



2019 ADVOCACY AGENDA

UNSHACKLE UPSTATE IS A NON-PARTISAN, PRO-TAXPAYER, PRO-ECONOMIC GROWTH, EDUCATION AND ADVOCACY COALITION MADE UP OF BUSINESS AND TRADE ORGANIZATIONS FROM ACROSS UPSTATE NEW YORK. THE ORGANIZATION HAS ADVOCATED FOR CONTROLLING STATE SPENDING, HOLDING THE LINE ON TAXES, ELIMINATING UNNECESSARY AND EXPENSIVE MANDATES AND LIMITING THE GROWTH OF STATE DEBT.



The **Buffalo Niagara Partnership**, a founding member of Unshackle Upstate, is the area's regional chamber of commerce and privately-funded economic development organization. Partnership members employ more than a quarter of a million people in the Buffalo Niagara region. By mobilizing members and strategic partners around common goals, the Partnership grows private investment and jobs in Buffalo Niagara through advocacy, business development and convening.



The **Empire State Chapter of Associated Builders and Contractors** is the New York Chapter of ABC, a national construction trade association devoted to merit shop contractors. The Empire State Chapter serves nearly 450 contractor members throughout New York State from our central office in East Syracuse, and from branch offices in Buffalo, Rochester, Albany, Ronkonkoma and Manhattan.



The **Greater Binghamton Chamber of Commerce** serves as the premier resource for business development in the

Greater Binghamton region. Its aim is to support the existing local business community and the attraction of new businesses to the region through member-driven programs and services, the development of strategic community partnerships and effective political advocacy.



The **Greater Rochester Chamber of Commerce**, a founding member of Unshackle Upstate, is the regional chamber of commerce for the nine-county Rochester region, which includes Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne, Wyoming and

Yates counties. The GRCC provides information, advocacy, human resource services and networking to help Finger Lakes employers grow.



The **North Country Chamber of Commerce** is a regional chamber of commerce serving Clinton, Essex, Franklin, Hamilton and northern Warren Counties in New York State

and southern Quebec. With more than 4,000 members, it is the largest business and economic development alliance in northern New York and one of the five largest chambers in the state.

A MESSAGE ABOUT THE FUTURE OF UPSTATE NEW YORK



Michael Kracker,
Executive Director,
Unshackle Upstate

As we enter the 2019 legislative session, Unshackle Upstate's remains committed to our core goals. The organization's advocacy efforts will continue to focus on policies that will help make New York a place where families can afford to live, businesses can succeed, and future generations can find good paying jobs.

For many communities across Upstate, achieving those goals remains a challenge. While the economy downstate booms, the rest of the state continues to struggle in the face of heavy burdens from Albany.

A recent census report found New York State's population declined faster than any other state in the nation. The bulk

of the out-migration occurred Upstate, with 42 of 50 counties recording population losses since 2010.

Many of our challenges are familiar. A business climate near the bottom in the nation, heavy regulatory burdens on employers, high property taxes and utility bills for households and businesses, among many others. Despite the numerous obstacles, the new year presents opportunities for our leaders in Albany to address these challenges to Upstate economic growth.

Unshackle Upstate is eager to work with our partners in government on important issues to New York taxpayers and businesses. Key issues like protecting the 2% property tax cap, investing in workforce development, addressing our infrastructure needs, removing obstacles to economic development and preventing expanded taxes and mandates will be critical to helping our communities succeed.






These efforts, and other reforms listed within this agenda will vastly improve our state's business climate and allow Upstate New York to reverse our current course.

New York's high taxes and high cost of living has held back the state's true economic potential

for too long. If our leaders in Albany believe in real progress, we must move forward together. Working alongside our leaders in Albany we can fight to lower taxes, cut red tape and promote job growth. These efforts will help get our Upstate economy growing in 2019.

A handwritten signature in black ink, appearing to read "Michael Kracker".

