

Illinois

Economic Recovery Plan

Jobs for Today and Tomorrow



STATE OF ILLINOIS
PAT QUINN, GOVERNOR

DECEMBER 2009

Illinois

The logo for the Illinois Economic Recovery Plan features a circular graphic composed of four interlocking arrows in red, orange, yellow, and green, positioned between the letters 'i' and 'n' of the word 'Illinois'.

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Jobs for Today and Tomorrow

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MESSAGE FROM THE GOVERNOR

December 2009

To the people of Illinois:

Since being sworn into office, I've had three top priorities: reform, recovery and responsibility. Creating more jobs is at the center of all three. We are responding to this economic crisis with a bold and comprehensive strategy that is maximizing our resources, making critical investments and promoting progressive policies that are putting people back to work across Illinois.

I recently signed into law *Illinois Jobs Now!*, the state's first capital construction program in a decade, which will build new schools and roads, upgrade mass transit and launch high-speed rail, invest in affordable housing and healthcare, expand our green economy and lessen our addiction to foreign oil, and keep our water and other natural resources safe and secure. There is no better social program than a good job, and this \$31 billion capital plan will create and support more than 439,000 jobs over the next six years.

The foundation has been laid to jump start our economy, but more must be done.

- We must ease congestion on the roads, the rails and in the air so people and products move efficiently and effectively.
- We must make sure the hard-working men and women of Illinois have the skills our economy demands today and tomorrow, which requires learning over a lifetime.
- We must make sure our entrepreneurs, both large and small, have access to the capital and the expertise to turn promising ideas into growing companies.
- We must take advantage of our renewable resources – biofuels, wind, solar and many others – to create jobs and protect the environment.
- We must continue helping our companies compete for business across the globe, while bringing the world back to invest in Illinois.

This is about creating better jobs for more people throughout Illinois. It is about our communities and our companies. It is a blueprint for keeping families in their homes and students in college, protecting our seniors and veterans, and helping those left behind get back on track. It is a plan of action that will deliver many immediate results.

I have also formed the Illinois Economic Recovery Commission to develop even more innovative solutions to stimulate and strengthen Illinois' economy. The Commission will provide independent, nonpartisan information, analysis and advice to help formulate and implement plans to get our economy expanding again. They are scheduled to report their recommendations to me by March 2010.

Working together, we'll get Illinois working again.

Sincerely,

A handwritten signature in black ink that reads "Pat Quinn". The signature is written in a cursive, flowing style.

Pat Quinn
Governor

INVESTING IN COMPANIES THAT INVEST IN ILLINOIS

Illinois, like all Midwest states, has been hit especially hard by the global economic recession. Illinois' current unemployment rate exceeds the national average, and, historically, the Midwest is slower to recover from recessions than other regions. To address this crisis, Governor Quinn is taking innovative, aggressive approaches to assisting businesses both large and small to come to Illinois, expand in Illinois and to create and retain more jobs.

Despite these challenges, the Illinois Department of Commerce and Economic Opportunity (DCEO) has put together more than 40 business investment packages in 2009 that have led to companies expanding and creating and retaining jobs in Illinois. Miller Coors moved its headquarters to Chicago, which is creating 275 jobs and retaining 25; Golden Rule Insurance Company is keeping nearly 200 jobs in Lawrenceville and adding another 25 jobs as it upgrades its facility; Astellas Pharmaceutical is expanding its Glenview headquarters, which is creating an additional 150 jobs; and in Downers Grove, National City is creating 400 jobs by locating a new mortgage and financial services center, and Dover Corporation relocated its headquarters there and is creating 90 new jobs and retaining 12 workers. In total, these 43 projects will create about 2,700 jobs, retain 3,500 jobs and leverage nearly \$500 million in private investment.



CREATING JOBS WITH INNOVATIVE FINANCIAL TOOLS

In a knowledge and technology-based, global economy that is highly mobile in the location and relocation of jobs, states have to be nimble and flexible to compete. For the past several years, Illinois has been at a great disadvantage because of an inability to provide the basic financial resources to create new jobs. That now has changed thanks to Governor Quinn's *Illinois' Jobs Now!* plan. Twenty-five million dollars is now set aside to assist companies that will create or retain well-paying, sustainable jobs. Funding is available to help construct or rehabilitate facilities, purchase or upgrade equipment, or install necessary infrastructure improvements.

INCREASING INVESTMENT IN THE EMPLOYER TRAINING INVESTMENT PROGRAM (ETIP)

ETIP is a critical tool for promoting the continued training and development of Illinois' workers. Investing to upgrade workers' skills increases productivity, reduces costs, improves quality and increases

competitiveness. Illinois companies are reimbursed up to 50 percent of the cost of training their employees through an ETIP grant. Even though large and small businesses statewide say ETIP is our most effective investment tool, funding for the ETIP program has been reduced by nearly 70 percent in the past six years.

PROVIDING EDGE TAX CREDITS FOR THE AUTOMOTIVE INDUSTRY

Perhaps no other industry has been hit harder by the current economic downturn than the domestic automotive industry. Three Illinois auto manufacturing facilities and their numerous Illinois suppliers have shed thousands of jobs. EDGE (Economic Development for a Growing Economy) provides corporate tax credits to companies that create or retain jobs in Illinois rather than locating or relocating them to other states. But because the auto companies are experiencing operating losses, they can't take advantage of these credits, which jeopardizes more jobs and the loss of any future investment in the plants to restore or add jobs. Governor Quinn proposed legislation passed by the General Assembly to enable only these auto manufacturing companies to retain employee income tax withholdings as an alternative to the EDGE corporate tax credits.



Governor Quinn visits Ford's Chicago Assembly Plant to celebrate production of the 2010 Taurus on August 4, 2009. (Photo: Sam VarnHagen/Ford Motor Co.)

ASSISTING ECONOMICALLY DEPRESSED AREAS AND HIGH GROWTH SMALL BUSINESSES

Illinois' Jobs Now! includes funding to assist small businesses operating or wanting to locate in economically depressed areas. The current credit crisis has particularly hurt small business access to needed credit to expand and create jobs in areas already suffering. Fifteen million dollars is now available to help these small businesses survive and thrive. Another \$15 million is also set aside to help high-growth, small technology companies expand and put more people to work in Illinois. Thanks to Illinois' vast research institutions, these kinds of business development opportunities are widely

available in information technology and biotechnology. But these opportunities too often lack needed access to capital in Illinois and locate to other states. This funding will help reverse this damaging trend.

INCREASING ACCESS TO FRESH FOODS

Far too many Illinois communities lack direct access to local grocery stores and the fresh foods they offer, which creates serious public health problems and sends jobs and dollars fleeing communities that need them the most. To address these pressing issues, Governor Quinn is investing \$10 million to launch the Illinois Fresh Food Fund, which will help locate mainstream grocery stores in underserved areas. This state assistance is expected to leverage additional private and public investment to provide more job opportunities in struggling areas.



BRINGING MORE PEOPLE TO ILLINOIS

Our state has a number of unique assets we must continue to invest in to expand our economy and get more people working, including:

ATTRACTING VISITORS TO ILLINOIS

Illinois is the leading Midwestern destination state for domestic and international visitors. These travelers spent nearly \$30.8 billion in Illinois during 2008, a three percent increase from the previous year. Over the past five years, Illinois has seen a 20 percent increase in leisure travel compared to just a six percent average national increase. Traveler expenditures supported more than 303,000 jobs within Illinois in 2008 and generated more than \$2.14 billion in state tax revenues. Because direct state spending to attract people to Illinois clearly demonstrates a tremendous return on investment, Governor Quinn is committed to supporting additional efforts to bring domestic and international visitors to all areas of the state, including focusing on nature and history-based tourism venues.

BRINGING MORE CONVENTIONS TO ILLINOIS

While Chicago's McCormick Place, which supports 66,000 jobs and generates an estimated \$8 billion in annual economic impact, and Navy Pier, the Midwest's top tourist attraction, are both major business convention venues, they need to compete aggressively with other cities such as Las Vegas and Orlando that offer significant discounts to lure business from Chicago.



To more effectively compete with these locations and help level the field, Governor Quinn recently signed legislation to provide financial support to attract conventions that otherwise would locate elsewhere. This investment tool is financed from increased revenues from spending associated with the convention. To be eligible, the convention must attract more than 10,000 attendees and demonstrate that without this support, the convention would locate elsewhere. While Chicago's convention facilities, central location, range of the hotel inventory and transportation infrastructure is second to none, given current economic realities, the financial bottom line drives location decisions.

EXPANDING ILLINOIS' FILM INDUSTRY

In an effort to further demonstrate Chicago's advantages for film and television production, the Governor supports efforts to rehabilitate an abandoned industrial site on Chicago's south side to convert it into a major, state-of-the-art production facility. By committing \$5 million toward the rehabilitation, Chicago's position as an international studio location will be enhanced, complimenting the state's already existing 30 percent tax credit that is available to production companies that choose Illinois as its site location.

