



**CITIZEN
ADVOCACY
CENTER**

**Statement by Citizen Advocacy Center to the
Senate State Government and Veterans
Subcommittee on Economic Development
Hearing on Senate Bill 2**

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On behalf of the Citizen Advocacy Center, I thank you for the opportunity to present testimony at this hearing opposing Senate Bill 2 as amended, entitled "The Illinois Business and Economic Advocacy and Development Act of 2013."

The Citizen Advocacy Center is an award winning, non-profit, non-partisan, community-based, legal organization. Its mission is to "Build Democracy for the 21st Century." Since 1994, community lawyers have worked to build democracy by strengthening the citizenry's capacities, resources, and institutions for self-governance. The Citizen Advocacy Center motivates individuals and community groups to seek systemic solutions to issues of public concern and works to improve democratic protocols in local and state government to ensure optimal public participation in the democratic process.

The Center's community lawyers have worked with many community groups on their self-identified issues concerning economic development. Increasingly, government entities are relying on non-profit organizations to assist in accomplishing traditional government functions, such as economic development. The use of non-profits in pursuing the public purpose of economic development affects the ability of the public to impact government decision-making in the policy-making arena.

This bill is not "real reform" from the citizen engagement perspective. Senate Bill 2 itself refers to the "public purpose of economic development in Illinois," and yet the public will be kept in the dark about much of the activities of the Illinois Business and Economic Development Corporation created therein because the Corporation is not subject to Illinois Sunshine laws. Currently, non-profit organizations that perform traditional government functions are not covered by either the Illinois Freedom of Information Act or the Open Meetings Act. The Corporation is meant to assume part of the role that is currently held by the Department of Commerce and Economic Opportunity, which is clearly a public body under Illinois Sunshine laws.

Further, there is internal inconsistency in the bill. The Illinois Economic Development Authority is described as a public instrumentality and

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agency of the State exercising public and essential government functions, specifically by implementing economic development policy in the State. The Illinois Business and Economic Development Corporations shall be established for the purpose of receiving and disbursing funds from public or private sources to be used to further the overall economic development and well-being of the State. The Authority is to collaborate with the Corporation, but “the Corporation shall not be considered an agency, political subdivision, or instrumentality of the State,” and it “shall not be required to comply with any requirements that apply to a State agency or political subdivision.”

Yet, where the Corporation has deliberations that address utilization of public funding, the bill states that those meetings or portions of meetings will comply with the Open Meetings Act.

Outside of that inconsistency, there is no enforcement mechanism to ensure compliance with the Open Meetings Act. There is no authority governing the compliance of a non-profit economic development organization with the Open Meetings Act. Thus, the language in the bill to make transparent the Corporation’s discussions about the utilization of public funds is ultimately meaningless.

What is the benefit of this proposed model that the current model cannot? One answer might be that there is access to monies not available to a government entity. What percentage of assets obtained by a corollary 501(c)(3) derive from private sources and would not otherwise be available to a public body?

Another justification might be to protect confidentiality, a concern of private entities engaged in economic development. Yet the Open Meetings Act and the Freedom of Information Act protect confidentiality concerns through their enumerated exceptions. What concerns are not currently covered by those exceptions?

The reputation of the Department of Commerce and Economic Opportunity will only be replaced by parallel concerns in the model proposed in S.B. 2. Instead, the current concerns with the DCEO should be attended to by strengthening the legislation creating the DCEO; for example, a strategic plan by the DCEO is currently permissive in the statute, and it needs to be amended to make it mandatory.