KEY UPSTATE PRIORITIES FOR 2019

-  **CONTINUED FISCAL RESPONSIBILITY**
-  **MAKE THE PROPERTY TAX CAP PERMANENT**
-  **REJECT PREVAILING WAGE EXPANSION**
-  **OPPOSE A SINGLE-PAYER SYSTEM**
-  **INVEST IN WORKFORCE DEVELOPMENT**

PROVIDE A STRONG VOICE FOR UPSTATE

Ensuring that the issues and concerns of Upstate's businesses and taxpayers are heard is an essential part of our mission. Strengthening that voice in Albany will be even more critical during the upcoming legislative session. We believe we can accomplish this goal by engaging with our leaders in all parts of the state and across party lines.

Unshackle Upstate encourages legislative leaders to work closely with regional chambers of commerce and trade

organizations on important issues to the Upstate economy. Our membership is available to engage directly with state officials to help educate them on the real-world impact of policy decisions in Albany.

Unshackle Upstate is supportive of the formation of a bicameral, bipartisan Upstate Interest Caucus that would meet regularly to discuss and consider the unique issues most important to the economy and employers of Upstate New York.

ANY EFFORT TO RAISE OR EXTEND TAXES, INCREASE FINES, SURCHARGES OR ASSESSMENTS, OR IMPLEMENT NEW REVENUE ACTIONS MUST BE CATEGORICALLY REJECTED BY ELECTED OFFICIALS AND TAXPAYERS.

CONTINUED FISCAL RESPONSIBILITY

Governor Cuomo and the Legislature have prioritized spending restraint, holding each of the past eight enacted budgets below two percent growth. Facing some new and unique fiscal challenges, we support, in the strongest possible terms, continuing this path of fiscal discipline.

Upstate New York needs strong leadership now more than ever. Our already struggling economy simply cannot withstand additional state taxes or enhanced revenue actions. Albany has already created the "3rd Worst Business Tax Climate" in the United States. Any effort to raise or extend taxes, increase fines, surcharges or assessments,

or implement new revenue actions must be categorically rejected by elected officials and taxpayers.

According to the state Division of Budget New York State is facing a \$3.1 billion budget deficit in 2019. This deficit drops to \$402 million dollars if the state maintains the Governor's 2-percent spending cap, something Unshackle Upstate strongly supports.

New York's State budget is more than \$168 billion, exceeding that of both Texas and Florida, two states with larger populations. Efficiencies, reforms and programmatic savings exist that can help balance the State's budget without increasing taxes or slashing important social services. Many such reforms to existing state policies that benefit our economy, taxpayers and the state's bottom line are contained within these pages.



ACCORDING TO A 2018 WALLETHUB REPORT, NEW YORK HAS THE HIGHEST TAX BURDEN IN THE NATION.

MAKE THE PROPERTY TAX CAP PERMANENT

High property taxes have undermined Upstate economic growth. They discourage people from moving to Upstate New York, and from investing and starting businesses here, stifling economic growth.

Since passage in 2011, Unshackle Upstate and its partners have led the effort to protect the 2-percent property tax cap.

