



Indiana Chamber.
The Voice of
Indiana Business.®

Legislative Business Issues



This publication summarizes the public policy positions of the Indiana Chamber of Commerce for the year 2012 General Assembly and congressional sessions and beyond.

It reflects extensive research, work and refinement by the Indiana Chamber's volunteer policy committees (comprised of employees of member companies) and Chamber staff.

Legislative Business Issues 2012 has been reviewed and approved by the Chamber's board of directors and is distributed to its membership, legislators, media, local chambers and other interested parties.

The Chamber's lobbying team uses these policy positions to initiate and evaluate legislation at the Statehouse and in Congress. If you have any questions, or wish to express your views, please contact the appropriate Chamber lobbyist.

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STATE BUSINESS ISSUES

Civil Justice

Civil Justice p. 5

Economic Development and Small Business

Daylight Saving Time p. 5
Expanding Venture and Investment Capital p. 5
Increasing Entrepreneurship Through Strategic Investments and Small Business... p. 5-6
Indiana Product Trademark Program p. 6
Reauthorization of the Hoosier Business Investment Tax Credit p. 6
Right-to-Work p. 6
Small Business Export Finance Assistance p. 6
Small Business Legislative Impact Oversight and Review p. 6
Small Business Mid/market Investment for Indiana's Future p. 7
Small Business Revolving Loan Fund Program p. 7
Tax Abatement (Tax Phase-In) p. 7
Tax Increment Financing p. 7
Technology Parks p. 8
Technology Transfer p. 8
Telecommunications Growth p. 8

Education/Higher Ed.

Access Through Technology p. 9
Accountability and Continuous Improvement p. 9
Business/Higher Education Collaboration p. 9
Business/Higher Education: Role in Economic Development Planning p. 9
Community College System p. 9-10
Expectations for Improved College Preparation p. 10
Financial and Other Incentives for Performance Outcomes p. 10
Higher Education Financial Flexibility p. 10
Higher Education Investment in Business Development and Job Growth p. 10

Education/K-12

Accountability for School District Performance p. 10-11
Competition and Innovation in Indiana's Public Schools p. 11
Dropout Prevention and Recovery p. 11-12
Postsecondary Preparation for High School Graduation p. 12
Preschool p. 12
School Finance p. 12
School Governance and School Leadership p. 13
Student Instructional Time p. 13
Teacher Collective Bargaining and Tenure p. 13
Teacher Training and Teacher Licensing p. 13-14
Technology in Schools p. 14

Energy

Energy Policy Principles for a Competitive Business Climate p. 14

Environment/General

Compliance Assistance p. 14
Enforcement/Civil Penalties p. 14
Permit Fees p. 14
Purpose, Function and Design of Environmental Rulemaking Boards p. 15
State Standards More Restrictive Than Federal Standards p. 15

Environment/Air Quality

Air Emission Banking	p. 15
Air Emission Trading	p. 15
Compliance Assurance Monitoring (CAM) Requirements	p. 15
Definition of Adjacent Facilities	p. 15
Emission Factors	p. 16
Ozone 8-Hour/Particulate Matter (PM _{2.5})	p. 16

Environment/Land Quality

Beneficial Use of Waste or By-Products	p. 16
Brownfields	p. 16
Documentation of RISC Program	p. 16
Good Character for Solid and Hazardous Waste Permits	p. 16
Risk Integrated System of Closure (RISC)	p. 17
Solid Waste Management Districts	p. 17

Environment/Water Quality

Antidegradation Policy and Implementation Procedures	p. 17
CSO/Wet Weather Issues for Municipalities	p. 17
Designated Uses of Indiana Waters	p. 17
Drought Plan	p. 17
Review of the Water Quality Standards	p. 18
Total Maximum Daily Load for Waterways	p. 18
Water Diversions from the Great Lakes	p. 18
Wetland Management	p. 18

Government Simplification

Government Regulation and Efficiency	p. 18
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Health Care

Government Cost Shifting to Private Payers	p. 19
Health Care Provider Performance Data	p. 19
Health Care Reform	p. 19
Health Information Privacy	p. 20
Maintain the Integrity of Health Insurance Networks	p. 20
Mandated Health Care Benefits	p. 20
Tobacco Reform	p. 20

Human Resources

Employee Monitoring/Surveillance	p. 21
Employment Discrimination Legislation	p. 21
Family and Medical Leave Act	p. 21
Mandated Human Resources Policy	p. 21

Infrastructure and Transportation

Aviation Infrastructure Investment	p. 21
Mass Transit Infrastructure Investment	p. 21-22
Railroad Infrastructure Investment	p. 22
Roads and Highways Infrastructure Investment	p. 22
Utility Infrastructure Investment ***NEW***	p. 22
Waterborne Commerce and Infrastructure	p. 23

Labor Relations

Collective Bargaining for Public Employees	p. 23
Employment At-Will	p. 23
Local Government Wage-Setting	p. 23
Prevailing Wage Law	p. 23

Project Labor Agreements	p. 23
State Government Wage-Setting	p. 23
Striker Replacements	p. 24
Unemployment Compensation	p. 24
Tax and Public Finance	
Apportionment of Corporate Income Taxes	p. 24
Business Real and Personal Property Taxation	p. 24-25
Corporate Taxation	p. 25
Internal Revenue Code Update Legislation	p. 25
Local Option Corporate Income Tax	p. 25
Local Option Sales Tax	p. 25-26
Sales Tax on Services	p. 26
State and Local Spending Controls	p. 26
Workforce Development	
Adult Education Funding	p. 26
Competitive Private Sector Job Training	p. 26
Dual Enrollment and Technical Education Funding	p. 26
Evaluation of Job Training Programs	p. 27
Jobs and Coordination of Employment-Related Government Programs	p. 27
Tax Incentives for Workforce Training and Development	p. 27
Workforce Development	p. 27-28
Workplace Safety and Health	
Occupational Safety and Health Compliance and Enforcement Issues	p. 28
Selection of Physicians in Worker's Compensation and Occupational...	p. 28
Worker's Compensation and Occupational Disease Laws	p. 28

FEDERAL BUSINESS ISSUES

Business Tax Reform/Relief	p. 28
Campaign Finance	p. 29
Class Action Lawsuits	p. 29
Comprehensive Health Care Reform	p. 29
Comprehensive Immigration Reform	p. 29
Energy and Global Climate/Cap-and-Trade	p. 29-30
Expansion of Clean Water Act	p. 30
Expansion of Family Medical Leave Act	p. 30
Fair Labor Standards Act	p. 30
Federal Financial Flexibility of Education Funds	p. 30
Federal Funding for State Public and Higher Education	p. 31
Federal Minimum Wage	p. 31
Federal Regulations	p. 31
Federal Tort Reform	p. 31
Foreign Investment and Economic Sanctions	p. 31
Free Trade Agreements	p. 31
Labor and Employee Free Choice Act (EFCA)	p. 31
Research and Technology Tax Credit	p. 32
Roads and Highways Infrastructure	p. 32
Social Security and Retirement Plan Reform	p. 32
Telecommunications Growth	p. 32
Trade Promotion Authority	p. 33
Waterborne Commerce and Infrastructure \	p. 33

STATE BUSINESS ISSUES

CIVIL JUSTICE

Civil Justice

The Indiana Chamber supports legislation and other reform efforts designed to facilitate a fair and reasonable civil justice system in our state. Preserving the integrity and credibility of our court system by preventing law suit abuse is critical to maintaining a positive climate for the creation of jobs and increased economic development within our state.

The Indiana Chamber supports:

- fair determination of actual damages based on fault and economic loss;
- timely and predictable process for resolution of disputes;
- examination and reform of the contingency fee system;
- implementation by the courts of current statutory sanctions against parties bringing frivolous lawsuits;
- establishment and implementation of procedural measures for use by the courts in preventing frivolous lawsuits and in turn, expediting the resolution of legitimate, good faith claims.
- limitations on non-economic and punitive damages;
- retention of Indiana's medical malpractice statutes;
- no further erosion of the limitation on recovery under Indiana's wrongful death statute
- no erosion of or modification to Indiana's statute of repose and limitation concerning asbestos; and
- proactive strategies to influence judicial selection.

ECONOMIC DEVELOPMENT AND SMALL BUSINESS

Daylight Saving Time

The Indiana Chamber supports the observance of daylight saving time as authorized by the Uniform Time Act of 1966 for all 92 counties in Indiana. The Chamber opposes any attempt to reverse or modify the state's adoption of daylight saving time while recognizing the authority of individual counties to petition the federal government with respect to time zone placement.

– **Direct Small Business Impact** –

Expanding Venture and Investment Capital

The Indiana Chamber Position:

The Chamber supports expanding the availability of early-stage, seed and venture capital in Indiana. Specifically, the Venture Capital Tax Credit expires December 31, 2012, and the Chamber supports the permanency of this credit while expanding the annual cap of available credits from the current \$12.5 million annual cap. The Chamber also supports enactment of legislation to allow a 50% tax credit or a 10% guarantee of investment for losses incurred by individuals investing in high-technology, high-wage/high-skill companies.

The Chamber further applauds the enhanced voluntary use of state pension funds for venture capital investments in Indiana life sciences and other prudent business opportunities through the Indiana Future Fund, as well as encourages the establishment of additional funds to support other segments of Indiana's economy in addition to life sciences.

Increasing Entrepreneurship Through Strategic Investments and Small Business Innovation Research Grants/Small Business Technology Transfer (STTR) Programs

The Indiana Chamber Position:

The Chamber supports initiatives to increase the formation of new Hoosier businesses through the leveraging of private capital and use of federal research and development funds, especially Small Business Innovation Research (SBIR's) Phase I and Phase II grants, in addition to Small Business Technology Transfer (STTR) Programs. The Chamber urges the restoration of full funding for the state's 21st Century

Research and Technology Fund (the “21st Century Fund”) as soon as practical, beginning with the 2011 budget cycle.