In 2008, the film industry generated \$141 million for the Illinois economy and created more than 5,300 Illinois jobs, which are mostly union positions. While the economic downturn is impacting the 2009 results nationwide, this investment to establish a significant new production studio in Chicago, combined with our existing nationally recognized labor force and infrastructure, is likely to restore and expand Illinois' position within the film production industry and add more new job opportunities.



CREATING A 21ST CENTURY INFRASTRUCTURE

To maintain and expand its status as a global logistics hub, Illinois must make strategic and critical investments in its transportation, physical and technological infrastructure systems over the next few years. In July 2009, Governor Quinn signed *Illinois Jobs Now!*, which will create and sustain more than 439,000 jobs over the next six years and leverage existing local, state and federal resources. By addressing pressing renovations and repairs to our state roads and bridges, expanding passenger rail and easing freight congestion throughout the Chicago region, and increasing access to broadband opportunities for unserved and underserved communities, Illinois will maintain its competitiveness and create thousands of jobs.



ENHANCING CRITICAL INFRASTRUCTURE

MODERNIZING ROADS AND BRIDGES

Outdated and aging infrastructure poses a real threat to public safety in Illinois. As part of his commitment to investing in Illinois' roads and bridges and putting more people back to work, Governor Quinn has provided millions of dollars for critical infrastructure improvements through *Illinois Jobs Now!* In 2009, nearly 1,900 miles of roads and 95 bridges are being improved by funding made available through the American Recovery and Reinvestment Act (ARRA) of 2009 and the capital investment plan. By 2015, more than 6,700 miles of Illinois roads and more than 945 bridges are expected to be constructed, improved or repaired.



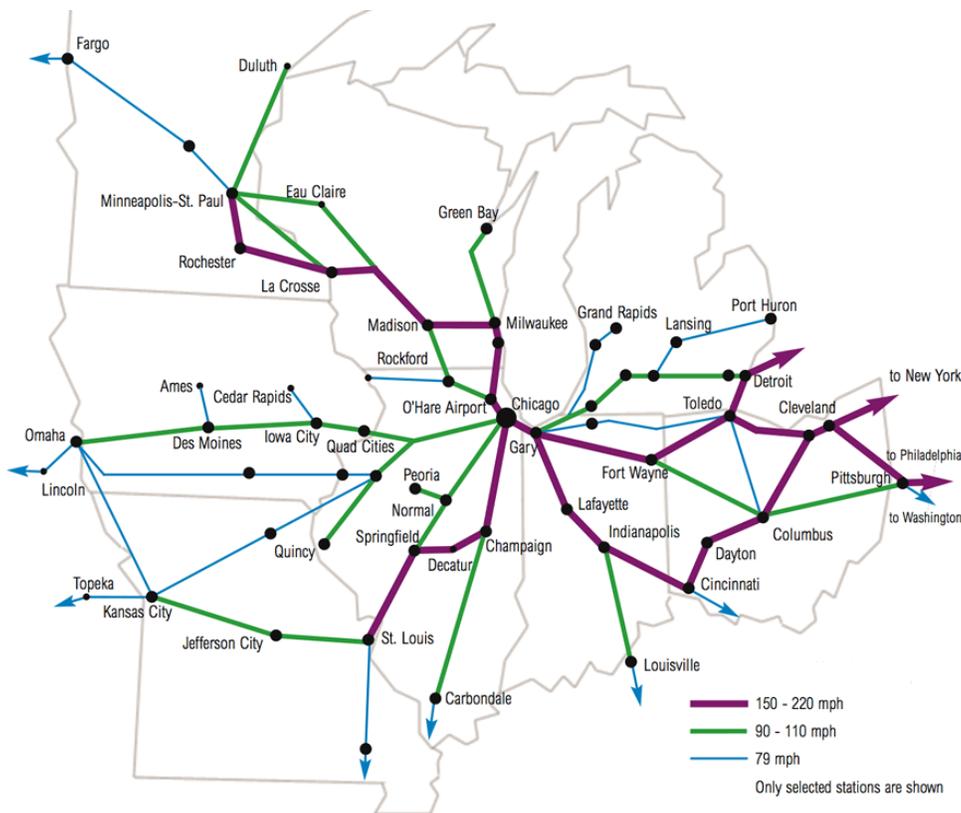
SUPPORTING INTERMODAL FACILITY DEVELOPMENT

Governor Quinn recently signed Senate Bill 1342, the Intermodal Facilities Act, which provides important investment tools to spur development along the freight rail systems of Illinois. The new law is assisting with the development of the Joliet Intermodal Terminal facility that is expected to create 7,000 permanent jobs. Illinois is one of the top six exporting states in the U.S., and our intermodal traffic has increased significantly in the last decade. As the nation's central transportation hub, Illinois must continue to invest in intermodal facilities that extend our capacity to transfer goods from ports to trucks to trains. Increased intermodal capacity will alleviate regional freight congestion and foster new economic development within the state, creating thousands of new jobs.

EXPANDING RAIL CAPACITY

DEVELOPING HIGH-SPEED RAIL AND EXPANDING PASSENGER RAIL SERVICE

Governor Quinn recently made the largest investment in Illinois history in passenger rail service by committing \$400 million toward the development of high-speed rail through *Illinois Jobs Now!* This unprecedented investment, coupled with additional federal funding, could create an estimated 24,000 permanent rail-related Illinois jobs and an average of 6,000 annual construction jobs during the 10-year construction period. The capital investment plan also includes \$150 million for the establishment of new intercity passenger rail service by Amtrak to destinations such as the Quad Cities, Rockford and beyond.



Having spent the last decade working with other Midwestern states to establish a regional rail plan, Illinois is well-prepared to successfully implement high-speed rail as a cost-effective, time-efficient and environmentally-friendly transportation network that will serve as a model to the rest of the nation. A Midwest high-speed rail network will ease the integration of industries, researchers, capital and people in the region, spur economic recovery and enhance the Midwest's ability to compete globally.

EASING CONGESTION

REDUCING RAIL DELAYS

As the largest inland freight hub in North America, one-third of the nation's rail freight passes through the Chicago region. On average, 39 railroads operate approximately 1,200 trains daily (passenger and freight) in Illinois on more than 7,000 miles of track. In an effort to speed up rail movement throughout the region and reduce significant delays due to passenger and freight train interference, the Chicago Region Environmental and Transportation Efficiency (CREATE) Program was established to improve railroad infrastructure and the local highway system.

Illinois Jobs Now! includes \$300 million for the program, which is promoting reliable and faster rail transportation and ensuring that local agriculture remains competitive domestically and abroad. In addition, Illinois has applied for approximately \$471 million for CREATE projects through ARRA. The full implementation of the CREATE program is expected to generate 6,000 to 13,000 new jobs and bring nearly \$600 million in public benefits related to motorist and rail passenger safety, air quality improvements, and construction throughout the Chicago region.

UPGRADING PUBLIC TRANSIT SYSTEMS

A critical component of economic development is access to affordable and reliable public transportation systems. Millions of Illinoisans use public buses and trains to commute everyday. The Administration has prioritized enhancing the state's public transportation systems to increase mobility, improve efficiency, reliability and commute times, and expand paratransit services for people with disabilities. *Illinois Jobs Now!* has \$3 billion for transit capital improvements across the state, including \$300 million for downstate transit systems and \$45 million for paratransit vehicles in northeastern Illinois.

In November 2009, the Governor announced an agreement with the Chicago region's major transit agencies that will prevent fare increases for the Chicago Transit Authority (CTA) and Pace paratransit services in 2010 and 2011. The agreement, made between the State of Illinois, the Regional Transit Authority (RTA), CTA, Metra and Pace, will stabilize public transportation services in the area and ensure that Chicago area riders continue to have access to reliable and affordable public transportation options.



IMPROVING URBAN MOBILITY

The Illinois Tollway, along with the RTA, Chicago Metropolitan Agency for Planning (CMAP) and Pace, have developed a pilot program for an interconnected system of High Occupancy Toll lanes, express bus stations and park-n-ride lots along I-294 between the Lincoln Oasis and the Oak Brook and O'Hare/Rosemont areas. The goal is to provide a dedicated, free-flow network of lanes that can accommodate express bus service, high-occupancy vehicles and those willing to pay premium toll rates for congestion free travel. Once fully operational, this could reduce travel times by as much as 43 percent. It will also create an estimated 5,700 short-term jobs and nearly 600 permanent positions. Access to these job centers is severely limited or non-existent for south suburban residents, which contributes to the high unemployment rates in many of these communities. The further expansion of this pilot program and its associated long term congestion relief benefits would also contribute greatly to the economic vitality of this region for years to come.

The Illinois Tollway has already applied for federal funding to accelerate this program. This initiative is the first in a series of new policy directions to reduce congestion and improve environmental quality that Governor Quinn has asked the Illinois Tollway to develop along with the other transportation and planning bodies, including CMAP, RTA, IDOT, CTA, Metra and Pace.