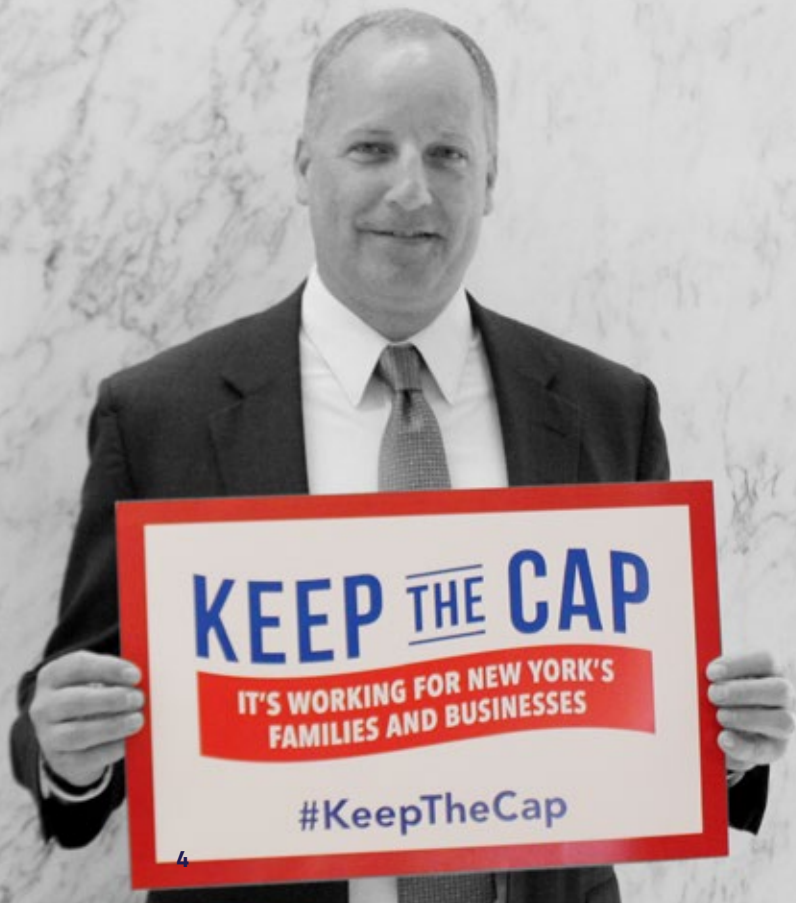
The state's real property tax cap has forced local governments and school districts to control their spending and to live with the same fiscal discipline that the state's families and businesses must live with every day. Over the last five years in which the cap has been in effect, taxpayers throughout the state have seen some of the lowest

rates of property tax growth in decades.

Making the property tax cap permanent should be a top priority for our leaders in Albany this year. This effort is essential for New York to become a place where families can afford to live, and businesses are able to invest, grow and succeed.

NEW YORK'S 2-PERCENT PROPERTY TAX CAP HAS SAVED TAXPAYERS
MORE THAN \$8 BILLION
SINCE IT WAS FIRST ENACTED IN 2011

EMPIRE STATE CHAPTER
OF ASSOCIATED
BUILDERS AND
CONTRACTORS
PRESIDENT
BRIAN SAMPSON
AT A 2015 RALLY IN
SUPPORT OF THE
PROPERTY TAX CAP.



REJECT PREVAILING WAGE EXPANSION

“Prevailing wage” used during private construction projects raises costs and prevents economic growth. Attempting to attach prevailing wage requirements to private construction projects or industrial development agency (IDA) supported projects will only hamper the already difficult task of rebuilding New York, specifically in Upstate.

By law, public construction projects must pay prevailing wage, which in New York State is not calculated as a true “prevailing wage” but rather reflects labor union collective bargaining agreements covering various building trades. In New York, the mandated prevailing wage as calculated also includes the value of high-priced benefits, further increasing the cost of public construction.

A 2017 study by The Empire Center for Public Policy, *Prevailing Waste: New York’s Costly Public Work’s Pay Mandate*, found that **New York’s prevailing wage law increases the cost of public construction between 13**

and 25 percent depending on region. The study makes a point to note that this is a conservative estimate. This study also points out the wasteful nature of these prevailing wage laws “The law effectively saddles contractors with productivity-sapping union work rules—such as a requirement that highly paid operating engineers stand by to push the buttons on automated elevators used by other workers on a construction site.”

