

HB 574

Endorsed by: Illinois Economic Development Association, Alliance for Illinois Manufacturing, Council of Development Finance Agencies, Illinois Manufacturers' Association, Illinois Chamber of Commerce, The Bunker Incubator, Choose DuPage, Caterpillar, ComEd, Nicor, DreamHighr

Need for Creation of the Illinois Business and Economic Development Corporation

- A new, private economic development organization will create jobs and make us more competitive at a reduced cost to the taxpayer.
- States with not-for-profit economic development organizations consistently rank near the top of numerous business climate rankings, while Illinois consistently ranks near the bottom.
- Illinois lags other states with not-for-profit economic development organizations in job creation and investment. Ohio's job creation rate, for example, was lower than Illinois' before establishing its not-for-profit, but now exceeds ours by forty percent.

Renewed Focus on Business and Economic Development

- This legislation enables the Department of Commerce and Economic Opportunity (DCEO), pursuant to Section 10 of the State Agency Entity Creation Act, to incorporate the Illinois Business and Economic Development Corporation as a private not-for-profit corporation.
- The purpose of the not-for-profit corporation will be to promote economic development in Illinois. The not-for-profit corporation will be laser-focused on certain key activities, including business development, small and minority business incubation, trade and investment, tourism, and film. This focus will enable the not-for-profit corporation and DCEO to work more efficiently and provide better customer service, which will enhance Illinois's ability to compete with surrounding states for economic development activities.
- Within DCEO, there will be created an Office of Economic Development and Tourism to administer grants to the new not-for-profit corporation. The not-for-profit corporation will sub-grant those funds to businesses and other recipients.
- The not-for-profit corporation will work with other State agencies and local and regional economic development organizations to promote economic activity in a collaborative manner.
- The not-for-profit corporation will be governed by a Board of Directors, the members of which will be appointed by the Governor and the legislative leaders. The not-for-profit corporation's Chief Executive Officer will be appointed by the Governor, subject to confirmation by the Board.
- The not-for-profit corporation will be allowed to raise private funds in order to save taxpayer dollars.
- The not-for-profit corporation will foster minority business development via the establishment of a dedicated small and minority-owned business division and by having minority leadership on the Board.

Transparency in Grant-Making

- The new DCEO Office of Accountability and Transparency will oversee the grant-making process for all DCEO grants.
- The not-for-profit corporation will be held to high accountability and transparency standards, just as any other grant recipient should be. The corporation's records will be subject to FOIA, the corporation will be audited by the Auditor General, and all grants made to the corporation will be subject to the Grant Accountability and Transparency Act. All directors, officers, and employees of the corporation and their respective families will be subject to conflict of interest policies.

Other DCEO Functions

- In addition to overseeing the not-for-profit corporation, DCEO will continue its focus on employment and training, community development, energy and recycling, urban assistance, and energy assistance.

Historic Preservation Agency; Abraham Lincoln Presidential Library and Museum

- This legislation will establish the Abraham Lincoln Presidential Library and Museum as an independent State agency. The agency will be governed by a Museum Board, the members of which will be appointed by the Governor with the advice and consent of the Senate. The Museum Board will appoint an Executive Director.
- The remaining functions of the Historic Preservation Agency will be consolidated into DCEO under the Division of Historic Sites and Preservation Services.