Indiana Product Trademark Program

The Indiana Chamber Position:

Indiana is a brand. As a state and business community, we should utilize Hoosier pride to strengthen Indiana’s brand and promote its favorable business climate nationally and globally. The Indiana Chamber supports implementation of an Indiana brand and trademark campaign, marketing effort or similar plan that sells and markets Indiana’s strengths and economic advantages – that includes all Indiana-approved products made or having linkage to the state and shows the benefits of locating or expanding in Indiana.

– Direct Small Business Impact –

Reauthorization of the Hoosier Business Investment Tax Credit

The Indiana Chamber Position:

The Indiana Chamber urges permanency (and long-range use) of the Hoosier Business Investment Tax Credit (HBITC), which expires for projects made after December 31, 2011.

– Direct Small Business Impact –

Right-to-Work

The Indiana Chamber Position:

If Indiana is to continue to distinguish itself from neighboring states and build a national leadership position in economic development, we must remove impediments to investment and job creation. Therefore, the Indiana Chamber supports adoption of a right-to-work (RTW) statute for Indiana, banning the practice of requiring union membership or financial support as a condition of employment.

– Direct Small Business Impact –

Small Business Export Finance Assistance

The Indiana Chamber Position:

The Chamber believes a gap exists in the ability of small businesses to be engaged in global exportation. To that end, the Chamber encourages the utilization of the sponsored (working with private sector state financial institutions) low-interest export finance loans or a grant program to assist in covering the cost for working capital or accounts receivable financing. A program – similar to the federal government’s SBA 7(a) Export Working Capital Loan program – to provide \$350,000 or up to 50% of project costs in the areas of direct or indirect costs in the production of those goods or the provision of services would provide an economical means to engage Indiana’s businesses in the global marketplace. (States such as Pennsylvania and Virginia are currently conducting such efforts.)

– Direct Small Business Impact –

Small Business Legislative Impact Oversight and Review

The Indiana Chamber Position:

The Indiana Chamber believes the Indiana business community must be a good partner in regulatory compliance – striving to ensure a proper and safe work environment for the well-being of all Hoosiers. The Chamber further believes the state must take action to provide enhanced oversight and continuity to a program enacted in 2005 and 2006 to monitor the impact of state actions on small businesses. At a minimum, this should involve the creation of one clear point of contact per agency responsible for providing updates to the public on the impact on small businesses of pending rules and prospective laws, as well as actively assisting small business through the regulatory process.

– Direct Small Business Impact –

Small Business/Mid-market Investment for Indiana's Future

The Indiana Chamber Position:

The Chamber supports the enactment of legislation to allow tax credits and incentives for small business and mid-market company development and expansions in the following manner, but not limited to:

- The initiation of a small/mid-market business growth tax credit or grant program that would be available to small businesses (those having at least five employees);
- Restoration of historic (\$70 million-plus per biennium) funding levels for the state's 21st Century Research & Technology Fund;
- Permanent extension of the state's venture capital tax credit; and
- Preservation of the state's patent-derived income tax exemption.

Small Business Revolving Loan Fund Program

The Indiana Chamber Position:

The Chamber believes a state-sponsored, low-interest loan, to be administered by private sector state financial institutions, is essential for small business growth and the availability of capital. Most important to this fund would be the pooling of funding and resources between public and private sector entities.

The Chamber believes state dollars, partnered with private sector resources in this revolving loan fund, would provide the ongoing low-interest loan that small businesses desperately need to grow their business. Small businesses should be able to utilize these loans for land and building acquisition and construction, machinery and equipment purchases, in addition to working capital. This process could include the use of state tax credits – as seen in the state of Louisiana – to incentivize banks into providing loans to non-traditional loan sectors such as small businesses.

In addition, the Chamber supports the removal of barriers that prevent Indiana small businesses from growing, being able to keep pace with market demands, or compete for state or Indiana private sector contracts. In many cases, financing and bonding can prevent Indiana small businesses from being able to meet the demands of the marketplace. In an effort to insure the removal of nonmarket-related hindrances, the Chamber is firmly committed to understanding and addressing circumstances that may stifle economic development opportunities for all businesses.

– **Direct Small Business Impact** –

Tax Abatement (Tax Phase-In)

The Indiana Chamber Position:

The Indiana Chamber supports the continuation of property tax abatement (tax phase-in) as an economic development incentive. Tax abatement is one of the best and most successful incentives available for business and industry expansion and relocation in this state. Indiana must remain competitive with other states regarding total economic development tools available. Certainly, tax abatements and local incentives are utilized in every state, and hence should remain in place in Indiana. Alterations or modifications to such tools should be linked and closely measured to Indiana's overall economic competitiveness and ability to provide a healthy economic climate for the attraction and retention of jobs. Backsliding and clawback provisions should not be required under state law, but should continue to be a local requirement if deemed appropriate by the granting authority.

– **Direct Small Business Impact** –

Tax Increment Financing

The Indiana Chamber Position:

The Indiana Chamber supports the continuation of tax increment financing (TIF) as an economic development tool. Use of TIF should be limited to the attraction of primary investment (that is, a calculated determination by local officials that should be linked intrinsically to the original purpose of generating the TIF district). TIF funds should not be diverted from their original purpose or diluted.

– **Direct Small Business Impact** –

Technology Parks

The Indiana Chamber Position:

The Indiana Chamber supports a vigorous review of the state's existing certified technology parks (CTPs) by the Indiana Economic Development Corporation as empowered and required by recent legislation. Those CTPs found to be excelling should be held up as models for the future; those CTPs found lacking in performance measures should be allowed to address deficiencies and, if addressed, be re-certified. Those that cannot address their deficiencies after they have been identified and given time to do so should be held accountable and decertified.

Technology Transfer

The Indiana Chamber Position:

The Indiana Chamber supports programs to increase the conversion of research that occurs in Indiana universities and trapped or orphaned technology owned by Indiana businesses into marketable products and more efficient processes for Indiana companies. This increase in the transfer of technology from academia and business to the marketplace is necessary for the success of existing businesses and to increase the number of new business start-ups.

The availability of research and development services, commercialization initiatives and technology transfer mechanisms throughout the state is particularly urgent. The Chamber further supports the creation of a centralized clearinghouse, serving as a concierge/triage entity to connect businesses with available technology in Indiana's universities. We also support a more proactive system to seek latent intellectual property, orphaned technology and other ideas that have potential for commercialization into Indiana business activity.

The Chamber also supports the creation of an enhanced support structure to provide needed business expertise to promising technology ideas and their entrepreneurs. Indiana must do more to orient research and technology activities in the state toward helping Indiana entrepreneurs commercialize products. The Chamber applauds the Indiana Economic Development Corporation's sponsorship of Indiana Entrepreneurship Week and the emphasis it places on marrying technology with business enterprises and mentoring those entrepreneurs starting and running those enterprises.

– Direct Small Business Impact –

Telecommunications Growth

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports free-market competition in the delivery of advanced telecommunications services. The competitive development in a free market environment among telecommunications industry service providers is consistent with providing choice to consumers and an adequate service of last resort in those extended service areas, while encouraging future development and deployment of high-speed data technologies.

Top telecom priorities include: achieving a higher level of broadband penetration in unserved portions of the state; promoting further deployment of broadband facilities such as fiber optics and broadband capacity-improving technologies; and adding Internet backbone hubs and other methods of facilitating state-of-the-art communication. To achieve this vision, we will need private-sector technology companies to continue to make strategic investments in the deployment of advanced broadband technologies across the state.

The Indiana Chamber believes that government policy in this area should: 1) be minimal and build upon successful deregulation of voice, video and broadband services in 2006; and 2) treat all industry players and competing technologies on a level playing field, removing any legacy policies that lead to disparities in the marketplace or have become superfluous. These include either removing local video franchise fees or equalizing the tax burden among multichannel video providers so that cable and video service providers are not at a disadvantage with respect to direct broadcast satellite providers. Also useful would be the elimination of local cable franchise boards which became functionally obsolete when video franchise regulation was established as a state-level responsibility.

– Direct Small Business Impact –

EDUCATION/Higher Ed.

Access Through Technology

The Indiana Chamber Position:

The Indiana Chamber supports adjustments to current funding mechanisms, financial aid policies and other incentives for colleges and universities that will encourage broader adoption of on-line, distance learning and other technology-based learning opportunities.

Accountability and Continuous Improvement

The Indiana Chamber Position:

The Indiana Chamber supports increased accountability and greater focus on continuous improvement through measures including, but not limited to:

- Establishment of a statewide performance reporting system that includes: timely annual updates; broad public access; comparisons to state, national and international trends; and comparisons between public and independent sectors;
- Participation in national accountability and performance reporting initiatives;
- Establishment of short- and long-term improvement goals that are benchmarked to peer institutions and are integrated with the state's biennial budget process;
- Increased emphasis on student learning outcomes through the use of student-performance assessments and public reporting of results;
- Establishment of specific accountability measures to address the effectiveness of remedial programs; and
- Continuous public attention to productivity, cost containment and efficiency metrics.

Business/Higher Education Collaboration

The Indiana Chamber Position:

The Indiana Chamber supports the further development of initiatives and incentives to encourage business and higher education to collaborate on issues of mutual business interest for the benefit of the Indiana economy.

Business/Higher Education: Role in Economic Development Planning

The Indiana Chamber Position:

The Indiana Chamber supports the importance of business and higher education playing a prominent role in Indiana's development of the vision and plan for economic development. The presence of business and higher education on the newly established Indiana Economic Development Corporation is both appropriate and important. Business and higher education should continue to be a vital component to any economic development strategies of the future.

