

FOIA MARKER

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Illinois Projects

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Summary

Carol Ann B. Johnson

The Illinois projects adversely affected either by this year's budget proposal, or delays in funding decisions loosely follow these characteristics:

- They are large, ongoing projects
- Decisions by the Administration have endangered funding
- Restoration of funds does not require legislation
- They are not programs, but special projects

PROJECT	Amount Below Request Or Allocation (in millions)
Instrumented Factory for Gears	-\$ 8
Scott Air Force Base	-\$ 40
Impact Aid Funds	-\$.45
Army Corps Reorganization	(loss of jobs)
Argonne National Laboratory	-\$113
Fermi National Accelerator	-\$ 27
Chicago Central Circulator	<u>-\$ 99</u>
TOTAL LOSS IN APPROPRIATIONS	-\$287.45

ADDED TAX

**Futures Transaction Tax to fund the operations of the
Commodity Futures Trading Commission**

- FY 94 Added Tax \$55 million
- Additional Added Tax \$235 million
(over 4 years)

Following is an attachment which summarizes program deficits, job losses, or added tax burden to the State.

DEFENSE PROJECTS - MILITARY

o INSTRUMENTED FACTORY FOR GEARS (INFAC) at the ILLINOIS INSTITUTE OF TECHNOLOGY (IIT)

The INFAC program at IIT includes research, education and outreach which is critical to the U.S. gear industry. The program features a hands-on shop floor with eleven machine tools valued at \$7 million and considered state-of-the-art in U.S. gear manufacturing equipment industry.

Last year, Congress reprogrammed the funding for INFAC and similar ongoing programs to an account in the defense bill which requires projects to have a 50-70 percent cost share. Since INFAC is a 25 percent cost share contract, the program could be eliminated. Secretary Aspin released funds for other ongoing programs in this predicament, but will not for INFAC because it was not included in the previous Administration's budget.

These funds are necessary to continue the INFAC program.

FY 93 Appropriation	\$8.5
FY 94 Request	release of the \$8.5
Administration Budget	N/A
FUNDS NOT RELEASED	-\$8.5
POSSIBLE SHORTFALL	-\$8.5

o SCOTT AIR FORCE BASE - CARDINAL CREEK HOUSING

The Joint-Use project at Scott AFB requires the construction of a parallel runway for commercial aircraft-use to be located at the site of the Cardinal Creek Housing Complex. This project funding, authorized by Congress at \$60 million over three years, is essential for the relocation of this military family housing.

The FY 93 appropriation is pending possible reprogramming at the Air Force and this year's budget does not include funding.

FY 93 Appropriation	\$20 (pending)
FY 94 Request	\$20
Administration Budget	\$0
FUNDS NOT RELEASED	-\$20
POSSIBLE SHORTFALL	-\$40

DEFENSE PROJECTS - MILITARY

o IMPACT AID FUNDS

North Chicago School District

The North Chicago School District is responsible for educating the children of military personnel from the Great Lakes Naval Base. The District relies on the Department of Education's Impact Aid program, as well as supplemental funding from the Department of Defense. Because of a delay in distribution of funds, the North Chicago school board has been forced to dissolve itself.

Congress agreed to 3 years of additional funding for schools which suffer economically because of military bases.

At this time, the North Chicago School District's FY 93 funds are pending DOD approval and FY 94 funding will be dependent on this decision.

FY 93 Appropriation	\$.45 (pending)
FY 94 Request	\$N/A
Administration Budget	\$N/A
FUNDS NOT RELEASED	\$.45

o ARMY CORPS OF ENGINEERS REORGANIZATION

The proposed reorganization and streamlining of the Army Corps of Engineers has been held up since the beginning of the year due to Congressional opposition. It is currently under review by Defense Secretary Aspin. Illinois' central location, as well as its extensive inland waterway system makes it an ideal hub for the Army Corps. If the current plan is implemented, Illinois will endure a great loss in jobs, as well as expertise in Corps related matters.

<u>Estimated Loss of Jobs</u>	
Chicago Division	180
Chicago District Office	103
Rock Island District Office	220
St. Louis District Office	295
TOTAL	798

ENERGY PROJECTS

o ARGONNE NATIONAL LABORATORY

Integral Fast Reactor (IFR)

The IFR is an advanced nuclear reactor research program. Its purpose is to address the concerns associated with nuclear power: facility safety, hazardous waste disposal, and storage problems. IFR is unique in that it recycles its own waste as fuel, greatly reducing the amount and the dangerous radioactivity of the resulting waste. Furthermore, IFR burns its fuel more efficiently than today's reactors. Research occurs in Illinois and supporting facilities are in Idaho. This funding request is to continue operation of the program.

	Research	Facilities
FY 93 Appropriation	\$22.4	\$76.4
FY 94 Request	\$28.6	\$85.1
Administration Budget	\$0	\$55.4 (for shut-down)
SHORTFALL	-\$113.7	

o FERMI NATIONAL ACCELERATOR LABORATORY

Main Injector

Fermilab performs basic atomic research, operating the most powerful particle accelerator in the world. The Center employs 2,300 people and serves 2,000 U.S. and foreign researchers.

The Main Injector project involves replacing a 20-year-old main ring with a powerful new Main Injector. This project will accelerate protons to a high speed and shoot them into an area where scientists can study the behavior of the protons. The power of the ring will be strengthened to the point where physicists will be able to conduct as much research in one year as they now do in five. The Main Injector will preserve America's competitive lead in high energy physics.

If funded at the proposed Budget level, the construction of the Main Injector at Fermilab will be delayed for two years, extending its completion to 1998.

FY 93 Appropriation	\$11
FY 94 Request	\$52
Administration Budget	\$25
SHORTFALL	-\$27

TRANSPORTATION PROJECTS

o CHICAGO CENTRAL CIRCULATOR

The Chicago Central Circulator system will improve the transit connection between Chicago Transit Authority and the Metra commuter terminals in the Loop with the outskirts of the expanded downtown Chicago area, including the McCormick Convention Center. To date, 10 percent of the preliminary engineering plans are completed. Construction is slated to begin in 1995 with a projected completion in 1998.

These funds would provide for additional engineering work on this light rail transit system. The Federal, State and City governments each contribute one-third of the Circulator costs.

FY 93 Appropriation	\$20
FY 94 Request	\$104
Administration Budget	\$5
SHORTFALL	-\$99

TAX ISSUES

o COMMODITY FUTURES TRADING COMMISSION

The Administration's Proposal to tax the U.S. exchange-traded futures industry would be a disaster for the futures industry and the nation. The impacts would be particularly devastating for Chicago where there are over 100,000 jobs in the futures industry and where the two major Chicago futures exchanges put over \$7 billion in Chicago banks each night.

Additional Tax to IL:

FY 94 Added Tax	\$55 million
Additional Added Tax	\$235 million (over 4 years)

This proposal's impact would also:

- o raise trading costs, sending business overseas;
- o undermine the liquidity of U.S. futures exchanges, further undermining their international competitiveness; and,
- o make management of government securities and debt more complex and expensive.

This tax is likely to cost the federal government revenue rather than raise it. It could result in lost economic growth, lost jobs, and lost international competitiveness.