PROMOTING NEW TRANSPORTATION AND ECONOMIC OPPORTUNITIES

ESTABLISHING SOUTH SUBURBAN AIRPORT

Will County is a global logistics center for trucking and rail services. Adding a third major airport to this hub will create thousands of new jobs, expand shipping opportunities and relieve congestion at O'Hare and Midway Airports. Governor Quinn is investing \$100 million in the south suburban airport, which is expected to generate 11,500 union jobs during its inaugural three-year phase of construction, 2,000 to 3,500 union jobs during its first year of operation, and more than 10,000 jobs by the 15th year of operation. The airport will also be designed to incorporate a number of green technologies and sustainability initiatives.

CREATING THE ILLIANA EXPRESSWAY

As a global transportation hub, Illinois benefits greatly from the logistics and transportation industries employing thousands of people in the state. But Illinois must continue to invest in its critical infrastructure to remain competitive. The Chicago region experiences significant congestion on its roadways, particularly as freight service expands along the Illinois/Indiana border. The resulting bottleneck slows down the movement of goods from the west to east coast and has the potential to seriously impact public safety.

The States of Illinois and Indiana have identified the need for greater collaboration in addressing this congestion. Governor Quinn is working with Indiana Governor Mitch Daniels to explore the creation of the Illiana Expressway, which will connect I-65 in Lake County, Indiana to I-57 in Will County, Illinois and beyond. This expressway will transform the area and create new jobs by providing another option for freight truck movement, better access to local intermodal facilities and the new south suburban airport, and improve public safety by relieving traffic that could hinder emergency service response time and evacuation.

ATTRACTING BUSINESSES AND CREATING JOBS NEAR TRAIN STATIONS

Passenger train stations serve as catalysts for commercial redevelopment and promote job creation and opportunities in surrounding areas. To encourage sustainable communities and promote green economic development, Governor Quinn will propose the establishment of passenger rail development zones and promote legislation that will create standards for strategic land-use planning and provide investment tools designed to attract new businesses and development to city centers. Developing sustainable communities that create jobs in town centers and allow for residents to easily access public transportation are both key priorities in Illinois. As a result of these rail development zones, residents can live in vibrant cities with sustainable, long-term employment opportunities.

BOOSTING MINORITY- AND WOMEN-OWNED BUSINESSES

To ensure Illinois continues creating plenty of opportunities and work for a wide array of businesses, Governor Quinn recently named a Director of Diversity Enhancement, a new position dedicated to improving statewide opportunities for minority and women-owned businesses, especially in

construction programs. It is critical that all Illinois businesses have the access and the ability to compete for projects, which is why boosting outreach and contracting efforts will be a key priority.

DEPLOYING BROADBAND STATEWIDE

ADVANCING DIGITAL EQUALITY WITH 21ST CENTURY COMMUNICATIONS

Developing 21st century communications infrastructure and connecting all of the residents of the State of Illinois to broadband technology is critical to attracting new businesses, creating new jobs and developing a skilled workforce. *Illinois Jobs Now!* includes \$50 million for the Illinois Broadband Development Fund for grants and/or loans to public and private organizations to expand access to broadband services to consumers residing in unserved and underserved areas throughout the state. As Chair of the Illinois Broadband Deployment Council, Governor Quinn has prioritized the improvement of broadband technology, which encourages innovation in education, government, homeland security, emergency response, healthcare, and economic and community development.

EXPANDING BROADBAND

The Illinois Century Network, the largest state broadband network in the nation, has applied for ARRA funding for the proposed Bringing Illinois Gigaspeeds (BIG) project to provide more comprehensive and equitable access, lower prices and faster speeds. ICN BIG will directly impact approximately 65 unserved and 122 underserved communities in Illinois. Within five years, ICN BIG is expected to serve nearly 390,000 additional households and more than 26,000 businesses. The project is expected to create and/or retain almost 1,000 direct jobs and more than 6,000 induced jobs. Illinois is investing \$26 million in state matching funds for the ICN migration to fiber, which will improve broadband affordability, connectivity and speed.



BRINGING TELEMEDICINE TO RURAL AREAS

Illinois Rural HealthNet (IRHN) is a planned high-speed (broadband) network that will connect rural hospitals in Illinois with specialists in larger hospitals throughout the state and nation. It will create construction jobs in the short term and should improve rural health care and health outcomes in the longer term. IRHN is made possible by a \$21 million federal grant that is contingent on local matching funds. In February 2009, Governor Quinn approved \$2 million in digital divide funding for the IRHN, leveraging \$16 million of the federal grant. Currently work is underway to connect 85 health care providers in rural Illinois to this high-speed network. With faster data speeds, files that used to take hours to transmit will be sent in seconds, allowing health care providers to consult with specialists in real time, thereby improving their efficiency and patient capacity.

INVESTING IN HOUSING FOR THOSE MOST IN NEED

PROVIDING AFFORDABLE HOUSING

During this economic and foreclosure crisis, people are struggling to stay in their homes and to find an affordable and safe place to live. That is why Governor Quinn made it a priority to include \$130 million in *Illinois Jobs Now!* to help people lead better lives in better homes. Programs are being developed to create more affordable housing opportunities for people across the state, including for veterans and people with disabilities.



ENSURING CLEAN, RELIABLE WATER SUPPLIES

FINANCING CRITICAL MAINTENANCE AND REPLACEMENT OF AGING WATER INFRASTRUCTURE

The Illinois Environmental Protection Agency (IEPA) provides low-interest loans to local governments and privately-owned community water supplies to construct community drinking water supply and wastewater facilities. These loan programs allow communities to upgrade and expand drinking water treatment plants and collection and distribution facilities, and to install or expand sewage treatment facilities. Thanks to these water infrastructure improvements, communities are able to maintain safe and dependable water supplies. In total, the state and federal matching funds in *Illinois Jobs Now!* provide \$152 million for drinking water infrastructure, \$204 million for wastewater infrastructure, and \$50 million for assisting unsewered and economically-disadvantaged communities. These investments create jobs for engineers, construction tradespeople, and facility operators. Expansion projects also provide for community growth, bringing new commercial and residential development.

COORDINATING STATE FUNDING FOR COMMUNITIES NEEDING TO IMPROVE THEIR CLEAN WATER AND SEWER SYSTEMS

The need for improved clean water and sewer systems, particularly among Downstate Illinois communities, has far outpaced the available supply of state and federal grants and low interest loans necessary to fund these projects. Further coordination among IEPA, Illinois Department of Commerce and Economic Opportunity (DCEO) and Illinois Finance Authority (IFA) will ensure that communities that need to improve their clean water and sewer systems have all available financial resources at their disposal.



SUPPORTING INSTALLATION OF COST-EFFECTIVE GREEN INFRASTRUCTURE FOR STORMWATER MANAGEMENT

Green infrastructure – including natural wetlands and constructed areas such as rain gardens, permeable pavement, and bioswales – is a sustainable and low-cost means of managing stormwater run-off, providing natural filtration for contaminants, and recharging groundwater supplies. The IEPA has recently initiated a program to encourage green infrastructure projects by reserving 20 percent of the annual program funding to provide financial assistance for projects focused on water or energy efficiency improvements or other environmentally innovative activities. As a result of recent legislation signed by Governor Quinn, the IEPA is also collaborating with other state agencies and the University of Illinois at Chicago to conduct a study assessing and valuing the benefits of green infrastructure.

MAINTAINING AN EDUCATED, TRAINED WORKFORCE

Governor Quinn believes jobs follow brain power. Strategic investments in the continuing education of our workforce at all levels and job training through our community colleges and other economic development organizations will help ensure that Illinois maintains a competitive and innovative advantage, and attracts and develops new business opportunities in key areas of the economy. This comprehensive, coordinated approach is designed to enable all people - whether they are students, job seekers, workers or their families - to manage their careers, gain new skills and access lifelong learning opportunities.



INVESTING IN TOMORROW'S WORKFORCE TODAY



On October 18, 2009, Governor Quinn joined with Illinois college students to sign legislation covering critical second-semester student aid for nearly 138,000 eligible students.

FULLY FUNDING “MAP” GRANTS TO INCREASE ACCESS TO POST-SECONDARY PROGRAMS AND TRAINING

Governor Quinn is fully funding the Monetary Awards Program (MAP) grant program this fiscal year to ensure all students and adults have access to affordable, continuing education and training opportunities. The MAP Grant is a critical resource needed to ensure those individuals who qualify for state and federal aid have access to the resources they need to increase their competitiveness and pursue careers across critical industry sectors.

In addition to the MAP Grant program, the state needs to work to further integrate the program with other affordable education and career development programs and resources for workforce training on the state and federal levels. Connecting students and adults interested in pursuing programs with additional support and career management resources and services is especially important for those with special needs, including people with disabilities, veterans, low-income individuals and ex-offenders.