Community College System

The Indiana Chamber Position:

The Indiana Chamber supports continued growth of a strong community college system for Indiana that will expand postsecondary educational opportunities throughout the state including, but not limited to:

- Development of effective and accelerated transition programs for high school dropouts and for high school graduates who require remediation;
- Establishment of Ivy Tech Community College as a primary point of contact (or the primary contact) for students seeking adult basic education;
- Restructuring of financial aid eligibility and administrative procedures to better meet the needs of adult and part-time students;
- Expansion of degree and certificate programs that are designed to meet the specific needs of working adults and Hoosier employers;
- Expanded use of technology for delivery of coursework;
- Development of policies and practices to maximize the courses that will apply to transfer students' degree objectives and ensure that transfer opportunities are transparent and widely available;

- Development of cooperative agreements with the Indiana Department of Workforce Development to address high-demand and future workforce needs, coordinate funding opportunities for onsite training at a business or industry, and increase the number of third party certificates earned and independently certified by business and industry; and
- Co-location and/or shared use of facilities, whenever possible, with four-year degree-granting institutions.

Expectations for Improved College Preparation

The Indiana Chamber Position:

The Indiana Chamber supports:

- The substantial elimination of remedial courses at Indiana’s public four-year colleges and universities;
- The establishment of Core 40 as a minimum admissions criterion for traditional-aged students at four-year public colleges and universities; and
- The creation of an accessible public reporting system that will inform parents, educators and the broader community about the success and preparation levels for students from each Indiana high school that enroll in Indiana institutions of higher education.

Financial and Other Incentives for Performance Outcomes

The Indiana Chamber Position:

The Indiana Chamber supports a shift in Indiana’s higher education funding formula from an enrollment-based system to a performance-based system. The components of such a system could include such performance measures as: credit hour completion, degree and certificate completion, on-time and total graduation rates, and credit transfers from community college to four-year institutions. The Indiana Chamber supports additional weighting of performance incentives to encourage enrollment of low-income students.

Higher Education Financial Flexibility

The Indiana Chamber Position:

The Indiana Chamber supports enactment of state legislation that would grant Indiana’s public higher education institutions greater financial flexibility, based on markets and not government policy, to allow them to operate more efficiently and effectively. The Chamber supports legislation to allow public higher education institutions to issue facilities bonds and pay off the bonds with earned research dollars and/or privately raised dollars without the approval of the Indiana General Assembly, but after conferring with the State Budget Committee and the Indiana Commission for Higher Education. The Chamber further supports encouraging public universities to set tuition and not have tuition dictated by government policy.

Higher Education Investment in Business Development and Job Growth

The Indiana Chamber Position:

The Indiana Chamber supports the continued focus by higher education in investing strategically in initiatives that will continue the growth of Indiana business in collaboration with our higher education institutions. The Chamber also supports a balanced state budget that ensures a strong financial position and provides ongoing, enhanced investments in human capital.

EDUCATION/K-12

Academic Standards, Assessments and Accountability

The Indiana Chamber Position:

The Indiana Chamber supports:

- Implementation of rigorous academic performance standards for each academic subject in each grade level.
- Participation in the Common Core Standards Initiative – as developed by the National Governors Association and the Council of Chief State School Officers, with support from the US Chamber of Commerce and others – to help assure standards that are comparable across states and competitive internationally.

- Implementation of a statewide student assessment system that, as state financial resources permit, is designed to measure student performance directly against the prescribed academic performance standards, includes tools for both formative (diagnostic) and summative (accountability) components, measures both knowledge levels and problem-solving skills, is benchmarked against international performance standards (e.g., the PISA examinations), and produces performance data in an easy-to-read format allowing comparisons with other states and countries.
- Providing sufficient remedial opportunities for students who fall short of established standards. This should include, especially, an aggressive set of remedial strategies for reading instruction in grades K-3 and, when necessary, retention of third graders who have not yet mastered third grade reading proficiencies.

Additionally, the Indiana Chamber supports implementation of a transparent school accountability system that:

- Provides clear and understandable measures for parents and the general public, including data on student performance, budget information (expenditures on direct classroom expenditures, administration, extracurricular and other broad categories) at the SCHOOL BUILDING level, and general teacher characteristics (including years of service and salary bands) at the SCHOOL BUILDING level;
- Focuses on continuous improvement and student academic growth for holding schools, principals and teachers, accountable for their performance;
- Includes rewards for school and classroom improvement;
- Includes a broad range of options for intervention, including school or district takeovers and other aggressive interventions for schools and school districts that have an established pattern of poor student academic performance; and
- Includes additional choices for parents in schools and districts that are persistently poor performing.

Competition and Innovation in Indiana's Public Schools

The Indiana Chamber Position:

The Chamber supports the enactment of programs and policies that will incentivize public schools to accelerate improvements in academic performance and to improve their responsiveness to consumer needs, and will increase options for parents for selecting the educational environment that best fits the individual needs of their children. The programs and policies supported by the Chamber include, but are not limited to:

- Practical methods to allow parental choice of the schools their children attend, both public and private.
- State and local school funding mechanisms that provide equitable, student-based support for a broad range of educational options, including equal funding for new and current charter schools.
- Tax incentives/tax credits that encourage parents to invest in their children's education by providing tutoring, remediation, instructional supplies, home technology and/or private school tuition.
- Tax incentives/tax credits for businesses and other third-party entities to contribute to educational scholarships and educational foundations that assist parents with the cost of private school tuition and other educational services.
- Tax Incentives/tax credits for donations to public and private schools.
- Continued expansion of high quality charter schools that will foster competition and innovation within the public school system.
- Authority for new charter school authorizers and additional engagement of current authorizers.
- A requirement that school buildings that are unused and have no specific and timely plans for future use shall be made available for transfer of ownership to charter schools.
- Provisions for sharing proportional shares of local capital funds with charter schools and/or state support for capital funds, as state financial resources permit.
- Privatization alternatives to allow for alternative school management and other similar arrangements.

Dropout Prevention and Recovery

The Indiana Chamber Position:

The Indiana Chamber supports policies and other strategies to reduce the state's dropout rate and increase graduation rates, including:

- Continued attention to the accuracy of Indiana's graduation and drop out data;
- Inclusion of accurate graduation data in school reporting and accountability measures;
- Regular and public reporting of the results and consequences of the audit provision contained in Indiana's graduation rate law;

- Establishment of a standard high school diploma, without waivers, as the goal for all students under the age of 18, with GED programs reserved for adults beyond high school age and students under the age of 18 only in extreme circumstances;
- The maintenance of age 18 as the default compulsory attendance age, with incentives for students under age 18 to remain in school until graduation;
- Continued development of Ivy Tech Community College as a high school degree-granting institution, with attention to increased matriculation of such students to degree and certificate programs; and
- Development of alternative learning tracks and learning environments that will assist students who are struggling in the standard high school setting to complete a high school degree and to matriculate towards certificate and post-secondary degree programs.

Postsecondary Preparation and High School Graduation

The Indiana Chamber Position:

The Indiana Chamber supports:

- The continuing requirement that students complete a rigorous high school curriculum (Core 40 as a minimum) to qualify for a high school diploma.
- Ongoing reviews of Core 40 (and other curriculum requirements) to ensure sufficient levels of rigor including, for example, end-of-course exams in key subject areas and an extension of Core 40 to require four years of rigorous mathematics.

Preschool

The Indiana Chamber Position:

The Indiana Chamber supports the development of publicly-funded preschool initiatives that:

- Include clear & measurable standards for childhood development and academic preparation, including appropriate student assessments to measure progress against those standards;
- Provide public reporting of performance and financial incentives for providers that meet and exceed the program's standards for childhood development and academic preparation;
- Provide parents with a broad set of choices, including private providers, for-profit providers and faith-based institutions;
- Focus on low-income families and other at-risk children; and
- Create incentives for elementary schools to adopt programs and strategies that maintain and build upon the gains resulting from preschool participation.

School Finance

The Indiana Chamber Position:

The Indiana Chamber supports increases in the school funding formula that equal inflationary levels and adjustments for student population change. The Chamber urges that funding increases beyond these levels should be made only through performance incentives that reward individual teachers, schools and school corporations that demonstrate improvement in their students' academic performance. To promote accountability in the school funding formula, the Indiana Chamber also supports multiple count days and other funding mechanisms that require all dollars – including tuition, categorical programs and federal funds – to "follow the student."

The Indiana Chamber also supports changes to accounting and financial management practices that will increase flexibility for local spending decisions, increase transparency, enhance local and school-based management decisions, and create greater accountability for reducing overhead and driving more educational dollars to the classroom. Specifically, the Chamber supports a transition from current fund-based accounting to Generally Accepted Accounting Practices (GAAP), with additional indices that will delineate expenditures for instruction (teachers, teacher aides, textbooks, teaching supplies and other classroom-level expenses), instructional support (librarians, counselors, etc.), administration (principals, superintendents, secretaries and other central office staff, food services, insurance, legal services, etc.), and facilities and transportation (construction, debt service, maintenance, utilities, etc.).

School Governance and School Leadership

The Indiana Chamber Position:

The Indiana Chamber supports school governance structures and school leadership that foster efficiency, responsiveness and effectiveness, including (but not limited to):

- A Superintendent of Public Instruction that is appointed by the governor;
- Consolidation of districts with less than 1,500 students whose ISTEP and SAT scores are below statewide averages;
- School boards that are elected in the fall as part of the general elections or are appointed by an elected city or county executive who is directly responsible to that area's voters;
- Voter approval of school construction and debt issuance;
- Consolidation and/or reduction of central office and district-level administrations;
- State support and additional incentives for consolidated purchasing and other shared operational functions;
- Incentives for school and district management to be trained in the fields most directly related to their roles, including financial management, human resources and facilities management; and
- Flexibility for school districts to hire superintendents, principals and other school leaders from a wide range of relevant disciplines and experiences, not just those with narrow licensing credentials in education and education administration.

To address these and other related issues, the Indiana Chamber also encourages the Indiana General Assembly and other state policy leaders to conduct a comprehensive review of school governance and to consider these and other changes to modernize our oversight of K-12 education.

Student Instructional Time

The Indiana Chamber Position:

The Indiana Chamber supports:

- Increases in the minimum length of the school day.
- The make-up of snow days or other instructional time canceled for other reasons.
- The elimination of state-imposed time requirements for non-core subject areas.
- Increases in the time schools spend on core academic subjects.
- Increases in the length of the school year.