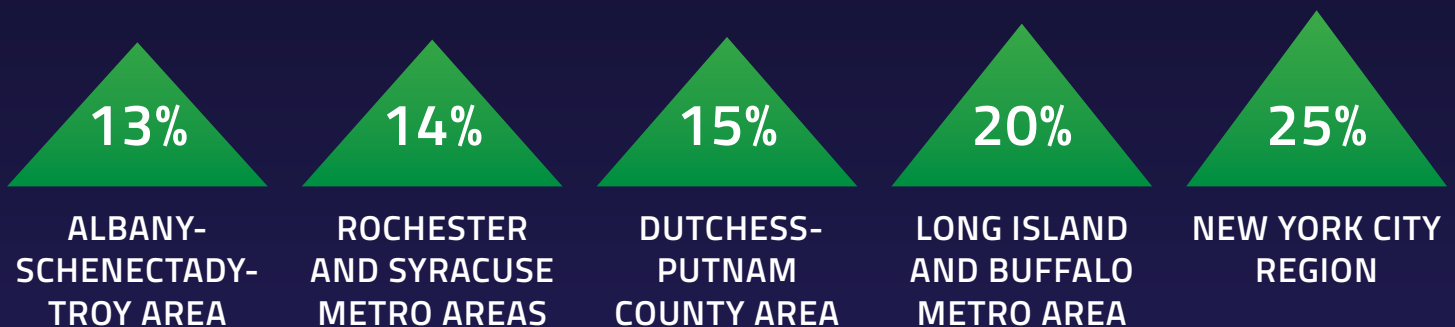
Prevailing wage means 20 percent less roads are paved in Buffalo, in the Greater Rochester and Syracuse Areas prevailing wage drives up the cost of construction by 14 percent. The added costs of prevailing wage mean 25 percent less upgrades to the NYC’s aging infrastructure.

Despite all of the proven negatives involved with a prevailing wage mandate, there is still a yearly push to expand prevailing wage laws to private development projects that use state or local support through industrial development

agencies, Regional Economic Development Council programs, brownfield redevelopment credits, and other economic development incentives. New York State is one of the worst states in the country with regards to the business and tax climates, and these programs are necessary to attract business and development opportunities in the state, especially in Upstate.

By expanding prevailing wage mandates to private construction development any sliver of potential economic development and growth in Upstate will cease to exist. Instead of expanding this prevailing wage mandate that is already causing harm across the state, Albany needs to focus on fixing the current law, starting with reforming how the prevailing wage is calculated to reflect the actual “prevailing wage” in an actual labor market. Having an accurate, reasonable and responsible prevailing wage will save companies and taxpayers billions of dollars on state and local construction projects.

THE PUBLIC CONSTRUCTION COST IMPACT OF PREVAILING WAGE



OPPOSE A SINGLE-PAYER SYSTEM

Replacing our current system of health care coverage in New York State with a multi-billion dollar, state-run single payer system funded by the state's taxpayers is not a viable or desirable policy objective.

A recent study by the RAND Corporation finds that the costs of moving to a single payer healthcare system would require an initial tax increase of \$139 billion dollars. That number jumps to \$210 billion dollars by 2031.

Given New York's toxic business climate – the Tax Foundation has consistently ranked New York toward the bottom of their business tax climate rankings – asking small businesses and taxpayers to pay billions more in new taxes is simply irresponsible.

If adopted, a single-payer system would eliminate an estimated 150,000 jobs across New York state. Additionally, millions of New Yorkers will be forced off their current healthcare plans and put in to a government plan managed by an Albany bureaucracy.

Rather than completely dismantling New York's current health care system, which covers 95 percent of New Yorkers and replacing it with a bloated bureaucracy, our leaders in Albany should work on responsible solutions that will help expand coverage for the remaining 5 percent of residents.

THE DIAGNOSIS FOR ALBANYCARE IS BAD...

X \$200+ BILLION
IN NEW TAXES

X 150,000 LOST JOBS

X LONGER WAIT TIMES
AT YOUR DOCTOR'S
OFFICE

X YOU LOSE YOUR
CURRENT HEALTH
COVERAGE

"ADDING THOUSANDS IN NEW TAXES WILL BE A DEATH SENTENCE FOR MANY SMALL EMPLOYERS."