INVESTING IN FIRST-CLASS UNIVERSITIES AND COMMUNITY COLLEGES

Educating students for high-skilled jobs require modern educational facilities. Recognizing this dire need after years of virtually no new resources, Governor Quinn fought for the funding of many projects in *Illinois Jobs Now!* at several institutions statewide to help insure learning and training for high-demand, good-paying jobs. As a result, construction will be moving forward at campuses across Illinois. A few examples include:

- Southern Illinois University Edwardsville’s Science Laboratory
- Southern Illinois University Carbondale’s Transportation Education Center
- Western Illinois University-Quad Cities’ Riverfront Campus
- University of Illinois at Urbana-Champaign’s Electrical & Computer Engineering Building
- University of Illinois College of Medicine at Rockford’s National Rural Health Center
- Lake Land College’s Workforce Relocation Center
- Community Technology Centers at Lincoln Trail College and Illinois Valley Community College

BUILDING SCHOOLS, EXPANDING HORIZONS

For years, Illinois has failed to adequately fund construction and renovation of elementary and secondary education facilities. *Illinois Jobs Now!* will invest more than \$1.5 billion in school building construction, renovation and energy efficiency improvements, including for charter schools. Crumbling and overcrowded classrooms hamper a child’s ability to learn. This significant support will help our students begin to greater maximize their academic potential, which benefits us all.

INCREASING ACCESS TO EARLY CHILDHOOD EDUCATION PROGRAMS

It is vital to expand early childhood development programs, which are already considered among the nation’s best and most comprehensive, so all working families have access to high-quality early childhood education. This approach is critical to ensuring all students are prepared with the basic skills needed to have equal access to alternative education career-readiness programs once they reach middle-and high-school grades. Governor Quinn led the way to include more than \$45 million in *Illinois*

Jobs Now! for school districts and non-profit providers to construct and renovate early childhood facilities.

IMPROVING STUDENT ACCESS TO LAPTOPS AND TECHNOLOGY FOR LEARNING

Students in secondary and postsecondary programs will need access to leading-edge technology and portfolio management tools and resources in order to manage their career pathways. In order to ensure students have the capability to meaningfully participate in managing their performance and can interface with a statewide longitudinal data system, Illinois is investing \$10 million to improve access to laptop computers and other technology resources, including broadband connectivity wherever instructional learning takes place.

INCREASING FUNDING FOR THE ILLINOIS INNOVATION TALENT INITIATIVE

Through *Innovation Talent*, high school students are connected with external partners to solve complex problems as members of interdisciplinary teams utilizing leading-edge information technology tools, allowing students to apply what they learn in math, science, engineering and social science through working in project management teams. By examining real-world problems and networking with outside professionals, students are able to learn about and experience a variety of career opportunities.

In its first year, the Illinois Department of Commerce and Economic Opportunity (DCEO) and the State Board of Education were able to connect 29 schools across the state with industry, government and community partners to solve complex, real-world problems. Some examples of projects include: Rolling Meadows High School completed a project with IDOT on implementing robotics design in bridge maintenance and repair; Baxter International worked with Lindblom Math & Science Academy on increasing the compliance rate of children on home dialysis; and Commonwealth Edison worked with six high schools on creating energy reduction strategies for their district and local public infrastructure.

IMPLEMENTING P-20 COUNCIL RECOMMENDATIONS

To successfully design career ladders for students that connect and build upon progressive skill development across many institutions, Illinois will need to implement the recommendations issued by Illinois' newly formed P-20 (pre-school through graduate school) Council.

The Council will be responsible for advising on how to best align curriculum, enrollment, and credit from elementary school to post-secondary education and training programs as part of a statewide education system that can provide rigorous core academic curriculum with optional science, technology, engineering and mathematics-based programs that make relevant, real-world connections to students' career interests.

RECONNECTING WORKERS TO TRAINING AND EDUCATION

The economic downturn has placed an extraordinary burden on workers and families struggling to get by. Illinois has experienced a significant increase in the demand for critical support services for the increasing number of people without work. States are now challenged with coordinating and expanding

program flexibility across agencies and service networks to help people in need of emergency assistance, retraining and continuing education opportunities.

We need to develop a new generation of skilled workers that have education and training to drive and support innovation in every sector of our economy. People need to be able to enter education and training programs that are aligned with current and potential high-growth sectors of the economy. This can only occur when all workers—especially low-income and low-skilled youth and adults—have greater access to postsecondary education and training that provide them with the necessary skills to thrive.

LAUNCHING OPERATION EMPLOY VETERANS

Far too often, men and women who return from defending our country find that their jobs are gone and the companies they worked for have disappeared. Governor Quinn is addressing this crisis by making investments to get returning veterans back to work. Their abilities, talents and expertise, along with past work experience, will serve as the catalyst for transitioning into successful and sustainable civilian jobs. Through this innovative workforce program, and by teaming with local partnering agencies, the Governor is launching *Operation Employ Veterans* to supply the resources and services necessary to maximize veteran employment opportunities and ensure their ability to succeed.



Elements of this strategy include:

- Expand the existing *Disabilityworks* program to help fill gaps and navigate the confusing array of veterans' services by assisting employers in hiring disabled and returning veterans. The initiative will provide training to employers in disability and sensitivity awareness and workforce awareness training as it relates to successful recruitment and retention of Illinois veterans.

- Expand program offerings at the state’s Small Business Development and Entrepreneur Centers to develop a program tailored for veterans. One of the main reasons 90 percent of small businesses fail in the first year is because their owners lack some basic business skills. Illinois will provide the necessary business development skills training to veterans to help ensure successful business ventures.
- While on active duty, veterans learn many varied skills, some unique to their military job but often transferable to civilian occupations without additional training. A percentage of them also brought skills with them into the military. It is critical that these skills be assessed and matched for jobs that currently exist in high-growth industries or are in developing occupations, such as healthcare, transportation/ logistics and information technology.

Governor Quinn signed legislation earlier this year that will make it easier for honorably discharged veterans with the necessary emergency medical training to become a state-licensed Emergency Medical Technician (EMT). Within one year of discharge, a veteran can apply to the Illinois Department of Public Health (IDPH), who will evaluate his or her military emergency medical services training and clinical experiences compared to the educational standards required of civilians. If qualified, a veteran can then take the state examination for the appropriate EMT position. After passing the test, IDPH will issue a veteran a four-year license to work in the emergency medical services field. This will get veterans working much faster in their areas of expertise, while also saving them the expense of going back to school.

EXPANDING BRIDGE PROGRAMS WITHIN ADULT EDUCATION AND EMPLOYMENT RETRAINING

Many of today’s unemployed workers are middle-aged and lack basic reading and math skills to successfully enter retraining programs. Bridge programs simultaneously prepare adults with limited academic or English skills to enter and succeed in credit-bearing, postsecondary education and training leading to a job. The goal of bridge programs is to “bridge the gap” between the initial skills of individuals and what they need to enter and succeed in postsecondary education and a career.

Bridge programs can be developed through local partnerships, such as the *Shifting Gears* initiative. *Shifting Gears* is a collaboration among the Joyce Foundation, the Illinois Community College Board and DCEO designed to build academic, employability and technical skills through contextualized instruction, career development and support services targeted to low-skilled adults for placement in critical, high-demand occupations.

EXPANDING THE GREEN JOBS WORKFORCE

Governor Quinn is committed to preparing a workforce that can meet the challenges of addressing global climate changes and lessening our addiction to foreign oil. Through the Illinois Community College Sustainability Network (ICCSN), community colleges will address critical issues related to energy efficiency and conservation and the related needs of the Illinois workforce. Through the ICCSN, training will be provided for the following green workforce areas: solar photovoltaic and thermal technicians, wind turbine technicians, sustainable energy systems, biofuels processing, energy auditing, geothermal, alternative fuel vehicles, industrial energy efficiency, and home energy rating system efficiencies. Each college will work closely with industry and labor organizations to identify the specific training needs in the region. The ICCSN represents the most efficient means to rapidly address the new energy

economy's need for a green jobs workforce and the widespread deployment of energy conservation at the local level.

EXPANDING ACCESS AND DEVELOPING ADDITIONAL CAREER CONTENT FOR ILLINOIS WORKNET™

Illinois workNet™ was recently launched to expand access and deliver technology solutions that allow workers to manage their careers and connect to growth opportunities, regardless of their skill sets or training needs. Illinois workNet integrates physical locations with online resources and a broad range of community-based organizations to connect individuals and businesses with high-quality career planning, training in critical growth sectors of the economy, job placement and support services.

In the latest example of expanding access to on-line training, Governor Quinn entered into a public-private partnership with Microsoft to make available—free of charge—more than 50,000 training vouchers to Illinois workers and young people to increase their computer skills. The vouchers were accessed through Illinois workNet and can be used over the next year for skills upgrades from basic software applications to professional certifications.

REFORMING THE FEDERAL WORKFORCE INVESTMENT ACT

The federal Workforce Investment Act (WIA) is overdue for reforms to address current challenges facing Illinois' workforce in our changing global economy. Governor Quinn will take an active role in working with Congress to enact changes necessary to make the workforce system more flexible to meet existing needs. While the framework of the current system is fundamentally sound—stressing local decision making on training investments and requiring strong private sector business participation—changes are needed in the current law to enable states to more quickly and effectively respond to changing needs and demands.