Teacher Collective Bargaining and Tenure

The Indiana Chamber Position:

The Indiana Chamber supports the repeal of Public Law #217, collective bargaining and exclusive representation, for teachers. Short of repeal, the Indiana Chamber supports substantial revisions to the law, such as those passed in 2011, that: 1) limit collective bargaining laws to wages and benefits only, 2) prohibit restrictions on performance-based pay and 3) eliminate salary schedules based exclusively on years of service. Additionally, the collective bargaining law should require an annual check-off by each member of the bargaining unit and dues should be collected by the union, directly from its members, rather having dues collections administered by the school district through payroll withholding

Teacher Training and Teacher Licensing

The Indiana Chamber Position:

The Indiana Chamber supports:

- Rigorous admissions standards, especially with regard to content knowledge, for schools of education.
- Requirements for rigorous content knowledge including: for elementary teachers, demonstrable knowledge of the science of reading instruction (including phonics-based instruction); and for middle and high school teachers, demonstrable content knowledge, preferably through the attainment of a major, in the field that they plan to teach. Content knowledge should be demonstrated at the start of each teacher's career and maintained through a rigorous, content-based continuing education requirement.
- The implementation and effective use of alternative teacher licensing for experienced professionals with various areas of specialty (e.g. chemists, lawyers, doctors, accountants).

- Accountability for schools of education that are based on the academic progress of students taught by their graduates.

Technology in Schools

The Indiana Chamber Position:

The Indiana Chamber supports greater use of technology for school and classroom management and for the delivery of educational content. The Chamber recognizes that technology acquisition and implementation may require new financial investments but believes that any such investment can and must be shown to produce greater academic achievement and, in the long-term, greater financial savings. The Chamber also encourages state leadership in the development of joint purchasing and other programs that will increase the efficiency of technology acquisition and implementation.

ENERGY

Energy Policy Principles for a Competitive Business Climate

The Indiana Chamber Position:

Indiana should develop, with industry involvement, and maintain an energy leadership policy to preserve its adequate, reliable and cost-competitive supply of energy. That policy position should contain an assessment of our energy infrastructure and should support:

- A diversified, cost-effective fuel mix including clean coal technologies, natural gas, domestic petroleum, nuclear and renewables;
- Investment in new energy technologies;
- Sensible regulatory controls which promote the responsible building of new, cost effective energy projects, including generation and transmission;
- Energy efficiency and conservation; and
- Federal carbon legislation that does not impair Indiana's energy advantages.

ENVIRONMENT/General

Compliance Assistance

The Indiana Chamber Position:

The Chamber supports the establishment of a new environmental compliance assistance agency with specified performance standards and accountability.

Enforcement/Civil Penalties

The Indiana Chamber Position:

The Chamber supports legislation to change the IDEM enforcement process. Enforcement should place a priority on securing timely compliance that is fairly and uniformly applied. The Department of Natural Resources has an "incentive" process that establishes the type of enforcement process the Chamber believes places priority on timely compliance and should result in a fair and uniform enforcement process. That process allows the issuance of a Notice of Violation (NOV) by staff of the DNR, which specifies the action(s) to be taken and the time allowed to correct violations, and provides for assessment of administrative civil penalties only when the NOV has not been appealed or has been affirmed after opportunity to appeal and the receiving entity fails to comply with either the required action or to take the action within the specified time frame.

Permit Fees

The Indiana Chamber Position:

The Chamber is opposed to any environmental permit fee increases unless the fee is dedicated to improving the performance of the state in administering its environmental permitting duties and goes through a rulemaking process first.

Purpose, Function and Design of Environmental Rulemaking Boards

The Indiana Chamber Position:

The Chamber supports a comprehensive review of the purpose, function and design of the environmental rulemaking boards, especially regarding the interaction of the boards with IDEM.

State Standards More Restrictive Than Federal Standards

The Indiana Chamber Position:

If the state sets a standard more restrictive than the federal limit, it must:

- Present a scientific rationale,
- Perform a timely credible cost/benefit analysis of the impact on state government, Indiana business and its citizens,
- Present the rationale and analysis to the respective board,
- Annually report same to the EQSC, and
- Develop and regularly update a Federal/State side-by-side comparison at or before the first notice of proposed rulemaking in the Indiana Register.

ENVIRONMENT/Air Quality

Air Emission Banking

The Indiana Chamber Position:

The Chamber supports IDEM's development of a banking program, consistent with the federal banking/trading program, which would formalize the current emissions netting and offset certification process in state regulation through the creation of emissions reduction credits represented by real emissions reductions from real e.g., mobile sources. Such a program should also feature a notice and tracking system through which new and expanding industry, in addition to the public, would be able to identify available sources of netting or offset emissions for air permit requirements.

Air Emission Trading

The Indiana Chamber Position:

The Chamber supports IDEM's development of a flexible, cost-effective state/federal air emissions trading program that integrates with federal allowance trading programs. The trading program should not impose any new emission reduction requirements.

Compliance Assurance Monitoring (CAM) Requirements

The Indiana Chamber Position:

IDEM should require compliance monitoring in permits only where already required by rules or to implement the CAM program. The Chamber supports promulgation of Indiana compliance monitoring rules that mirror the federal CAM rules. Construction and operating permits should not include detailed and excessive compliance monitoring terms without regulatory authority for such terms. There should be no compliance monitoring requirements for trivial activities, insignificant activities and low-emitting emission units. The Chamber supports creation of an incentive program for monitoring, in lieu of continuous emission monitoring, to reduce the frequency of testing, paperwork, recordkeeping, etc., when historical data shows ongoing compliance.

Definition of Adjacent Facilities

The Indiana Chamber Position:

IDEM should interpret "adjacent" so that only plant facilities, which are under common ownership or control (contractual or otherwise), that are also contiguous or that would be contiguous except for being divided by a roadway or railroad are considered the same source.

Emission Factors

The Indiana Chamber Position:

The Chamber supports withdrawal of the IDEM non-rule policy document on emission factors. No emission factors should be considered presumptively superior to other means of estimating emissions. Stack testing should not be mandatory for demonstrating the accuracy of an alternative emission factor.

Ozone- 8-Hour/Particulate Matter (PM_{2.5})

The Indiana Chamber Position:

The Chamber recommends the governor and IDEM include in nonattainment designation submittals to the U.S. EPA provisions that make 8-hour ozone or PM_{2.5} nonattainment area recommendations which include local and regional solutions consistent with sound science. Appropriate technical data is needed to identify potential sources contributing to the nonattainment and adverse health impacts associated with the specific components so an appropriate, targeted control strategy can be developed that addresses the impact of contributing sources. As the state evaluates emission control measures, IDEM should actively involve key stakeholders in the development of reasonable emission reduction plans.

– ***Direct Small Business Impact*** –

ENVIRONMENT/Land Quality

Beneficial Use of Waste or Byproducts

Indiana Chamber Position:

Impediments to the effective recovery of materials and energy from waste materials need to be identified and minimized or removed. Meaningful programs to evaluate waste recovery and reuse options need to be expeditiously embraced and marketed. Priority should be given to beneficial use of generated waste products and creation of incentive programs.

Brownfields

The Indiana Chamber Position:

The Chamber supports the adoption of legislation that allows a potential owner or developer who did not cause the contamination and who confirms the extent of contamination at a site, to be exempted from liability for remediation of that past contamination. At the same time, the state must develop a policy regarding the extent to which it is willing to address off-site contamination that resulted from the actions of prior owners and operators. The Chamber opposes any changes to the liability language that would make it easier for litigation to occur. Incentives, such as tax credits or grants, and issuance of “covenants-not-to-sue” for remediations carried out under any IDEM administered cleanup program to promote cleanup activities and revitalize distressed properties, should be seriously considered and supported.

Documentation of Use of RISC Program

The Indiana Chamber Position:

The Chamber supports IDEM establishing an effective, on-going mechanism for citizens to learn about each closure decision the agency has made about contaminated and potentially contaminated lands. This could be done on in real-time with a web page or file room docket supplemented by annual progress report.

Good Character for Solid and Hazardous Waste Permits

The Indiana Chamber Position:

The Chamber supports repeal of the “Good Character” law that applies only to commercial entities seeking solid and hazardous waste permits. If not repealed the law should be revised to apply only to entities seeking their first permit in the state of Indiana. The law should not apply to renewals, major modifications or persons who have a known operating history in the state of Indiana.

Risk Integrated System of Closure (RISC)

The Indiana Chamber Position:

As Indiana's policymaking body, the Legislature should establish policy guidance for IDEM to determine what is an acceptable risk and use of relevant information. The law should provide that RISC is an acceptable procedure for remediation under all environmental laws that provide authority for IDEM closure determinations_e.g., hazardous waste laws, underground storage tank law, the voluntary remediation program and programs impacted by the groundwater protection standards. Also, that revisions of and additions to RISC must be based on reliable and accepted risk assessment methodologies. Indiana should incorporate the phrase "reasonable and foreseeable" consistent with the EPA language.

Solid Waste Management Districts

The Indiana Chamber Position:

The Chamber supports the prudent handling of our state's solid waste and the development of plans to ensure continued environmentally sound and economically sensible disposal options. The Districts should focus on education, coordination and facilitation in achieving this goal. If they are not able to demonstrate this focus, their funds and activities should be turned over to existing government bodies.

ENVIRONMENT/Water Quality

Antidegradation Policy and Implementation Procedures

The Indiana Chamber Position:

The Chamber supports the protection of our valuable water resources while maintaining a strong, vibrant economy. Federal law requires states to develop antidegradation policies to preserve water quality. Depending upon the details of state implementation procedures, antidegradation policies can impose severe constraints on economic development with virtually no corresponding public health benefit. In view of such important and ubiquitous implications, the development of a state antidegradation policy for surface water merits and should receive very thoughtful input from all sectors.

