region, and the lack of transparent project selection, CMAP believes that any new state capital program must be coupled with reform. *CMAP supports a new program that must: 1) be funded through new user-fee generated revenues; 2) move away from the 55/45 split and toward a performance-based funding system; and 3) provide additional capital funding for both highways and transit. Not all new revenues should be used for debt service— some of the new revenue should have a "pay-as-you-go" element to stabilize the State road fund to pay for ongoing needs.*

### PERFORMANCE-BASED TRANSPORTATION FUNDING

CMAP recommends that transportation funding decisions be based on transparent evaluation criteria, utilizing performance measures developed by the state, MPOs, and the region's transportation stakeholders. Since the implementation of GO TO 2040, CMAP staff has engaged state, regional and local partners in multiple conversations about the benefits of a more transparent process for allocating scarce capital dollars. Furthermore, federal transportation law signals a new federal emphasis on outcome-based performance measurement. *CMAP supports legislative initiatives that encourage IDOT to implement a transparent process of performance-based funding for the selection of transportation projects.*

## INNOVATIVE STRATEGIES TO MANAGE CONGESTION AND FUND CAPITAL PROJECTS

The Chicago region is consistently ranked as one of the most congested regions in the United States. Congestion costs billions of dollars annually in wasted time and fuel, decreased productivity, inefficient freight movements, and pollution. The region needs to invest strategically in proven solutions, such as congestion pricing, to help alleviate delay experienced on roadways. With congestion pricing, toll rates rise at times when more drivers want to use the highway, then fall when demand is low. *CMAP supports legislative initiatives that encourage IDOT and the Illinois Tollway to prioritize the implementation of congestion pricing on new highway capacity.*

“Value capture” strategies have the potential to generate significant revenue for new transportation facilities. However, statutory changes are required to make value capture work in Illinois. Most significantly, the ability to create multijurisdictional districts to provide funding for transportation improvements does not exist today. *CMAP supports legislative initiatives that enable the establishment of these districts, while also ensuring equity considerations for underlying jurisdictions and the region's taxpayers.*

Lastly, Illinois has begun to pursue Public-Private Partnerships (P3s) to help finance transportation facilities. CMAP supports the appropriate use of P3s but also cautions that these arrangements must be handled with a high degree of transparency and care. *CMAP supports legislative initiatives that require increased transparency as well as safeguards to protect the State of Illinois from undue financial risk in P3 projects.*

## STATE TAX POLICY

The Chicago region's ability to make the infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP's specific interest in tax policy is how it influences the overall economic well-being of the metropolitan region, including the commercial, industrial and residential development of our communities. The upcoming expiration of the 2011 income tax rate increase may present an opportunity for a statewide conversation about comprehensive tax reform. *CMAP supports comprehensive reforms to state tax policy, including broadening the tax base, with a focus on lowering tax rates, encouraging effective local land use decisions, easing the intensity of intrastate and intraregional competition over economic development, and encouraging transparency and efficient governance.*

## WATER SUPPLY PLANNING & MANAGEMENT

CMAP's Water 2050 Plan emphasizes the need for better management of our water resources. The state's Lake Michigan Water Allocation Program, which provides water for nearly 70 percent of residents in the region, is undergoing rule revisions that may necessitate Illinois Department of Natural Resources (IDNR) and its regional partners, like CMAP, to provide technical assistance to communities to meet the new rule requirements. Currently, the state does not have a dedicated revenue stream for such technical assistance or other water planning. New revenues for IDNR should be based on modest user fees, such as a small charge per 1,000 gallons used, that ultimately benefit those who pay the fee. With these new funds the state could formalize water planning within IDNR, support existing and new regional planning groups—like CMAP, and dedicate a portion to the Illinois State Water Survey's Illinois Water

Inventory Program (IWIP). *CMAAP supports new, sustainable revenues to support state and regional water planning for IDNR, IWIP, and its regional partners.*

#### **TRANSPARENCY AND ACCOUNTABILITY**

Data and information sharing through transparent and open governance improves efficiency and accountability. As a public agency, CMAP relies on other agencies' data to complete its own work in planning and transportation programming. In addition to providing this data in a timely manner, usable format, and accessible location, governments clearly communicate how decisions are being made. The process by which data are selected and used to establish policies, prioritize projects, and administer funding is important to understanding how government operates and will help policymakers at all levels of government make better and more informed decisions. *CMAAP will develop and support legislation that facilitates more data and information sharing, and requires agencies to report and make agency program outcomes and results public and transparent.*