FINDING AND FUNDING INNOVATION

The ability to translate ideas into new products, services, technologies and jobs is one of the major drivers of the 21st century economy. In this historic economic crisis, access to capital is scarce for individuals and businesses. Supporting an innovation-based economy in Illinois will require the strategic investment of both public and private resources in technology and research-based sectors. Through partnerships with the private sector that seek to increase access to capital for small businesses, provide mentoring opportunities to develop emerging entrepreneurs, and take advantage of growing sectors like biotechnology and new energy solutions, Illinois will jump start our economy and create more good jobs. Innovation and access to capital are also items of focus for the Illinois Economic Recovery Commission, which will make its recommendations in these and other areas to the Governor in March 2010. This will also compliment President Obama's recent proposal to eliminate fees and increase loan guarantees for small businesses that borrow through major Small Business Administration programs through the end of 2010.



INCREASING ACCESS TO CAPITAL

PROVIDING ANGEL INVESTMENT TAX CREDITS

Small businesses have a critical role in driving job creation and innovation. However, the growth of new technology businesses in Illinois is hurt by not having access to seed and early stage capital. The creation of the Angel Investment Tax Credit program for state-registered and qualified early stage venture capitalists or angel investors will fill that gap. This program will allow investors making an early-stage investment in a technology startup to receive a capped credit against his or her Illinois tax bill. A similar program is now in place in Wisconsin where for every one dollar in state tax credits provided to investors, there has been at least four dollars in private investment. Between 1999 and June 2007, North Carolina's program resulted in \$1.72 billion of new investment into the state, 35 times the state's initial investment of \$48.5 million.

MAXIMIZING AVAILABLE JOB CREATION/RETENTION FINANCING TOOLS

Changes to federal law over the past 18 months have created powerful new tools to finance economic development projects. The Governor is moving aggressively to maximize the use of these tools to create and save as many jobs as possible.

Ensure the full use of Recovery Zone Bonds. Using this financing tool, a much larger range of projects (large manufacturing, corporate headquarters, retail, and hotel developments) qualify for federally tax-exempt bond financing. But this important economic recovery resource expires at the end of 2010. Under current law, Recovery Zone resources are allocated directly to individual counties and municipalities, which may or may not fully utilize this vital resource to create and retain jobs. Governor Quinn will seek legislation to consolidate and ensure the use of all federal Recovery Zone resources before the end of 2010.

Ensure the full use of Midwest Disaster (Flood) Bonds. Like Recovery Zone Bonds, Flood Bonds allow federally tax-exempt financing for a much broader range of job retention and creation purposes. Under federal law, 25 Illinois counties hard hit by the 2008 floods qualify for this program that expires within the next two years. Governor Quinn will designate the Illinois Finance Authority (IFA) as the sole issuer of Flood Bonds within Illinois. The IFA will then work closely with the 25 designated counties to ensure that all available Flood Bonds are used to save and create jobs before this important program ends.

Make Permanent Federal Stimulus Financing Incentives. The federal stimulus added research and development facilities and warehouses adjacent to manufacturing plants as projects qualifying for federally tax-exempt financing under the Industrial Revenue Bond program. Under current federal law, these important new tools expire at the end of 2010. Governor Quinn will work with other states to ensure that these important job retention/creation tools become permanent.

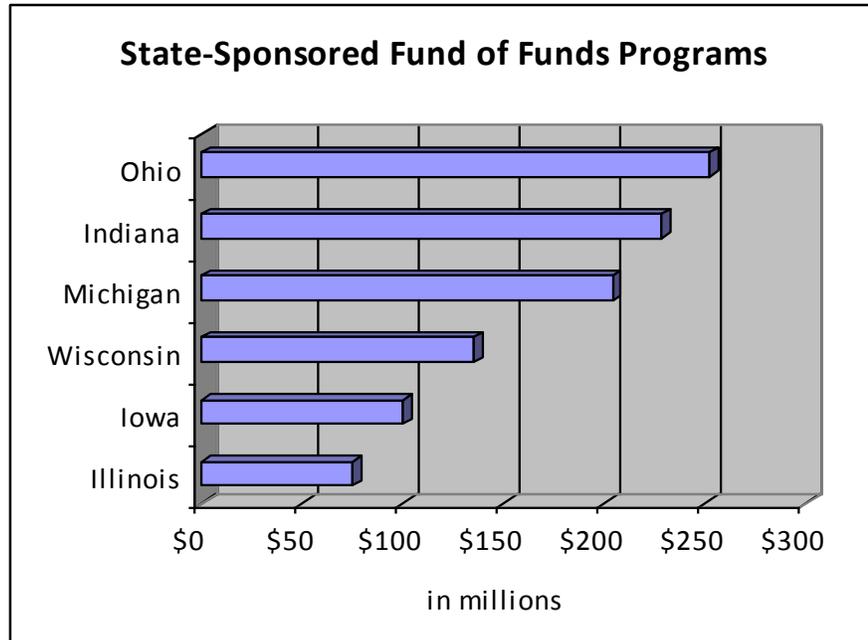
EXPANDING SEED AND EARLY STAGE VENTURE CAPITAL

Venture capital is a key component to reviving our economy and creating jobs through investments in technology-based businesses with strong potential for growth. But Illinois' venture capital market is smaller than many other states and is not growing as fast as the national average. According to the Illinois Venture Capital Association, between 2003 and 2006, venture investments in Illinois grew about 7.7 percent annually compared to 10.6 percent for the U.S. Seed and early stage capital—those funds invested in the initial stages of a young start-up—are the scarcest but often are the most critical. These early resources help propel young companies across the “valley of death,” which are the most challenging years to survive.

Governor Quinn will explore creating a new venture capital fund of funds focusing on seed and early stage investments to expand the venture capital capacity of the state and bring important dollars to investment-worthy technology firms. A new venture capital fund of funds will contribute to a venture capital pool that will broadly invest in professionally managed seed and early stage funds, supporting the emerging Illinois technology sector and quality companies with seed and early stage investment. This fund of funds could support more local investment programs such as the I2A fund, which has invested in five Illinois companies who have raised a total of \$25 million.

Additionally, developing a pipeline of future entrepreneurs by providing access to assistance and mentoring is critical to creating a sustainable and thriving business environment in Illinois. Illinois will partner with the private sector to create a mentorship-driven seed investment fund based on successful models in more than ten communities around the nation. The new program combines mentoring with small investments, which is a strategy that uses existing talent and successful business owners to grow and expand a new generation of entrepreneurs. Over the past year, seven promising Illinois companies

have participated in TechStars in Boston and Boulder or Y-Combinator in California, which are similar programs that have produced tremendous results. Three of these emerging companies have already decided to leave Illinois.



Source: National Association of Seed and Venture Funds

SEEDING MICROENTERPRISE LOANS

While businesses' need for capital continues to grow, often the dollar amounts for loans and financing are not large. Microenterprise development is a proven strategy that assists entrepreneurs who typically cannot access traditional forms of commercial financing for their businesses. Microenterprises usually require less than \$35,000 of start-up capital, have five or fewer employees and are owned by women, minorities, poor or low-to moderate income, and disadvantaged individuals. The creation of an Illinois microenterprise loan fund has tremendous job creation potential and will encourage economic development in underserved communities.

In 2006, nearly 89 percent of Illinois businesses with employees were microenterprises. These businesses were responsible for more than 17 percent of employment in the State of Illinois and in some counties provided more than 30 percent of jobs.

EXPANDING THE ENTREPRENEUR-IN-RESIDENCE PROGRAM

Partnering with the Chicagoland Entrepreneurial Center, DCEO launched the Entrepreneur in Residence (EIR) program. For one year, an experienced entrepreneur is paired with a company to assist with the development of a marketing strategy and the execution of commercialization efforts of technologies. Since the launch of the program, 12 technologies have been commercialized. The program is expected to create \$144 million in new revenues for participating companies by 2011 and create nearly 200 jobs.

DCEO will provide additional funding that will allow the program to expand and increase its capacity to leverage state research institutions while supporting new technology-based businesses.

AUTHORIZING NEW SMALL BUSINESS LOAN GUARANTEES

In this deep recession, access to capital is a major obstacle to the recovery of small businesses, and their ability to create and retain jobs. For decades, Illinois has operated a successful loan guarantee program with local banks to enable Illinois farmers to expand their businesses. This program can be extended to small, non-farm businesses, in addition to updating the existing agricultural guarantee program to help Illinois farmers—essentially small businesses—meet the challenges of the current economy.

The Governor will seek authorization for a new small business loan guarantee program modeled after the existing agricultural guarantee programs operated by the IFA. The IFA and DCEO will partner with local banks to provide loan guarantees to increase the availability of capital for small businesses across the state, which is critical to creating and retaining jobs.

PROVIDING WORKING CAPITAL FOR FARMERS AND HELP FOR THE ILLINOIS LIVESTOCK INDUSTRY

Traditionally, the IFA’s agricultural loan guarantees have been targeted at financing the purchase of capital assets (such as farmland), which in turn act as collateral for the loan. In an effort to encourage farmers and the agricultural sector to adopt innovative practices and provide needed working capital, these programs would be expanded to guarantee up to \$250,000 to support row-crop (corn, soybeans, etc.) farmers. The new guaranteed loans would be used to streamline operations and purchase seed, fertilizer, chemicals, fuel, and parts from Illinois retailers. The new agricultural working capital loan guarantee program would be secured by the farm borrower’s crop insurance, a first lien on the crop and possibly a mortgage. The new program would provide needed working capital at an affordable rate.