CSO/Wet Weather Issues for Municipalities

The Indiana Chamber Position:

The Chamber supports the implementation of the provisions of SEA 431 of the 2000 General Assembly directing IDEM to develop rules and guidance that would establish a clear, deliberate and reasonable program for the correction of Combined Sewer Overflows (CSO) and improvement of wet weather water quality. While promoting an overall and continued clean up of our waters, the program should be based on cost effective protection of public health. If a use attainability analysis (UAA) is necessary, it should be done in conjunction with the development of the early stages of a Long Term Control Plan so that the results of the UAA, if approved, can be reflected in the final Long Term Control Plan.

– ***Direct Small Business Impact*** –

Designated Uses of Indiana Water

Indiana Chamber Position:

IDEM should develop a range of use and partial-use categories that are adequate to characterize realistic uses for Indiana's diverse water segments. IDEM then should conduct a systematic review of Indiana waters to designate uses that can reasonably be expected to be achieved in each water body. To the extent necessary, to implement this refinement of designated uses for Indiana waters, IDEM should be directed to support and participate in the development of use attainability analyses as defined under federal law.

Drought Plan

The Indiana Chamber Position:

The state should develop a drought plan with a priority-use schedule.

Review of the Water Quality Standards

The Indiana Chamber Position:

The Chamber supports the revision of Indiana's water quality standards when consistent with sound science and reasonable public policy objectives. The use of biological integrity and sediment quality measures as an assessment tool to improve water quality is reasonable. However, the Chamber considers the proposed use of such measures as enforceable water quality criteria to be unreasonable and beyond the authority of the Indiana Water Pollution Control Board and IDEM.

Total Maximum Daily Load (TMDL) for Waterways

The Indiana Chamber Position:

The Total Maximum Daily Load (TMDL) program will greatly influence Indiana water quality policy for many years. It is critical that the program be focused, flexible, founded on sound science and adequately funded and staffed. The Chamber supports IDEM's efforts to conduct TMDLs on those waters that are properly identified as "impaired." EPA has issued new guidance that allows the States to list water bodies, with questionable or old data, into categories other than "impaired." IDEM should carefully evaluate the quality of the water data used to declare a water body as "impaired" in order to take full advantage of this new guidance offered by EPA.

Water Diversions from the Great Lakes

Indiana Chamber Position:

The Chamber recognizes the importance of the Great Lakes as a natural resource for all uses, including manufacturing processes. The Chamber encourages policy makers to make choices that are both protective of the environment and the numerous businesses located in the basin that will ensure their continued existence and economic health.

Wetland Management

The Indiana Chamber Position:

The Chamber opposes an expansion of the State's 401-water quality certification review authority and its development of a redundant and excessive wetlands regulatory program. The General Assembly should consider language that would provide direction to the regulatory agencies.

GOVERNMENT SIMPLIFICATION

Government Regulation and Efficiency

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports efforts to:

- simplify government to best serve the taxpayers of Indiana;
- improve the quality and professionalism of the individuals performing important aspects of government;
- reduce the burden of government regulation on the business community and the public;
- improve the efficiency of government at all levels, including schools;
- bridge county government budget gaps and tax caps by enacting binding budget review at the county level to allow better budget decisions within the counties;
- implement recommendations of the Indiana Commission on Local Government Reform (Kernan-Shepard Commission) to significantly improve performance measures such as efficiency, cost, quality, service and speed; and
- ensure compliance with all applicable Indiana laws and reporting requirements regarding local government activities.

HEALTH CARE

Government Cost Shifting to Private Payers

The Indiana Chamber Position:

The Chamber opposes Medicaid and Medicare reimbursement reductions to health care providers in instances where it causes cost shifting, which in turn raise private payers' costs or reduces the availability of quality health care.

Health Care Provider Performance Data

The Indiana Chamber Position:

The Indiana Chamber supports initiatives, including legislation, to promote broader consumer and employer access to provider health care performance and pricing data.

Health Care Reform

The Indiana Chamber Position:

The Indiana Chamber of Commerce believes that the principles of the free market should be the driving force in reforming and operating our health care system. The system must be able to deliver consistent quality, in the form of improved outcomes, as well as increased access to competitively priced health care services.

The Indiana Chamber supports and will defend:

- The establishment of voluntary employer purchasing initiatives where small employers might band together to purchase medical goods and services at reduced rates. The Chamber does not support "pooled experience" of small employers because such pools are unstable.
- Improvements in access to health care and provider performance and pricing data. The Chamber approves of the standardization of health care provider data to provide employers and consumers with reliable cost and quality information upon which health plan and provider selection decisions can be made.
- Streamlining and standardizing of forms and procedures to ensure health plan efficiency.
- Tax equity for self-employed and small employers.
- Retention of consumer driven health care plans including, Medical Savings Accounts, Health Reimbursement Arrangements, Health Savings Accounts, other defined contribution health plans and the removal of tax penalties for utilization.
- Retention of a good medical malpractice law.
- Increased utilization of managed care principles in tax-supported programs.
- ERISA's preemption of state laws.
- Collaborative efforts among providers which benefit purchasers of health care.
- An employer's right to design and implement wellness initiatives and disease management programs, along with onsite medical services and health clinics.
- Increasing access to health care through initiatives that reduce the number of uninsured Indiana residents, provided that such initiatives do not hinder economic growth and development within our state.

The Indiana Chamber opposes:

- Government action, including regulatory action, causing the escalation of health care costs.
- Creation of new entitlement programs.
- Employer mandates in any form, including expansion of COBRA obligations.
- New employer taxes for health care (direct or through reduced deductions).
- Restricting small employers' right to self-fund.
- Restrictions on managed care programs.
- Governmental price controls.
- Cost shifting by government to the private sector.

Health Information Privacy

The Indiana Chamber Position:

The Chamber supports legislation that strikes the appropriate balance between the protection of individuals' personal health information and the preservation of employers' ability to obtain information necessary to make informed health care plan and wellness program decisions and to allow employers to assist those employees requesting assistance in dealing with employer-provided health plans. Employers should have full access to claim information in order to effectively negotiate with insurance companies at health plan renewal time. In such cases, employers should have effective procedures in place to protect such information from misuse.

Maintain the Integrity of Health Insurance Networks

The Indiana Chamber Position:

The Indiana Chamber opposes legislative efforts that could weaken or destroy health care networks that negotiate on behalf of employers, individuals and other private payers with medical providers to provide health care at reasonable rates. One example of such legislation would be assignment of benefits, the practice by which insurers would be compelled to make reimbursements directly to out-of-network medical providers, eliminating much of the incentive for providers to agree to reduce rates to join a network.

Mandated Health Care Benefits

The Indiana Chamber Position:

The Indiana Chamber opposes legislative health care mandates that increase the cost of small employers to provide health insurance benefits to their employees. This would include requiring employers to offer a health benefit plan to employees or to allocate a designated amount of resources to the provision of a health benefit plan. This would include requiring employers to offer a health benefit plan to employees or to allocate a designated amount of resources to the provision of a health benefit plan. Health insurance benefit mandates requiring the coverage of a particular health care service or type of treatment not only impede the ability of market forces to work freely, but also reduce the availability and affordability of health care benefits by eliminating employers' ability to craft and design health care plans that suit the individual needs of their employees. Similarly, broad-scale mandates requiring employers to provide a health benefit plan or to allocate a designated portion of resources to the provision of a health benefit plan is a deterrent to economic growth and development in that punitive measures of this kind have the effect of inhibiting the creation of new jobs by employers, while also placing existing jobs within affected regions in jeopardy. Finally, the Chamber is concerned that mandates may have the unintended consequence of reducing the number of individuals covered by plans, either because the employer cannot afford to meet higher premium costs incurred by mandates or because employees are required to cover more of those costs on an out-of-pocket basis. Though the Chamber is supportive of the notion that all employers should strive to provide a health benefit plan to their workforces, the Chamber believes that the decision of whether to provide a plan, as well as plan selection decisions are best left to each individual employer.

As a condition precedent to the contemplation of any proposed health care benefit mandate by the Indiana General Assembly, the Chamber still believes it is imperative to conduct a thorough review and analysis of all of the potential costs and benefits associated with the proposed health insurance benefit mandate. This cost/benefit analysis should include a review of the economic impact that the proposed mandated health insurance benefit is anticipated to have on individual and employer-purchasers of health insurance. The Chamber promoted and endorsed the creation of the nine-member "mandate-review" task force in the 2003 legislative session. This task force has been charged with the duty of systematically analyzing the full impact of both existing and proposed mandated health insurance benefit laws in our state.

The Chamber also recognizes that the task force has been relatively ineffective, partially due to a lack of funding, but also due to unwillingness by legislators to refer benefit mandates to the task force. The Chamber seeks adequate funding to allow the task force to function credibly to assist legislators in weighing the cost, benefits and economic impact of contemplated future mandates.

Tobacco Reform

The Indiana Chamber Position:

The Indiana Chamber supports a total ban on smoking in the workplace.

HUMAN RESOURCES

Employee Monitoring/Surveillance

The Indiana Chamber Position:

The Indiana Chamber believes that an employer should have the right to engage in the monitoring/surveillance of the communications and activities of employees in appropriate work environments.

Employment Discrimination Legislation

The Indiana Chamber Position:

The Indiana Chamber believes that existing legal authorities more than adequately protect the rights of employees to be free from discrimination and, therefore, the Chamber opposes further expansion of coverage under state or federal employment-related discrimination statutes or the imposition of additional liability under current statutes. The Indiana Chamber supports the availability of informal complaint resolution procedures to settle issues quickly and fairly without litigation.

Family and Medical Leave Act

The Indiana Chamber Position:

The Chamber opposes any expansion – such as lowering the employee threshold, providing paid leave through use of funds from Indiana’s Unemployment Trust Fund or through a new tax on employers – or enhancement by the Indiana General Assembly of the Family and Medical Leave Act, as it is unnecessary and would prove more burdensome and economically challenging to businesses (particularly small businesses) as they strive to compete in the global marketplace. The Chamber opposes further legislation to provide paid family medical leave benefits. The Chamber does support Indiana’s military leave law.