SYRACUSE POST-STANDARD, NOV. 15, 2018

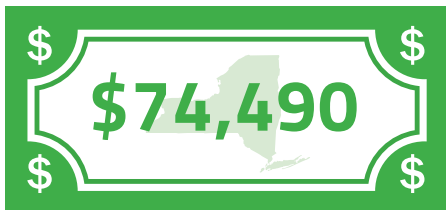
ENCOURAGE INVESTMENT IN WORKFORCE DEVELOPMENT

Across the state, tens of thousands of so-called “middle- skills” or “new collar” jobs remain unfilled. Surveys conducted by Monroe Community College estimate that as many as 20,000 jobs remain “chronically” unfilled in the Finger Lakes region alone, many of which are in middle-

needs of Upstate employers.

State, federal and local governments, secondary and higher education institutions, not-for-profit organizations and private sector entities all spend commendable time, energy and resources towards training job seekers with new

talent pipeline management process for our time that is employer-led and responsive to the skills and jobs demanded by employers in today’s modern economy. **New York State should direct workforce development funds to qualified regional chambers of commerce**



THE MEDIAN WAGE OF NEW YORK STATE STEM OCCUPATIONS IS \$74,490 A YEAR, WHICH IS 67% HIGHER THAN THE MEDIAN ANNUAL WAGE FOR ALL WORKERS IN THE STATE.

skill fields like computer systems, health care, trades and manufacturing. These jobs often require more than a high school diploma but less than a college degree and pay good salaries and wages.

Upstate’s short-term and long-term job creation and economic goals would be best served by strategically cultivating workforce development programs to fill the jobs we have and meet the

skills to make them more attractive candidates.

Unfortunately, our current funding, administration, training and job placement systems are siloed and counterproductive, often resulting in unnecessary costs, jobs remaining unfilled and too many left unemployed or underemployed.

Unshackle Upstate and its partners support a flexible

and other employer-led organizations that are better aligned with the needs of regional labor markets.

By engaging and empowering private sector employers, New York’s workforce development efforts will be more effective, Upstate communities will be able to put more of its residents to work and employers will be able to source more talent locally.

“I THINK WE HAVE TO DO A BETTER JOB ALIGNING OUR WORKFORCE DEVELOPMENT EFFORTS AND ENSURE WE’RE REALLY MEASURING WHAT’S REALLY EFFECTIVE.”

BOB DUFFY, GREATER ROCHESTER CHAMBER OF COMMERCE PRESIDENT AND CEO

IMPROVING NEW YORK'S MWBE PROGRAM

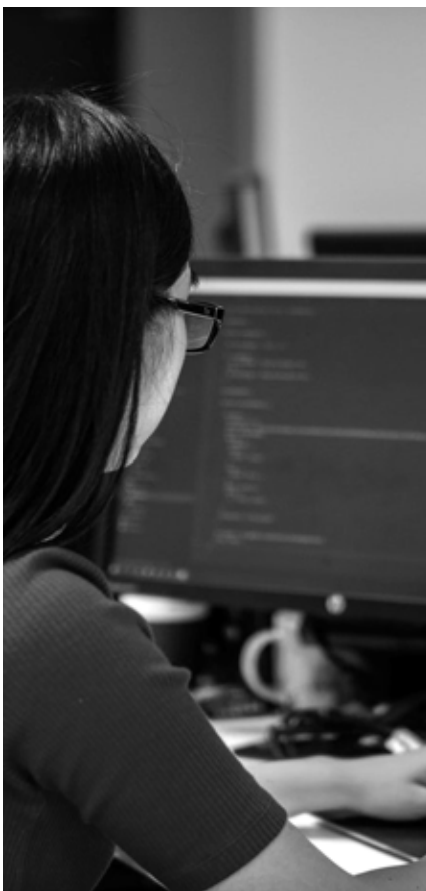
New York is a national leader in providing economic opportunity to Minority and Women Owned Business Enterprises (MWBE). However, MWBE guidelines should be realistic and attainable. The goals and targets of MWBE programs must reflect demographic realities across the state and responsibly differentiate the available pool of MWBE contractors in individual economic development regions where grants or contracts are awarded.

