



March 5, 2015

Honorable Senators and Representatives
Arizona State Capitol
1700 W. Washington
Phoenix, Arizona 85007

Dear Senators and Representatives:

The East Valley Chambers of Commerce Alliance (EVCCA) is the largest chamber of commerce organization in Arizona with more than 5,000 members representing eight chambers in the East Valley including Apache Junction, Carefree Cave Creek, Chandler, Gilbert, Mesa, Queen Creek, Scottsdale and Tempe. Our budget priorities, however, have no geographic boundaries. Our membership includes large multi-national corporations and local small businesses. The EVCCA is a true representation of the Arizona business community. We believe it is critical that lawmakers not take their eye off the goal of growing jobs in Arizona.

The EVCCA recognizes that resources are finite and the challenging job you have of budgeting for seemingly endless needs. Therefore, we offer the following recommendations to provide guidance as you consider budgetary options:

Jobs Package Implementation

Long-term economic competitiveness is critical to Arizona's success. Business revenues drive job growth and government budgets. As a budget matter, lawmakers should not deviate from implementation of the job creation measures put into place on which businesses make location, expansion and hiring decisions that grow the Arizona economy.

K-12 Funding

Arizona businesses are in competition with companies within the United States and throughout the world. The Alliance supports adequate K-12 education funding that results in a well-educated, highly skilled workforce.

University Funding

Our university graduates are the direct pipeline to the professional workforce. The EVCCA ask the Governor and Legislature to include initiatives that enhance operational flexibility and entrepreneurialism for the universities resulting in increased efficiency and cost savings. If university budget reductions are unavoidable, those budget reductions should be controlled by the Arizona Board of Regents for flexibility and control within the University system.

Tourism

In 2013, 39 million people visited Arizona spending \$19.8 billion, \$107,000 each day. This spending generated \$2.7 billion in local, state and federal tax revenues. Over the same period in Maricopa County, 17.6 million visitors spent \$12.6 billion, supported 94,000 jobs and contributed \$996 million in state and local tax revenues. Because of this significant return on investment, the EVCCA supports funding for the Arizona Office of Tourism and Arizona marketing functions.

Transportation Funding

One of the fundamental tasks of government is to provide an efficient and effective transportation system. The efficient movement of people to and from the jobsite and on-time delivery of goods is the lifeblood of our economy. From appropriate funding of the Highway User Revenue Fund (HURF) to the Local Transportation Assistance Fund (LTAF), the EVCCA supports transportation funding in the 2016 budget.

Sweeps and Rollovers

Lawmakers are elected to make challenging decisions, including the State budget. Sweeps and rollovers only mask the fundamental spending problems of state government. The EVCCA opposes rollovers and sweeps of dedicated funds as a mechanism for balancing the budget. Further, tax-supported funds not being used for their intended purpose should be abolished.

As you address and budget for the short-term fiscal necessities of Arizona, we recommend you plan for the long-term needs of the State, including:

Long-Term Planning

The EVCCA applauds the legislature for its multi-year budgeting and encourages lawmakers to consider the long-term impacts of FY 2016 decisions. The EVCCA suggests the legislature consider appropriate computer upgrades for efficiency and accuracy savings and review the State's debt-to-savings ratio and adjust accordingly.

Initiative Reform

Reforms to Arizona initiative process are necessary because of the long-term budget implications. The legislature must have the ability to adjust initiatives for economic dynamics, unintended consequences and technological advancements.

Transportation Funding

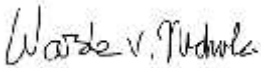
With fuel efficient vehicles on the rise and gas tax revenue on the decline, another or other methods or funding sources for transportation must be studied. Proper funding of transportation infrastructure should be a long-term goal.

K-12 Funding Reform

Arizona is in dire need of an education funding overhaul. Statutes have been pieced together over time creating one of the more needlessly complicated P-20 funding systems in the nation. As lawmakers, a long-term goal should be to reform Arizona's education funding system.

The East Valley Chambers of Commerce Alliance greatly appreciates your service to our great State. If you have questions regarding our recommendations or would like to discuss them in more detail, please contact our legislative advocates, Tom Dorn, Eric Emmert, and Amanda Rusing, at 602-606-4667.

Sincerely,

A handwritten signature in dark ink that reads "Warde V. Nichols". The signature is written in a cursive, slightly slanted style.

Warde Nichols
Chairman
East Valley Chambers of Commerce Alliance