Mandated Human Resources Policy

The Indiana Chamber Position:

The Chamber opposes any legislation or regulation that mandates human resources policy in the private sector. As a condition precedent to the contemplation of proposed employer mandates, the Chamber supports legislation to require an independent analysis of the direct and indirect costs – including all costs of administration – to employers and to employees. This analysis should be presented to the General Assembly before a mandate can be considered.

INFRASTRUCTURE AND TRANSPORTATION

Aviation Infrastructure Investment

The Indiana Chamber Position:

The Indiana Chamber supports the strengthening of Indiana’s aviation infrastructure and network of airports throughout the state as a means of enhancing economic development and establishing a truly interoperable, intermodal transportation network. Specifically, the Chamber supports dedicated aviation funding by the state of up to \$5 million annually to, at minimum, match federal grant monies available to maintain and improve this critical infrastructure. The Chamber is opposed to any legislation which would diminish the long-term viability of Indiana’s airports.

Mass Transit Infrastructure Investment

The Indiana Chamber Position:

In an era of increasing gasoline prices and concern for energy security, the Indiana Chamber acknowledges the need for the strategic study and deployment of mass transit systems in appropriate communities and regions throughout the state.

The Chamber supports continued investigation of mass transit alternatives and funding mechanisms driven by regional organizations and municipal governments. Municipal governments and regional, or supra-

regional, authorities must take the lead in the study, planning and financing of any mass transit projects with local dollars and fares/user fees supporting the enterprise.

The Chamber opposes any attempt to reprogram Major Moves or other state transportation funding to mass transit projects.

Railroad Infrastructure Investment

The Indiana Chamber Position:

The Indiana Chamber supports the strengthening of Indiana's freight rail network through the continued funding of the INDOT Industrial Rail Service Fund infrastructure investment tax credits to encourage continued private investment in freight railroad infrastructure, and investment in large-scale intermodal facilities in appropriate locations around the state. The Chamber is opposed to legislation which would diminish the long-term viability of the freight railroad network by restricting further private investment and supports prudent measures to preserve older rail beds and rights-of-way for future use (including potential passenger or light rail).

Roads and Highways Infrastructure Investment

The Indiana Chamber Position:

The Indiana Chamber supports continued investment in Indiana's highway network and upgrading existing major transportation arteries, such as I-69, U.S. 31, Hoosier Heartland Corridor/Fort-to-Port, and Ohio River bridges, as well as the development of new networks to improve commerce, logistics and safety (e.g., the Illiana Expressway project). The Chamber supports the state taking the necessary steps to adequately fund its roads and highways, increase the capacity of existing roadways, and to match and fully leverage all available federal funds.

The 2006 Major Moves legislation created an unprecedented opportunity for Indiana to capitalize on its natural competitive advantage in logistics while maintaining and upgrading our road system. The Chamber believes that all Major Moves dollars generated from the lease of the Indiana Toll Road should be used exclusively for capital road construction projects. The Chamber also supports diligent pursuit at the federal level of continued funding for the Highway Trust Fund as long as this federal program continues in a manner that is in Indiana's best interests.

The Chamber further supports ending the diversion of funds from the state gas tax to support the operations of state agencies such as the Indiana State Police, Bureau of Motor Vehicles (BMV) and Department of Revenue (DOR).

Additionally, if deemed necessary for the completion of a specific project, the Chamber encourages alternative transportation funding mechanisms including, but not limited to: public-private partnerships (or P3s); the tolling of a roadway; the leasing of state property; the utilization of sales taxes generated from state gas sales in excess of state budget forecasted needs; and a reasonable increase in BMV transaction fees.

Utility Infrastructure Investment

The Indiana Chamber Position:

The Indiana Chamber believes that a sound utility infrastructure system, including electric, gas and water/wastewater generation, distribution and transmission, is vital to safe, reliable delivery of essential utility services to Indiana businesses and citizens. Furthermore, because businesses and consumers statewide rely on Indiana's essential utility services, the Chamber recognizes the importance of equipping utilities with the tools necessary to maintain system integrity and comply with federal regulations. The Chamber supports practical state policies that promote investment in critical utility infrastructure while maintaining adequate, reliable and affordable services.

Waterborne Commerce and Infrastructure

The Indiana Chamber Position:

The Indiana Chamber supports strategic, timely investments and maintenance of the state's three commercial ports and other infrastructure associated with the Great Lakes, Ohio River Basin and Mississippi River Basin shipping. Such investments include, but are not limited to: 1) adequate dredging to maintain accessibility and efficient operations of Indiana's ports and waterways; 2) construction and redesign of navigational locks and dams and related infrastructure; and 3) intermodal freight connectors (e.g., rail spurs and yards) associated with commerce at, or near, Indiana's port facilities. The Indiana Chamber encourages public-private partnerships (P3s) and the use of all available federal funds and resources in order to make these critical investments.

LABOR RELATIONS

Collective Bargaining for Public Employees

The Indiana Chamber Position:

The Indiana Chamber of Commerce believes that public employee collective bargaining is not in the best interest of the vast majority of Hoosiers.

Employment At-Will

The Indiana Chamber Position:

The Indiana Chamber supports Indiana's doctrine of employment at-will.

Local Government Wage-Setting

The Indiana Chamber Position:

The Indiana Chamber supports legislation to prohibit local units of government from enacting ordinances specifying the wage levels that must be paid by private companies that conduct work for local government units as contractors or vendors.

– ***Direct Small Business Impact*** –

Prevailing Wage Law

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports repeal of both of the federal and state prevailing wage laws, known as the Davis-Bacon Act and Little Davis-Bacon, respectively.

Project Labor Agreements

The Indiana Chamber Position:

The Indiana Chamber of Commerce believes that PLAs are not in the best interest of the vast majority of Hoosiers. Taxpayer-financed construction projects must be open to competition among all qualified bidders regardless of their labor policies or the collective bargaining choices of their employees.

State Government Wage-Setting

The Indiana Chamber of Commerce Position:

The Indiana Chamber opposes legislation that would have the Department of Labor survey all private sector job categories and establish wage minimums below which employers would be subject to litigation if they paid less than the established minimum.

– ***Direct Small Business Impact*** –

Striker Replacements

The Indiana Chamber Position:

The delicate balance between the rights of labor and management that has existed since 1938 should not be disrupted. The Chamber supports the employer's right to replace striking workers.

Unemployment Compensation

The Indiana Chamber Position:

The 2009 Indiana General Assembly enacted several changes to Indiana's unemployment insurance system. The Indiana Chamber opposes the two biggest changes – a dramatic increase in the taxable wage base from \$7,000 to \$9,500, along with an increase in the maximum tax rate from 5.6% to 10.2% – as being the only changes that address the shortfall in the trust fund. The Indiana Chamber strongly believes that additional changes to the unemployment insurance system that address the issues of eligibility and level of benefits must be enacted. Most immediately, the Indiana Chamber supports delaying the business tax increase by two years – from January 2010 to January 2012 – due to the current economic environment; this action would save employers approximately \$500 million during that period.

Unemployment benefits should not be so high as to provide a disincentive for an individual to actively seek employment. Eligibility requirements should be maintained to provide benefits only to individuals who have been unemployed through no fault of their own and have shown a significant commitment to the workforce.

TAX AND PUBLIC FINANCE

Apportionment of Corporate Income Taxes

The Indiana Chamber Position:

The Indiana Chamber supports legislation to repeal the Department of Revenue's throwback rule whereby business income apportioned to but not taxable in another state is "thrown back" into the sales attributable to Indiana – and thus taxed here.

– Direct Small Business Impact

Business Real and Personal Property Taxation

The Indiana Chamber Position:

The Indiana Chamber supports:

- The continuation of a property assessment system for real property that is consistent with the Supreme Court's decision in the Town of St. John case and that is not manipulated to shift undue property tax burdens to business property.
- Strict caps on levy increases by local units of government.
- The consolidation of property assessment responsibilities to fewer, more professionally-trained assessors.
- Maintaining the uniformity clause of the Constitution that requires all types of property to be assessed and taxed at equal tax rates and assessment ratios.
- Reducing the relative importance of business personal property taxes in the state/local fiscal structure
- Annual adjustments to real property assessments to occur in the years between reassessment years to prevent undue property tax burden shifts to business property from occurring in those years and help end "sticker shock" currently being thrust upon homeowners during reassessment periods.
- Fair personal property tax audits.
- Elimination of the 30% floor on depreciable personal property.
- Giving local entities the option to exempt personal property (preferably to include and apply to all types of personal property, both new and existing).
- Continuous evaluation of the propriety of the laws regarding the exemption of property held by not-for-profit entities.
- Placing reasonably structured user fees, tied to the costs of local government services provided, on exempt properties as a means of reducing property tax burdens.

- A property tax system governed, administered and managed under a uniform set of standards, through a common, integrated database, that assures accessibility, visibility and consistency of assessments throughout the state.
- Restructuring the system in a fashion that better clarifies the role, responsibility and accountability of all assessing officials, centralizes oversight and enforcement authority with the Department of Local Government Finance, and provides the department with the resources and staff necessary to assure proper implementation of the assessment rules and standards.

The Indiana Chamber opposes:

- Any attempts to relieve the property tax burden of homeowners by shifting it to business taxpayers.
- Any attempts to backtrack from the restructuring improvements to business personal property taxation.
- Any attempt to impede annual adjustments to real property assessments.
- Legislation that would allow the General Assembly to establish classes of property for property tax purposes.
- Legislation by the General Assembly or administrative regulations by the Department of Local Government Finance that would have the effect of increasing personal property tax burdens which are already comparatively very high.
- Legislation or rulemaking that would alter the current business personal property tax assessment system in such a way as to diminish or remove the prerogatives of the business taxpayer to self-assess personal property.

– **Direct Small Business Impact** –

Corporate Taxation

The Indiana Chamber Position:

The Chamber is determined to continue working towards preserving and promoting positive changes to the Indiana property and business tax laws. Many positive changes to the business tax climate will remain under attack due to property tax and budget concerns. The Chamber's goal is to maintain and build upon a positive business tax climate and will continue to work with interested parties on statutory changes that can help achieve that goal.