The Illinois livestock industry, particularly the pork industry, has been hit hard by the current recession. Increasing the existing IFA agricultural loan guarantee limit to \$750,000 (from the current \$500,000) will greatly help the Illinois livestock industry navigate the current economic crisis.

FINANCING OUR ENERGY FUTURE

Illinois has become a national leader in the energy efficiency, renewable energy and clean coal sectors through an innovative combination of a regulatory framework, grants and other financing tools. Governor Quinn recognizes that the state's current regulatory framework is only a foundation for a renewable and independent energy future. The large resources available through federal stimulus must be effectively leveraged with State-based assets in order to build this future. Good regulatory policy and limited grants must be combined with other financing tools to leverage private sector resources to build a permanent renewable, cost-efficient and independent energy future for Illinois.

ENCOURAGING PRIVATE INVESTMENT IN NEW ENERGY PROJECTS

Through Governor Quinn's leadership, Public Acts 96-0103 (SB 1906) and 96-0817 (SB 390) have become law. This legislation allows State guarantees backed by both "additional security" ("moral obligation") and the State's full faith and credit to encourage the private financing of:

- a broad range of renewable energy and other environmentally preferable energy projects, including but not limited to projects that use wind, solar, geothermal, biomass, energy storage, next generation biofuels, and expand existing hydropower
- both utility-scale and community scale versions of renewable energy and environmentally preferable energy projects
- Illinois clean coal projects
- transmission infrastructure to support both renewable energy and Illinois clean coal projects
- energy efficiency improvements for both governmental and private facilities

The tools provided by SB 1906 and SB 390 allow Illinois to leverage grants and guarantees provided by the federal stimulus and loan guarantees to finance and build our State's permanent renewable, cost-efficient and independent energy future. This effort is built upon communication and coordination among various state agencies, public universities and Argonne National Lab. This Illinois Energy Team works to eliminate bureaucratic and technical obstacles to the financing and completion of energy projects that will put more people to work.

LEADING THE WAY IN ENERGY AND SMART GRID TECHNOLOGY

Illinois is well positioned to make significant contributions to the energy sector as demonstrated by the recent federal award of \$8 million to the Illinois Institute of Technology for the development of a wind turbine consortium. By accelerating existing efforts in the state, Illinois will be able to successfully

compete for more federal dollars to advance our manufacturing and development and create thousands of jobs.

Illinois has the opportunity to become a national leader in alternative energy innovation and energy storage. The power grid of the future, Smart Grid, could employ thousands of Illinoisans in a statewide effort to rewire the existing grid, resulting in greater efficiency and reliability across the electricity distribution system.

PROMOTING INNOVATION AND TECHNOLOGY

SUPPORTING PUBLIC PRIVATE PARTNERSHIPS

To encourage more economic development and create new jobs, the public and private sector must work together to bring more federal dollars to our state. Governor Quinn will propose the creation of a grant program that pairs technology companies with an Illinois-based research entity (university or national laboratory) for new product development, commercialization or to improve manufacturing processes. Illinois' program could be based on successful models like the Pennsylvania Innovation Works, Inc.'s "Innovation Adoption Grant (IAG) Fund Program". Since 2004, the IAG Fund has reported awarding more than \$1.5 million to more than 100 companies, generated an additional \$2 million in matching investment in R&D from private industry, and created or retained more than 800 jobs with an average annual salary of \$45,000.



The new program must be targeted correctly to reap the maximum benefits for the state—private sector experts must be brought to the table to strategically attract these critical investments. The Illinois Science and Technology Coalition (ISTC) is a public/private economic development organization that fosters partnerships to develop and execute research and development initiatives. Founded in 2008, the ISTC actively promotes collaboration between public and private partners to attract and retain R&D resources and talent in Illinois. Its efforts mirror the successful work of similar organizations in

Pennsylvania, California, and Ohio. In addition to managing this important new grant program, the ISTC will house the Illinois Innovation Council, which will assist the state in developing an innovation agenda and be responsible for increasing joint proposals from private companies and research labs to the federal government.

ADVANCING HEALTH INFORMATION EXCHANGE

ARRA dedicates more than \$20 billion nationwide to implement electronic health records and health data exchange by 2014. Governor Quinn believes health information exchange (HIE) can both improve the delivery of healthcare in Illinois and create jobs. HIE is the use of electronic medical records and e-prescribing to assist medical providers in understanding a patient's full medical history.

In February, the Governor signed a law appropriating \$3 million to the Illinois Department of Healthcare and Family Services to establish a planning program for HIE. The HIE planning grants are the first meaningful step in Illinois toward implementing a state-level HIE. HIE will allow healthcare providers to share and access vital health information to:

- Improve healthcare quality and outcomes
- Improve patient safety
- Reduce health disparities
- Reduce medical errors and duplicative services
- Enhance coordination of patient care among providers
- Reduce or eliminate paper
- Control the cost of healthcare
- Enhance public health and disease surveillance
- Promote greater efficiency

The State has applied for a four-year federal ARRA grant from the Office of the National Coordinator for Health Information Technology to support further HIE planning and implementation efforts in Illinois. The grant award is expected to be announced soon, and initial procurements will begin shortly thereafter.

SUPPORTING CRITICAL GROWTH INDUSTRIES

BUILDING STATE-OF-THE-ART FACILITIES

As an emerging leader in developing cutting-edge technology and research in the bioscience sector, Illinois must invest in the construction of state-of-the-art facilities that will facilitate continued success in biomedical research and biotechnology development. *Illinois Jobs Now!* includes nearly \$134 million for the construction of the following projects:

- Argonne National Laboratory's Advance Crystallization Facility (\$13 million)
- Fermilab's Illinois Accelerator Research Center (\$17 million)
- University of Illinois at Urbana-Champaign's Computer and Engineering Facility (\$44.5 million)
- University of Illinois at Urbana-Champaign's Post Harvest and Crop Research Facility (\$20 million)

- Illinois State Police's Forensic Center in Belleville (\$39.5 million)

These investments are estimated to create more than 800 full-time, cutting-edge jobs. From creating a petascale computer that will be 500 times more powerful than today's typical supercomputer to producing protein crystals, these types of facilities will enhance Illinois' innovation-based economy and create the high-tech jobs of today and tomorrow.

PROMOTING BIOTECHNOLOGY

Illinois is home to world-class businesses and research operations that are saving lives across the globe, creating safer food and putting thousands of people to work throughout the Land of Lincoln. There are more than 200 global drug and medical device companies and numerous academic, government and non-profit research institutions that are making Illinois a leader in creating cutting-edge, medical breakthroughs.

The Illinois biopharmaceutical industry, which is supported by our highly-regarded federal labs and our top-notch research universities, directly employs more than 40,000 people and supports more than 112,000 indirect and induced jobs. Since 2002, biopharmaceutical direct employment has been increasing at an average of about 2,500 employees per year.

Governor Quinn will explore creative mechanisms to foster the growing biotechnology sector by leveraging public and private resources. To address the dearth of seed and early-stage capital, along with the Angel Investment Tax Credit, the Governor will propose the creation of a state fund that will provide matching grants for technology research companies competing for federal funding. Similar programs throughout the Midwest have proven successful in increasing the availability of critical funding to the biotechnology sector. By making strategic investments in companies, laboratories and universities, Illinois' biotech industry is turning discoveries into emerging businesses, marketable products and high-tech, high-paying jobs.

Chicago will again host the BIO International Convention next year, which will bring the leading companies and investors from throughout the world to Illinois.



ILLINOIS IN THE WORLD

Illinois has established itself as the premier Midwestern state in international commerce and tourism. The return on investment from Illinois' support of foreign trade is substantial. The state's international trade investment of \$5 million in 2008 helped leverage \$53.4 billion in exports to foreign countries, which was a 9.3 percent increase from 2007, ranking Illinois as the sixth largest exporter in the nation and first in the Midwest. Since 2002, Illinois exports have more than doubled, growing by \$27 billion.

As an international tourism destination site, Illinois welcomed more than 1.4 million international visitors in 2008, a 21 percent increase from 2007, ranking Illinois as the sixth most popular destination state in the United States. International visitors generated \$2.4 billion in spending and supported more than 24,000 travel industry jobs.



IMPROVING ILLINOIS' POSITION IN GLOBAL COMMERCE

The Illinois Department of Commerce and Economic Opportunity (DCEO) provides support to Illinois companies exporting to the global marketplace and helps bring foreign-owned operations here. In the past three years alone, the state has assisted 57 foreign-owned companies locate in Illinois. By expanding Illinois' reach in global markets, and being able to respond more quickly, Illinois will create and retain more jobs through trade and foreign direct investment. This will grow our overall position as the leading export state between the coasts.