# State Legislative Framework, 2014

The State of Illinois is key to the successful implementation of GO TO 2040. It allocates nearly \$50 billion per year across various program areas and plays a significant role in operating and maintaining the transportation system, promoting economic development, and maintaining and preserving our natural resources. The state's ongoing fiscal crisis continues to crowd out many of these investment priorities. Using GO TO 2040 as a guide, this document highlights policy priorities for CMAP during the 2014 legislative session. Generally speaking, CMAP is most interested in issues with a regional or statewide impact or those that could serve as precursors to broader, more comprehensive legislation. The document includes priority issues and legislative principles based on GO TO 2040's recommendations. The principles were developed to guide staff and inform our partners, the Governor, legislators, state agency directors and others about CMAP's policy positions regarding legislative initiatives being discussed or introduced in the 98th General Assembly.

## CMAP's Legislative Principles

### PURSUE COORDINATED INVESTMENTS

Metropolitan regions drive the U.S. economy, but state governments make most of the decisions about how and where to invest our tax dollars. The state all too often spreads those resources around too thinly, which undermines the ability of regions to implement plans – no matter how well-conceived. To harness the economic power of regions like ours, GO TO 2040 recommends that the state return and invest more resources in metropolitan areas and give those areas more authority to decide how to use those funds. Such a regional approach could focus state investments to maximize their economic impact.

#### *Legislative Principle*

CMAP will support legislative initiatives that foster interjurisdictional collaboration and focus state resources toward metropolitan regions, which will maximize economic returns for the State of Illinois.

### INVEST STRATEGICALLY IN TRANSPORTATION

The future prosperity of Illinois depends on strategic transportation investments, yet our investments are often predicated on arbitrary formulas rather than economic or performance-based criteria. Illinois, unlike many other states, lacks a transparent, performance-driven approach to programming its transportation investments. GO TO 2040 emphasizes that the state and other transportation implementers should first prioritize efforts to maintain and modernize existing assets before expanding the system, and that investments of all types take a multimodal approach. Additionally, the state's larger capital funding process is inadequate and occurs too infrequently, averaging about one funding package per decade. Dependable, predictable funding is crucial for complex, long-term transportation projects.

In addition to emphasizing strategic transportation investments, GO TO 2040 recommends increasing transportation funding through several new or expanded sources. The generation of new revenues must be done through efficient, sustainable user fees, which should better reflect the actual costs of maintaining and operating the system. Additionally, user fees should also reflect broader social costs of transportation, such as the costs of traffic congestion.

#### *Legislative Principles*

CMAP will support legislative initiatives that create more robust measures for allocating state transportation funds, and establish a transparent and accountable process within IDOT to

grant metropolitan regions more decision-making authority and flexibility in funding regional priorities.

CMAP will support legislative initiatives that increase and index the existing motor fuel tax to support the transportation system. Additionally, CMAP will support legislative efforts to permit and encourage innovative transportation funding sources. Policies such as congestion pricing and value capture support more efficient management of existing transportation assets, and directly link benefits received with costs paid. Further, CMAP continues to support the judicious application of public-private partnerships, so long as the public interest is adequately protected.

CMAP will support efforts to include robust capital funding as part of the annual budgetary process, rather than in the form of infrequent state capital program packages. State capital funding for transportation should incorporate new user-fee generated revenues, be allocated based on performance-based criteria, and provide additional capital funding for transit. Not all new revenues should be used for debt service— some of the new revenue should have a “pay-as-you-go” element to stabilize the State road fund to pay for ongoing needs.

### **INCREASE COMMITMENT TO PUBLIC TRANSIT**

Public transportation is an essential component to the future economic prosperity of our region, but after decades of underinvestment substantial funding is needed just to reach a good state of repair, and even more to modernize the system to world-class standards. While the top priority of GO TO 2040 is to maintain and modernize the existing transportation system, the plan also recommends a limited and conservative approach to expansion of service in the region. Further, GO TO 2040 encourages the state to support transit-oriented development through its transportation, housing and economic development investments. It also recommends securing new sources of revenue to support transit, including dedicating a portion of any proposed gas tax increase to transit, as well as some portion of future congestion pricing revenues.

#### *Legislative Principle*

CMAP will support legislative initiatives that provide more resources for the maintenance and modernization of our transit system, encourage innovative transit financing, and provide for reasonable expansion of the transit system as described in GO TO 2040. Transit investment decisions should be based on robust, transparent evaluation and prioritization using explicit performance measures.