Inheritance Tax

The Indiana Chamber Position:

Indiana's inheritance tax should be repealed.

Internal Revenue Code Update Legislation

The Indiana Chamber Position:

The Indiana Chamber supports legislation to annually update the Indiana income tax code to adopt the most recently enacted federal definitions of Adjusted Gross Income without a section-by-section evaluation of federal changes based on an analysis of the fiscal impact of each change.

Local Option Corporate Income Tax

The Indiana Chamber Position:

The Indiana Chamber believes local option corporate income taxes would be extremely harmful to Indiana's economic climate and therefore opposes legislation that would enable these specifically targeted taxes to be imposed. However, the Chamber is open to granting other additional local taxing authority in keeping with the "home rule" philosophy so long as reasonable spending controls are in place, an emphasis is put on corresponding reductions in property tax, and anti-competitive barriers are not created and the procedures adequately assure that locally-elected or appointed officials can be held clearly responsible and accountable for their spending decisions.

Local Option Sales Taxes

The Indiana Chamber Position:

The Indiana Chamber opposes granting counties and municipalities the authority to implement local options sales taxes. However, the Chamber is open to granting other additional local taxing authority in keeping with the "home rule" philosophy, so long as reasonable spending controls are in place, an emphasis is put on corresponding

reductions in property tax, plus anti-competitive barriers are not created and the procedures adequately assure that locally-elected or appointed officials can be held clearly responsible and accountable for their spending decisions.

– **Direct Small Business Impact** –

Sales Tax on Services

The Indiana Chamber Position:

The Indiana Chamber opposes the expansion of the sales tax to service transactions.

State and Local Spending Controls

The Indiana Chamber Position:

After establishing prudent reserves to hedge against unforeseen emergencies or economic downturns, the Chamber supports spending controls for state and local government to ensure that excess revenues are returned to the private sector where it can be put to more productive use. Government's propensity to spend all the revenues it receives in strong economic times should be curtailed in favor of private sector investment. The Chamber will also work to provide additional controls in response to abuses proven to have occurred in past budget and reassessment cycles.

WORKFORCE DEVELOPMENT

Adult Education Funding

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports:

- expanding the delivery of adult education programs to increase the participation of postsecondary education and community organizations; and
- supports an equitable balance of adult education funding for postsecondary education and community organizations.

Competitive Private Sector Job Training

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports initiatives and public policy that encourages and helps build private sector participation and capacity in the provision of job training program and services. The development and delivery of services, utilizing state and federal dollars, should be subject to competitive bidding with participation of private sector providers.

Dual Enrollment and Technical Education Funding

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports:

- the end of the necessity for remediation of high school students at the postsecondary level;
- vocational education programs being targeted to high-demand, high-wage, high skilled occupations;
- a statewide linkage between secondary and postsecondary enrollment (e.g. dual enrollment – a student attending a secondary and postsecondary school simultaneously) that would allow a student to pursue a degree, apprenticeship or a certificate of completion during their secondary education;
- reducing training in high schools that is being targeted to low-demand, low-skill and low-wage occupations;
- reducing high school dropout rates;
- decreasing “false starts” of students entering postsecondary education and dropping out, and ensuring high rates of retention and completion for postsecondary education; and
- competition among secondary schools for state and federal funding for technical education programs that create this statewide link to postsecondary education.

Evaluation of Job Training Programs

The Indiana Chamber Position:

The Chamber supports the establishment of a Grace Commission to study the effectiveness and efficiency of current job training in the state of Indiana.

Jobs and Coordination of Employment-Related Government Programs

The Indiana Chamber Position:

The time is right to capitalize on the availability of job opportunities in the state. Many state, federal and local agencies exist with employment-related missions. Improved coordination among education, welfare, commerce and workforce development programs targeted to local needs would result in more Hoosier jobs, higher-skilled jobs, and a more competitive economic development climate.

The General Assembly, appropriate state, federal and local agencies and employers need to work together to seize the opportunity and respond quickly and effectively. Where federal laws present obstacles and waivers are possible, they should be requested.

Tax Incentives for Workforce Training and Development

The Indiana Chamber Position:

The Chamber supports the establishment of state tax credits to be applied to business income tax liabilities for: (1) qualified employer-funded employee training programs and; (2) work-based learning initiatives conducted in partnership with local school corporations, public or private training programs and/or institutions of higher education.

Workforce Development

The Indiana Chamber Position:

The Indiana Chamber endorses a comprehensive plan for improving the preparation of Indiana's nonbaccalaureate-bound and adult workforce. The Chamber supports:

- Continued and enhanced emphasis on high standards for K-12 curricula (such as those put forth in the Core 40 program), including secondary vocational and career/technical education programs, and in the development of proficiencies for postsecondary and adult vocational and career/technical programs. These should be benchmarked to standards that are workplace-relevant. The Chamber opposes any attempt to reduce standards and insists that our public education and adult training systems produce skills at higher levels.
- Ensure a majority representation of business on state created or supported boards, commissions, panels and workgroups that are established to create, develop, implement or oversee the development of policy on workforce development issues.
- Enhanced opportunities for business participation in the development of curriculum, achievement standards, proficiencies, and labor market analysis for state and federally funded secondary and post-secondary, vocational, technical, Tech Prep and adult training programs in Indiana. The Chamber believes that enhanced business participation is critical to the effectiveness of these programs and should occur through mechanisms such as business advisory councils, business membership on Tech Prep advisory committees that develop occupational cluster courses, and business representation on the panels that develop Workforce Partnership Plans, and business representation on panels or committees that create or recommend secondary curriculum and/or high school graduation requirements.
- Coordination of all publicly funded education and training programs to eliminate nonessential or unintentional overlap and to ensure efficient use of resources.
- Benchmarking of all publicly funded education and training programs to both the essential skills content standards and the essential skills and technical proficiencies adopted by the Workforce Proficiency Panel. The programs which should be benchmarked to established standards include:
 - Technology Preparation programs;
 - Vocational and technical programs;
 - Job Training Partnership programs including summer youth;
 - the IMPACT program;
 - the Adult Literacy program;
 - Work-based learning programs; and where applicable,

- the Skills 2016 initiative.
- The provision of strong incentives (such as tax or minimum wage incentives that will encourage participation by the business community in work-based learning programs/ opportunities through partnerships with local schools, postsecondary institutions and other training providers. The Chamber believes that by getting students, teachers and guidance counselors into the workplace environment they will have a better understanding of the requisite skills and knowledge necessary for high school graduates to succeed in today's economy.
- Legislation and state administrative efforts that would allow a business to invite a student into its facility for a work-based learning opportunity without exposing the business to any liability or increased costs.
- Welfare to workforce initiatives. The Chamber supports the implementation of programs that assist able-bodied welfare recipients into the workforce through "work-fare" programs that incorporate meaningful training.

WORKPLACE SAFETY AND HEALTH

Occupational Safety and Health Compliance and Enforcement Issues

The Indiana Chamber Position:

The Indiana Chamber of Commerce believes that all employers should provide employees a safe and healthy workplace. Employers should comply with safety standards as established by the federal Occupational Safety and Health Administration (OSHA) and enforced by the Indiana Occupational Safety and Health Administration (IOSHA.) IOSHA should be reasonable and consistent in its enforcement of safety and health standards. Regulatory agencies should provide employers with the highest level of professional compliance assistance through their designated education programs such as the Indiana Department of Labor's INSafe program. Likewise, the Indiana Chamber opposes legislative or regulatory efforts having the effect of impeding employers' ability to proactively maintain a work site that is safe and free from recognized hazards.

Selection of Physicians in Worker's Compensation and Occupational Disease Cases

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports the employer's right to select the physician for workplace injuries or illnesses.

Workers' Compensation and Occupational Diseases Laws

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports Indiana's current workers' compensation and occupational diseases laws as the exclusive remedy for workplace injuries or illnesses. While structural changes do not need to be made, the Chamber believes the current method for reimbursing medical facilities for workers' compensation is problematic for both employers and providers. Establishing a new reimbursement practice should be considered.

FEDERAL BUSINESS ISSUES

Business Tax Reform/Relief

The Indiana Chamber Position:

The Chamber supports reduction of the federal corporate and individual income tax, elimination or limitation of the estate, reduction of the capital gains tax, and elimination of the corporate and individual Alternative Minimum Tax (AMT). The Chamber also supports making the research and experimentation credit permanent. The Chamber opposes any consideration of a value-added tax (VAT) or transaction tax to be imposed in addition to, rather a replacement of, income taxes. The Chamber opposes any increases in federal transportation taxes until the allocation formula is significantly and further altered to better favor Indiana and until all revenues from transportation taxes are utilized for transportation infrastructure purposes.

– ***Direct Small Business Impact*** –

Campaign Finance

The Indiana Chamber Position:

The Indiana Chamber supports campaign finance reform legislation that preserves the First Amendment rights of all citizens and that does not unconstitutionally limit free speech or give an advantage to only one political party, candidate or interest group. The Indiana Chamber supports disclosure of political campaign contributions and expenditures by candidates, committees and organizations to build greater public confidence in the electoral process and promote increased grassroots and citizen involvement in politics. The Indiana Chamber is strongly opposed to banning advertisements prior to any election day.

Class Action Lawsuits

The Indiana Chamber Position:

The Chamber supports legislation that will protect consumers while reducing the number of financially draining class-action lawsuits that businesses – both large and small – have to face and will allow the business community to protect itself against the same case in a multitude of state courts.

– ***Direct Small Business Impact*** –

Comprehensive Health Care Reform

The Indiana Chamber Position:

The Patient Protection and Affordable Care Act (PPACA) of 2010 will do little to reduce the nation's health care costs. PPACA inadequately addresses the cost drivers in the health care delivery system and it will severely damage the employer-based healthcare system.