EXPANDING THE EXPORT AMBASSADOR PROGRAM

Even given Illinois' current position in global commerce, many potential foreign trading partners are unaware of Illinois' and Chicago's ability as access points to vast markets throughout the United States. On any given day, countless Illinois business people and representatives from our educational and research institutions are traveling overseas promoting commerce from their perspective. Illinois boasts the largest number of foreign consulates, foreign chambers of commerce and foreign trade commissions of any state in America outside of New York. All of these people can be Illinois' ambassadors to promote Illinois as a great place to do business. DCEO will use technology and work more closely with these allies, all of whom share our goal to attract more foreign investment, expand trade opportunities and create more Illinois jobs.

DEVELOPING A SECTOR-BASED APPROACH TO EXPORT AND FOREIGN DIRECT INVESTMENT OPPORTUNITIES

Illinois will identify and target specific economic sectors around the world based on need and opportunities that match with all our strategic assets. Regional international councils composed of private sector leaders and locally-based international business associations would review and make recommendations on specific sectors and identify global opportunities. Key sectors would likely include Biotechnology/Life Sciences, Manufacturing Equipment, Financial Exchange/Professional Services, Electronics/Information Technology, Agriculture/Food Processing, and Transportation/Distribution/Logistics.

Illinois possesses the private sector experts and the strategic assets that can help expand our economy and create more jobs in foreign trade and investment. This talent will be harnessed into a working council to help establish policy and direction for the state's global commerce efforts.



DEPLOYING FLEXIBLE TRADE TEAMS

In the newest global markets, aggressive and versatile trade representatives and strategic partners can provide a more mobile sales force than a formal trade office. Illinois needs to expand its current trade efforts into underserved regions. Examples include Central Europe and Russia, South America and

Australia. These regions can best be served by harnessing technology and developing flexible strategic partnerships to capitalize on new opportunities.

INCREASING ILLINOIS' PRESENCE AS AN INTERNATIONAL TOURISM DESTINATION

International tourism activity does not happen in a vacuum, especially in non-coastal states such as Illinois. It requires constant promotion and nurturing. Illinois will spend \$7.3 million promoting international tourism in the current fiscal year, which demonstrates a significant return on investment.

On the international tourism front, Illinois is most active in targeting four primary markets: the United Kingdom, Germany, Canada and China. Additionally, international travelers spend more than domestic travelers.



INCREASING FUNDING IN CURRENT HIGH-PERFORMING INTERNATIONAL MARKETS

If Illinois can continue expanding its projected share of the international market between now and 2013, an additional 185,000 international visitors will spend an estimated \$166.5 million more in Illinois. This would create approximately 1,700 new jobs in the travel industry.

DEVELOPING AND FUNDING MARKETING CAMPAIGNS FOR NEW HIGH-GROWTH INTERNATIONAL TRAVEL MARKETS

Illinois will target foreign markets in Mexico, France, Brazil and India due to the projected growth of international travel to the United States. Without a marketing campaign, Illinois will not optimize and capture its potential share of these international travelers. We can capitalize on the strengths of O'Hare

International Airport as an easy point of entry for leisure destinations to Illinois. Attracting these visitors requires advertising and building relationships with tour operators.

SENDING A “SALES FORCE” TO NEW GLOBAL MARKETS

Creating a positive image of Illinois as a global leisure destination will further our ability to attract major convention and trade shows, new businesses and more visitors. Illinois needs to expand its current integrated programming into new markets. These markets can best be served by local representatives who will identify new opportunities and increase the visibility of Illinois. In-country representation will position Illinois as a global destination with key media, tour operators and consumers to provide greater opportunities for Illinois.

DEVELOPING PUBLIC-PRIVATE TEAMS FOR FOCUSED SALES MISSIONS

The global economy works 24/7. Used as a highly effective program by many other destinations, Illinois could organize state/city sales missions to targeted countries with the emphasis on major airline, tour operators, travel agencies and media. Sales missions allow our destination to meet one-on-one with key representatives. This provides an excellent opportunity for Illinois to deliver our messaging in a more customized fashion, drive more visitors to Illinois and increase jobs in the travel industry.



THE GREEN ECONOMY

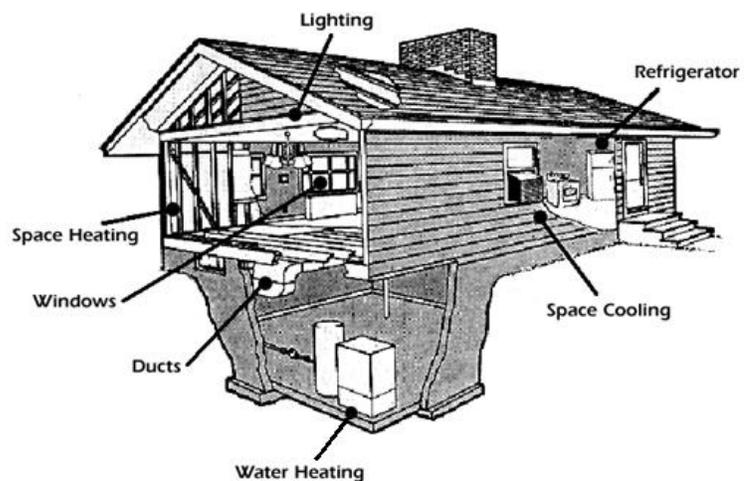
To put people back to work and reduce U.S. dependence on foreign oil, Illinois is making significant investments in energy efficiency, renewable energy, and green technologies through capital funds and the American Recovery and Reinvestment Act (ARRA). Recent state legislation has created new mechanisms for financing and supporting these 21st-century industries, in addition to leveraging Illinois' strengths in agriculture and manufacturing.



IMPROVING THE EFFICIENCY OF NEW AND EXISTING BUILDINGS

WEATHERIZING HOMES TO SAVE ENERGY AND LOWER UTILITY BILLS

Illinois' Home Weatherization Assistance Program helps low-income households improve their homes, reduce energy consumption, and lower utility bills by providing free energy conservation measures, including insulation and furnace repairs or replacements. Weatherization also creates and supports thousands of jobs in communities across Illinois. Illinois is investing \$242 million in ARRA funds and an additional \$425 million in capital funds to weatherize eligible homes throughout the state. In addition to covering the cost of weatherizing thousands of homes each year, this funding will support basic skills training, including soft-skill training and other workforce development services. It will also encourage diversity in the weatherization workforce.



PUTTING ILLINOIS' ENERGY EFFICIENCY PORTFOLIO STANDARD INCENTIVES TO WORK

Illinois' Energy Efficiency Portfolio Standard, established in 2007 by the Illinois Power Agency Act (20 ILCS 3855), requires the state's major utilities to meet annual energy savings goals that ramp up to 2 percent in 2015 and each year after. Originally covering only electric efficiency, the Energy Efficiency Portfolio Standard was expanded to cover natural gas efficiency starting in 2012 through Public Act 96-0033, signed by Governor Quinn this past July. To achieve these savings, the electric and natural gas utilities provide rebates for efficiency measures to the private sector, and the Illinois Department of Commerce and Economic Opportunity (DCEO) provides rebates for efficiency measures to the public sector. The electric efficiency incentives, now in their second year, total more than \$100 million, which will fund projects, including for energy efficient lighting, motors, variable frequency drives, cooling equipment, traffic signals and exit signs.

Governor Quinn also issued two Executive Orders that require Illinois government to lead by example in upgrading state facilities with energy efficient lighting, mechanical equipment, and structural features. Illinois' energy efficiency projects employ contractors and electricians statewide as schools, universities and colleges, municipalities, and businesses replace inefficient electric equipment in their buildings. From this year through 2012, these energy efficiency projects in both the public and private sectors are estimated to support about 9,000 jobs.

UPGRADING SCHOOL BUILDINGS TO IMPROVE ENERGY EFFICIENCY

Elementary and secondary schools throughout Illinois will be eligible to tap into a new source of funding for energy efficiency upgrades: the School Energy Efficiency Grant Program, administered by the Illinois State Board of Education. A total of \$100 million in state and local investments will fund projects that save energy and lower schools' operating expenses, including insulation, window and doors, automated building energy control systems, heating or cooling system repairs, efficient lighting, and renewable energy systems. This program will further leverage the funds available through the Public Sector Energy Efficiency Portfolio Standard for applicable efficiency improvements. The School Energy Efficiency Grant Program will generate jobs for skilled technicians and tradespeople, such as energy auditors, electricians, HVAC specialists, carpenters, and roofers.

BUILDING SCHOOLS AND STATE FACILITIES TO MEET NATIONALLY RECOGNIZED GREEN BUILDING STANDARDS

With Governor Quinn's signature of the Green Buildings Act (Public Act 96-0073) and *Illinois Jobs Now!* this past summer, new K-12 schools and new or renovated state facilities must meet nationally recognized standards for green design and construction. Under these requirements, most new buildings must achieve LEED Silver certification – Leadership in Energy and Environmental Design, a rating system designed by the U.S. Green Building Council – or an equivalent national or state standard. Green building standards not only encourage building characteristics such as energy efficiency and use of sustainable materials; they also award certification points for site characteristics, including reuse of obsolete buildings, green infrastructure for stormwater management, access to alternative transportation, and redevelopment of brownfields. The establishment of green building standards for schools and state facilities provides environmental benefits and health benefits for the building occupants. It also provides green jobs in the fields of design, architecture, engineering, and contracting, and expands the market for sustainable building products and services.