### **CREATE A MORE EFFICIENT FREIGHT NETWORK**

By any measure, our region is the nation's rail and truck freight hub, and the state has a vital role to play in ensuring that we maintain this position. In partnership with the federal government and the region, the state should prioritize the implementation of the CREATE rail improvement program. Truck traffic in the region is also important, and the state can take a leadership role in identifying opportunities for dedicated freight corridors and access improvements to intermodal facilities and terminals. Funding and implementing specific freight improvements must be a priority, but should be accomplished efficiently, equitably, and on a metropolitan scale. GO TO 2040 recommends the exploration of a regional freight authority that would prioritize and finance freight infrastructure in the metropolitan area.

#### *Legislative Principle*

CMAP will support legislative initiatives that fund CREATE, efficiently and effectively improve regional truck-oriented intermodal and terminal access, and that explore regional or statewide governance solutions to funding and prioritizing freight capital projects.



## **ACHIEVE GREATER LIVABILITY THROUGH LAND USE AND HOUSING**

Our state has an important role to play in helping communities strive toward the principles of livability – healthy, safe, and walkable communities that offer transportation choices for access to schools, jobs, services and basic needs. More coordinated investment among transportation, environmental and housing expenditures can go a long way toward ameliorating some of the unintended consequences that can sometimes occur when policy areas are evaluated separately. Additionally, while housing and land use decisions have traditionally been the purview of individual municipalities, many of the region’s communities have realized that they face common problems like foreclosure prevention or prioritizing investments in affordable housing. As a result, they have created structures and organizations to address these problems with shared resources and solutions. However, state funding for housing and land use initiatives is often available only at the municipal level, limiting the ability of these organizations to receive funding and carry out multijurisdictional strategies.

### *Legislative Principles*

CMAQ will support legislative initiatives that align funding across various state agencies for planning, ordinance updates, and capital investments that align with GO TO 2040’s livability principles.

CMAQ supports legislative initiatives that promote reinvestment in existing communities and align with the livability principles of GO TO 2040. Specifically, CMAQ supports initiatives and programs that are competitive, offered on a statewide or regional basis, allocate funds based on need, and are based on comprehensive evaluation criteria considering the interconnected focus areas of transportation, housing, the environment and economic development.

CMAQ supports legislative initiatives that provide funding or assistance to multijurisdictional organizations seeking to address shared housing and land use problems. This can be achieved through expanding eligibility for existing resources or providing new resources for multijurisdictional organizations.

## **MANAGE AND CONSERVE WATER AND ENERGY**

The conservation of water and energy is a top priority for GO TO 2040. Over the next 30 years, these resources will likely become more constrained, affecting business, government and residents. The energy priorities in GO TO 2040 are focused on meeting needs through demand reduction and for our region to determine a path to increase the use of renewable energy options. For water, implementing conservation and water supply planning recommendations outlined in Water 2050 are critical to maintaining a sustainable water supply for the region and the state. However, this goal cannot be accomplished without new, sustainable funding for water supply planning and management. It is likewise critical that funding for infrastructure itself support sustainability, particularly through a shift toward paying for the full costs of infrastructure through user fees. This is important in drinking water, stormwater and wastewater systems. Finally, integration of land use and resource planning should play a central role in achieving better conservation. A key component to this is the support of watershed planning and the development of appropriate tools to manage the impact of growth on water resources.

### *Legislative Principle*

CMAQ will support energy and water conservation initiatives that sustainably support growth and reduce demand within the existing infrastructure; establish new, sustainable funding for state/regional water management; incorporate more renewable energy options and technologies; and promote integrated water and land use planning through multi-objective planning.

## **EXPAND AND IMPROVE PARKS AND OPEN SPACE**

The State of Illinois plays an important role in conserving natural areas, promoting access to parks, and providing funding through various grant programs to local governments for acquiring and managing parks and open lands. The state operates and maintains large quantities of open space throughout northeastern Illinois and IDNR has been a leader in land acquisition and helping the region achieve various parks and open lands objectives. A top priority of GO TO 2040 is to expand the green infrastructure network. To do so, CMAP recommends making significant, criteria-based investments in parks and open space. Major benefits will follow from this, including enhanced quality of life and property values, improved public health through the promotion of active lifestyles, and the protection of ecosystem services like biodiversity, water supply, flood storage and water purification. CMAP and GO TO 2040 recommend that an additional 150,000 acres of land be preserved over the next 30 years through a collaborative, multi-organizational, public-private approach.

### *Legislative Principles*

CMAP will support legislative initiatives that coordinate open space investment to create a connected green infrastructure network and prioritize preservation of the most important natural areas.