Therefore, the Indiana Chamber of Commerce will collaborate with other stakeholders to support major modifications to PPACA to create a healthcare system that reduces healthcare costs and strengthens the employer-based system without costly mandates. Though the political difficulties might be insoluble, should a realistic opportunity present itself to repeal PPACA and replace it with a more favorable law, the Indiana Chamber of Commerce would engage in that process.

In the absence of a total repeal the Indiana Chamber of Commerce will seek changes to PPACA that are beneficial to the employer community.

– ***Direct Small Business Impact*** –

Comprehensive Immigration Reform

The Indiana Chamber Position:

The Indiana Chamber supports eight principles for federal immigration reform: 1) should be comprehensive, addressing both economic needs for future workers and undocumented workers already in the U.S.; 2) should strengthen national security by providing for the screening of foreign workers and creating a disincentive for illegal immigration; 3) should strengthen the rule of law by establishing clear, sensible immigration laws that are efficiently and vigorously enforced; 4) should create an immigration system that functions efficiently for employers, workers and government agencies; 5) should increase quotas for highly-skilled and seasonal workers while decreasing processing times to help dampen demand for undocumented workers; 6) create a program that requires undocumented workers to earn legal status; 7) should ensure that all Hoosier workers are not unfairly or unnecessarily displaced by foreign workers; and 8) should ensure that all domestic and documented workers enjoy the same labor law protections.

Energy and Climate Change Policy

The Indiana Chamber Position:

The Indiana Chamber supports a national energy policy that seeks to maintain our country's economic competitiveness and national security while providing essential stewardship for the environment. These goals need not be incompatible, but recent efforts to address global climate change and regulate greenhouse gas emissions (GHGs) from stationary sources have the potential to threaten thousands of American (and, especially, Hoosier) jobs and new business investment without achieving their stated goal of reducing GHGs and countering the effect(s) of global climate change.

Setting aside the arguments over the incidence, severity, consequences or causes of global climate change, any action to regulate GHGs *from stationary sources* should come from the U.S. Congress, not from the federal Environmental Protection Agency (EPA) acting on its own to promulgate new regulations. Further, any such action by Congress in this area should adhere to the following principles:

- Unilateral action is unnecessary and unwise; a global problem requires a global response. Any U.S. action should be conducted within the confines of a workable international framework with participation by all major industrial and developing countries, including China and India. Any such international framework should avoid tariffs or other trade mechanisms that could result in a counter-productive “trade war” or the provision of economic advantages to one country (or set of countries) over another
- Balance environmental objectives, such as the reduction of GHGs, with economic growth and job creation, preserving American jobs and the competitiveness of U.S. manufacturing and other industries
- Phase-in any new regulations over time and favor new incentives over new mandates to achieve policy goals
- Promote investment in new technology development and deployment in pursuit of a realistic mix of energy sources through economic and tax incentives. Such a strategy will foster technological innovation in the continued use of domestic fossil fuels, promote nuclear power and bridge to new low-carbon alternatives (e.g., wind, solar) while acknowledging their limitations
- Acknowledge past investments in GHG control technologies and credit those efforts
- Streamline the regulatory and permitting process for the responsible building of new power generation facilities as well as upgrades to existing transmission and distribution infrastructure;
- Promote energy efficiency and conservation

Expansion of Clean Water Act

The Indiana Chamber Position:

The Indiana Chamber is opposed to a change or expansion of the term “navigable” from the Commerce Clause of the U.S. Constitution concerning the federal Clean Water Act (CWA). This change would give the CWA jurisdiction over all intrastate waters including the groundwater, ditches, culverts, pipes, desert washes, sheet flow, erosion features, farm and stock ponds, plus prior converted cropland.

Expansion of Family Medical Leave Act

The Indiana Chamber Position:

The Chamber opposes expansion or enhancement by Congress of the Family and Medical Leave Act as it is unnecessary and would prove more burdensome and economically challenging to businesses (particularly small businesses) as they strive to compete in the global marketplace.

– ***Direct Small Business Impact*** –

Fair Labor Standards Act

The Indiana Chamber Position:

The Chamber supports clarifying issues that have arisen from the U.S. Department of Labor regulations regarding exemptions for salaried workers. The Chamber supports allowing flexibility in compensating individuals for hours worked by permitting “comp time” in the private sector and the use of flexible scheduling beyond the current 40-hour workweek. The Chamber also supports allowing employers to more easily use incentive programs such as gain-sharing and bonus plans without affecting an employee’s “regular rate” for purposes of calculating overtime.

Federal Financial Flexibility of Education Funds

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports federal legislation to allow flexibility of federal programs in return for accountability and continuous improvement of students and schools.

Federal Funding for State Public and Higher Education

The Indiana Chamber Position:

The Indiana Chamber supports Indiana's universities and colleges pursuing federal appropriations and grant projects that will encourage Indiana business research technology transfer and innovation that advances Indiana's economy. The Chamber further encourages the Indiana delegation to assist in securing these appropriations.

Federal Minimum Wage

The Indiana Chamber Position:

The Indiana Chamber opposes an increase to the federal minimum wage law.

Federal Regulations

The Indiana Chamber Position:

The Chamber believes that federal agencies must be restrained by Congress and the president in a manner necessary to prohibit them from writing and implementing regulations that circumvent congressional legislative intent. Federal agencies should not be allowed, through the rulemaking process, to rewrite existing laws that change and/or obfuscate congressional legislative intent without the direct oversight and approval of Congress. The Indiana Chamber of Commerce supports the enactment of legislation and policies by Congress that require consistency between federal statutes and proposed agency regulations. The Chamber opposes proposed federal regulations that are contrary to existing federal law, do not have a scientific basis, as well as those that would impose unnecessary, excessive or costly compliance burdens on business.

Federal Tort Reform

The Indiana Chamber Position:

The Chamber supports:

- Fair determination of actual damages based on fault and economic loss due to the fault of another;
- Timely and predictable process for resolution of disputes;
- Examination and reform of the contingency fee system;
- Sanctions for bringing frivolous lawsuits; and
- Limitations on non-economic and punitive damages

– ***Direct Small Business Impact*** –

Foreign Investment and Economic Sanctions

The Indiana Chamber Position:

The Chamber opposes any measure that would restrict or hinder foreign investment in the United States that does not clearly jeopardize national security.

Free Trade Agreements

The Indiana Chamber Position:

The Chamber supports establishment of free trade agreements that create free and fair trade for the U.S.

Labor Policy and the Employee Free Choice Act

The Indiana Chamber Position:

The Indiana Chamber opposes the grossly misnamed "Employee Free Choice Act" or EFCA due to its anti-democratic elimination of the secret ballot in union organizing elections, mandatory arbitration forced upon employers and unions, and its inherent flaws that could lead to bad faith negotiations and gamesmanship in the organizing process. EFCA will harm workers, employers and our state's economy. The Chamber further opposes any unilateral actions by the National Labor Relations Board (NLRB) that would a) seek to institute provisions of EFCA without prior authorization by Congress or b) would seek to abrogate the rights of businesses to make investment, facility location and/or hiring decisions.

Research and Technology Tax Credit

The Indiana Chamber Position:

The Indiana Chamber supports actions by Congress to strengthen and permanently extend the federal Research & Experimentation Tax Credit, or federal R&D tax credit.

Roads and Highways Infrastructure

The Indiana Chamber Position:

The Indiana Chamber supports continued investment in Indiana's highway network and upgrading existing major transportation arteries, such as I-69, U.S. 31, Hoosier Heartland Corridor/Fort-to-Port, and Ohio River bridges, as well as the development of new networks to improve commerce, logistics and safety (e.g., the Illiana Expressway project).

The Chamber supports diligent pursuit at the federal level of continued funding for the Highway Trust Fund as long as this federal program continues in a manner that is in Indiana's best interests. Further, we oppose diversions of federal gas tax revenues to other purposes that have, in part led to the threatened insolvency of the federal Highway Trust Fund.

The Chamber seeks to change Indiana's perennial status as a "donor state" and improve upon the 92 cents Indiana currently receives from the federal government for every dollar it contributes to the federal Highway Trust Fund.

Finally, the Chamber urges Congress to cease its current practice of making stop-gap, short-term emergency appropriations to the federal Highway Trust Fund and focus efforts to debate and pass a comprehensive and fiscally sustainable multi-year transportation act in a timely manner.

– Direct Small Business Impact –

Social Security and Retirement Plan Reform

The Indiana Chamber Position:

The Indiana Chamber supports actions by Congress and the administration to maintain the viability of the Social Security system and prevent its financial collapse. The Chamber believes that Social Security reform should avoid unnecessary tax increases and should include private savings account options that utilize individual, private or public market investments.

The Indiana Chamber supports incentives for employer-employee sponsored retirement programs. More should be done to help small businesses establish plans for their employees, especially in the areas of regulatory simplification and financial incentives. Legislation should simplify retirement law and regulations, help older workers catch up on retirement savings, repeal financial disincentives to starting plans, and create a new simplified retirement plan for small businesses.

Telecommunications Growth

The Indiana Chamber Position:

The Indiana Chamber of Commerce supports free-market competition in the delivery of advanced telecommunications services. The competition in a free-market environment among industry service providers is consistent with providing choice to consumers and an adequate service of last resort in extended service areas.

The Indiana Chamber of Commerce opposes any attempt to impose new regulations on broadband and other next-generation telecommunications services by the Federal Communications Commission (FCC), especially through the unilateral reclassification of such services under Title II of the Federal Communications Act. The Indiana Chamber supports the U.S. Congress examining and deciding issues such as "net neutrality."

– Direct Small Business Impact –

Trade Promotion Authority

The Indiana Chamber Position:

The Chamber supports establishment of Permanent Trade Promotion Authority for the U.S. president.

Waterborne Commerce and Infrastructure

The Indiana Chamber Position:

The Indiana Chamber supports continued investment in the Great Lakes, Ohio River Basin and Mississippi River Basin locks and dams infrastructure. The Chamber supports diligent pursuit at the federal level of continued funding for the Inland Waterways Trust Fund, as these federal funds remain critical to the maintenance and modification of the state's infrastructure and robust, growing waterborne commerce.