GENERATING AND DISTRIBUTING CLEAN ENERGY

SPURRING INVESTMENT IN ILLINOIS WIND POWER

Illinois is emerging as a national leader in wind energy generation and, by the end of 2009, will surpass 1,800 megawatts of installed capacity – one of only a handful of states to reach this level. Development of the first 1,000 megawatts of wind capacity generated \$1.9 billion in economic benefits to the state. Including indirect benefits, the wind projects have supported more than 6,000 short-term jobs and nearly 300 long-term jobs. Governor Quinn believes that we must continue to encourage more investment in renewable energy projects, which will continue to provide important rural economic development and protect our environment. To accomplish that goal, the Illinois Power Agency is working to facilitate the first long-term, renewable energy contracts in Illinois for Commonwealth Edison and Ameren.

ACHIEVING TARGETS IN ILLINOIS' RENEWABLE PORTFOLIO STANDARD

In 2007, Illinois adopted a Renewable Portfolio Standard that requires 25 percent of the electricity provided to smaller customers by the state's major utilities to be generated from renewable resources by 2025, with incremental percentage increases each year leading up to 2025. Governor Quinn expanded the coverage of this portfolio standard to apply to larger electricity customers' purchases when he signed Public Act 96-0159 this past August. This amendment also established requirements for renewable energy to be purchased from Illinois or adjoining states' facilities starting in 2011, and for six percent of the renewable energy to come from solar photovoltaics starting in 2015. These requirements will drive investments in renewable energy technologies, components, and installations in Illinois to meet the increasing demand for electricity from clean sources. Not only will renewable energy generation sites create construction jobs and permanent jobs in operations and maintenance in rural areas; they will also strengthen the Illinois market for supply chain manufacturers of critical equipment parts.



SUPPORTING COMMERCIALIZATION OF CLEAN COAL AND CARBON SEQUESTRATION TECHNOLOGIES

Illinois has a 250-year supply of coal and the largest reported bituminous coal resource of any state in the United States. Coal in Illinois is a nearly \$1 billion industry and employs more than 3,500 people. The industries involved in mine supply, coal research, transportation and use provide thousands more jobs for Illinoisans and economic stability to many communities across the state. Clean coal technology reduces emissions of air pollutants, including carbon dioxide. Advanced research is being done in Illinois on reducing carbon emissions through carbon capture and storage, including geologic sequestration and enhanced oil recovery.

Two current projects in Illinois will use Illinois-mined coal with fewer emissions than any power plant of the same size in the nation: FutureGen and Taylorville Energy Center, which together could represent up to \$4.6 billion in private investment. With that investment comes an estimated 2,800 construction jobs, 700 permanent jobs in coal mines and power plants and 3,200 indirect jobs. Illinois attracted these private investments to the state through legislation and investment tools, including the Illinois Resource Development and Energy Security Act (Coal Revival Act), Clean Coal Portfolio Standard, and grants from the Coal Development Bond Fund. Governor Quinn will continue strongly supporting these cutting-edge, clean coal projects that are making Illinois a national model.

LEVERAGING GUARANTEED ENERGY SAVINGS TO FINANCE RENEWABLE ENERGY AND ENERGY EFFICIENCY

Governor Quinn signed into law a provision that allows Eastern Illinois University to pilot an innovative financing method to fund construction of its new Renewable Energy Center. The Renewable Energy Center will replace the university's coal-fired power plant, dating from about 1925, with a biomass gasifier fueled by untreated wood chips, a by-product of the lumber industry. Energy savings from the improved efficiency of the plant, as well as other energy conservation measures throughout campus, will pay off the initial project investment, estimated to be \$80 million. The new Renewable Energy Center will meet EIU's heating and cooling needs and reduce emissions compared to the old plant. Construction of the new center will also bring jobs to this region of east-central Illinois.

Governor Quinn's administration is now identifying state facilities where the energy performance contracting model could be applied to achieve energy and cost savings through retrofits. Initial target facilities include Illinois correctional centers with decades-old heating equipment and significant potential for energy efficiency upgrades.

ADVANCING THE BIOECONOMY AND GREEN MANUFACTURING

PROMOTING BROADER SUPPLY AND INCREASED DEMAND FOR RENEWABLE FUELS

Illinois is at the forefront of research and production of renewable fuels, which reduces our dependence on foreign oil, keeps energy dollars in the local economy, creates jobs, supports local agriculture, and contributes to a cleaner and healthier environment in Illinois. Investment by the ethanol industry in Illinois exceeds \$2 billion, generating more than 11,000 direct and indirect jobs in Illinois. The Governor will continue investing in and entering into agreements with biofuels owners and developers to support

the improvement of Illinois' existing fleet of renewable fuels plants, which will ensure that next-generation and low-carbon biofuels facilities are located in our state.

Assistance is also available to those businesses with financing, planning, and permitting needs to help get projects up and running and people working again. *Illinois Jobs Now!* also commits \$25 million to supporting the development of biofuel and biomass facilities, including \$5 million for a biodiesel refinery in Peoria and \$5 million for a biomass-to-energy plant on the south side of Chicago. In addition, DCEO is providing \$10 million to next-generation biofuels manufacturers through ARRA funding for Illinois' State Energy Program.

INVESTING IN INFRASTRUCTURE TO SUPPORT WIDESPREAD ADOPTION OF ADVANCED VEHICLE TECHNOLOGIES

The placement of proper infrastructure is critical to supporting a shift in fuel consumption and transforming the way Illinois uses transportation fuels. The state has launched initiatives to promote the expansion and adoption of E-85 pumps and electric vehicle charging stations as environmentally friendly and cheaper alternatives to imported oil. There are currently 200 public E-85 refueling facilities open in Illinois, more than half funded in part by the Illinois E-85 Clean Energy Infrastructure Development Program.

In addition, Governor Quinn is investing \$10 million for the development and deployment of electric vehicle infrastructure. Converting vehicles from petroleum-based fuels to electricity allows for the generation of power for transportation from clean, domestic energy sources – whether wind, solar, or clean coal. This transformation reduces air pollution and greenhouse gas emissions, and spurs an entire industry in the manufacturing of electric vehicles.

PROVIDING FINANCIAL AND TECHNICAL ASSISTANCE TO NEW AND EXPANDING GREEN MANUFACTURERS

Governor Quinn supports the development of renewable energy and energy efficiency businesses and component manufacturers, producers of dedicated biomass crops, and the manufacturers of recycled content products. The Midwestern manufacturing base has been more adversely impacted than almost any other sector by the recent economic downturn. Retooling these businesses to meet the needs of the explosive growth in the green economy will ensure that these well-paying jobs are restored.

The recent location of four renewable energy supply chain companies in Illinois – Winergy Drive Systems Corp., Trinity Structural Towers Inc., Broadwind Energy, and Wanxiang American Corporation – demonstrates the attractiveness of Illinois' business environment for the green technology component industry. DCEO has provided business investment packages to Trinity, Wanxiang and Winergy to make these relocations possible. In total, these four companies support more than 800 Illinois jobs. A recent study on the economic impact of wind energy development in Illinois found that the wind power industry generated more than 6,000 construction jobs and nearly 300 permanent jobs in the state over the past few years.

RESTORING AND REVITALIZING VALUABLE LANDS



On August 28, 2009, Governor Quinn joined local officials to break ground on a new building that will enhance Canton's downtown area, which has suffered from past fires and demolition.

REMIEDIATING BROWNFIELDS TO ENABLE REDEVELOPMENT AND PRODUCTIVE USE

Brownfields are abandoned or underused industrial and commercial properties where redevelopment is hindered by the presence or perceived presence of environmental contamination. These sites exist in almost all Illinois communities from the smallest towns to the largest cities, and they can be anything from a multi-acre closed factory to underground storage tanks at a vacant gas station on the corner. Each year, the IEPA awards up to \$5 million to communities throughout Illinois to investigate and remediate brownfields sites so they may be put back into productive use. These projects provide for improved public health and environmental quality, revitalized neighborhoods and also spur economic growth and new jobs.

SUPPORTING ECONOMIC DEVELOPMENT IN RIVERFRONT COMMUNITIES

IEPA and DCEO's River Edge program provides grants to each qualified city, a 25 percent tax credit for unreimbursed cleanup costs in excess of \$100,000, and cleanup-related sales tax exemptions within River Edge Development Zones. In 2006, the General Assembly passed legislation to provide financial assistance through this program to Aurora, East St. Louis, Rockford, and, in 2009, included Elgin, to clean up and redevelop brownfields sites along rivers in these communities. *Illinois Jobs Now!* provides an additional \$43 million in funding for the River Edge program. These new capital funds enable these communities to invest in the redevelopment of abandoned and underutilized sites and put more people to work.