CMAP will support legislative initiatives that increase funding to provide parks and conserve land, that invest in the establishment of new parks, and policies that provide green connections through greenway trails.

## **PROMOTE SUSTAINABLE LOCAL FOODS**

Food – like air, water and shelter – is a basic human need and directly influences the economy, environment, public health and overall quality of life. Hunger and food security continue to be major issues of concern in our region and across the state. The Illinois Department of Human Services (IDHS) and the Illinois State Board of Education (ISBE) administer and/or oversee many of the nutrition and hunger-relief programs that operate in Illinois. Better alignment of government agencies and services across the region and state can enhance program delivery around the needs of individuals and families. In addition, the use of technology and better data and information systems can streamline programs and services and make it easier for residents to apply for and renew for certain services.

### *Legislative Principle*

CMAP supports legislative initiatives applied statewide or regionally that facilitate sustainable local food production; increase access to safe, fresh, affordable and healthy foods; and improve local food-related data, research, training and information sharing.

## **IMPROVE EDUCATION AND WORKFORCE DEVELOPMENT**

Researchers, business leaders and elected officials agree that the quality of our workforce is one of the most important factors – if not the most important – in strengthening the region's economy. Like other states, Illinois invests considerable amounts on schools, from pre-kindergarten to community colleges to the university system. The state can help support the goals of GO TO 2040 particularly by ensuring that these expenditures are achieving the desired outcomes of increased educational attainment and preparing our residents for the jobs of tomorrow. GO TO 2040 emphasizes the importance of strengthening workforce development programs, which can have a significant role in sustaining economic growth by providing an important intermediary function in the labor market. The sheer complexity of the workforce development system can be strengthened through more coordination and better information networks to track, measure and analyze performance.

### *Legislative Principles*

CMAP will support legislative initiatives that align workforce development, education, and economic development initiatives to measure outcomes, as well as efforts that improve data-driven decision making.

CMAP will support legislative initiatives that increase flexibility and improve delivery of workforce development services, including the strengthening of community-focused provision of services.

## **SUPPORT ECONOMIC INNOVATION**

Economic innovation, the process by which new ideas transform into new goods and services, is generated largely by the private sector, but the public sector has an important role in helping spur innovation by supporting ideas, institutions, and relationships. The regional economy can gain substantial benefits from innovation through the creation of high-paying jobs, specifically knowledge and high-tech jobs. Data indicates that the region is underperforming across a variety of innovation measures, and is falling behind compared to other U.S. metropolitan areas. It will require serious action to increase economic innovation to keep the metropolitan Chicago region thriving and globally competitive. GO TO 2040 suggests the state use enhanced data to evaluate financial incentives and programs and target them toward the attraction and retention of innovative industries with good jobs. The state can strengthen its focus on nurturing regional industry clusters like freight and logistics, advanced manufacturing, and biopharmaceuticals, and work with industry coalitions to secure and leverage public and private funding.

### *Legislative Principle*

CMAP will support legislative initiatives that evaluate and expand successful programs, improve data-driven decision making, and target investments towards the region's industry clusters.

## **REFORM STATE TAX POLICY**

The Chicago region's ability to make the infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP's specific interest in tax policy is how it influences the overall economic well-being of the metropolitan region, including the commercial, industrial and residential development of our communities. The state's tax policies sometimes distort land use decisions rather than allow markets or quality of life factors to guide them. In particular, the sales tax can foster intense competition among different local governments about the attraction or retention of retail business, to little or no regional benefit. In Illinois, sales and income tax rates (inclusive of the personal property replacement tax rate) remain relatively high, while the overall tax base remains narrow.

### *Legislative Principle*

CMAP supports legislative initiatives that reform state tax policy through 1) careful expansion of the sales and income tax base, 2) careful modification of state revenue sharing structures with local governments to encourage regional collaboration and broader GO TO 2040 development goals, and 3) increased transparency of the system, including tax incentives.

## **IMPROVE ACCESS TO INFORMATION**

Data and information sharing through transparent and open governance improves efficiency and accountability. As a public agency, CMAP relies on other agencies' data to complete its own work in planning and transportation programming. In addition to providing this data in a timely manner, usable

format, and accessible location, governments clearly communicate how decisions are being made. The process by which data are selected and used to establish policies, prioritize projects, and administer funding is important to understanding how government operates and will help policymakers at all levels of government make better and more informed decisions.

*Legislative Principle*

CMAP will develop and support legislation that facilitates more data and information sharing, and requires agencies to report and make agency program outcomes and results public and transparent.