It's unfair to expect the North Country or the Southern Tier to award the same percentage of contacts (30 percent) to MWBE certified firms as New York

City when there are simply not enough MWBE firms operating in those regions to reasonably expect such a high threshold can be met. This often results in contracts being awarded outside of one region to fulfil the requirements of this artificial threshold, depressing local job opportunities Upstate.

Unshackle Upstate supports common sense legislation to reform state contracting practices that reflect the demographics of the state's diverse economic development regions.

We also support making the MWBE application and certification process more open, accessible and efficient.



IT'S UNFAIR TO EXPECT THE NORTH COUNTRY OR THE SOUTHERN TIER TO AWARD THE SAME PERCENTAGE OF CONTACTS (30 %) TO MWBE CERTIFIED FIRMS AS NEW YORK CITY WHEN THERE ARE SIMPLY NOT ENOUGH MWBE FIRMS OPERATING IN THOSE REGIONS.

PROJECT LABOR AGREEMENT REFORM

Mandating regionally negotiated PLAs should also be rejected.

PLAs increase the cost of construction projects by an estimated 18-30%.



PLAs force employees to pay union dues, accept unwanted union representation, and forfeit benefits earned during the life of a PLA project unless they join a union and become vested in union benefits plans.

In 2015, adding a PLA to the construction of a new exit (122) off of State Route 17 cost state taxpayers an additional \$6 million dollars on this project alone.

We support "The Public Construction Savings Pilot Act," legislation that would allow contractors to bid on public works projects whether they employ a PLA or not. It would also save taxpayers millions of dollars on public construction projects.

FUND SHOVEL READY SITES

Upstate New York faces inherent difficulties attracting new businesses. By enhancing the Shovel Ready Program, New York can help lower costs and shorten the timeline for the site plan approval process, which will aid in large scale economic development and private sector job creation.

PROPERTY TAX RELIEF FOR ALL

As effective as the real property tax cap has been, it's limited in its ability to actually reduce taxes.

New York State should now focus on reforming our expensive patchwork of unfunded state mandates that keep our property taxes high and allow commercial property owners to participate in any future relief efforts.

The Governor's Mandate Relief Council, which has been dormant for several years, should be re-empaneled and its recommendations followed.

TAX RELIEF FOR OVER BURDENED SMALL BUSINESSES

In recent years, the Executive and the Legislature have successfully implemented some tax reforms that we are proud to have supported: personal income tax rates, the corporate franchise tax, taxes on manufacturers and the dreadful 18-A energy assessment tax have all been positively addressed.

To provide long awaited tax relief to all sectors of the economy, Unshackle Upstate believes additional tax relief must apply to the small and medium-sized businesses that drive our economy.

For any small employer which files business taxes via the personal income tax with an income at or below \$500,000 with a business income less than \$1.5 million:

- » PIT exemption is increased from the current 5% to 15% for small business
- » PIT exemption is increased from the current 5% to 20% for farm income

For those small businesses which file their taxes via the corporate tax with an income at or below \$500,000:

- » Reduce tax rate from current 6.5% to 2.5%



EASE NEW YORK'S SUFFOCATING REGULATORY BURDEN

New York State has two primary regulatory problems: First, there are too many regulations that are too confusing; second, the agencies empowered to enforce these regulations often act as prosecutorial entities rather than regulatory or compliance agencies.

Legislative taskforces have identified more than 2,000 outdated and overly burdensome regulations that warrant review, reform or

repeal. Many of these are discussed in these pages and we strongly support continued efforts on this front and urge action on these specific identified burdens.

Executive overreach in the regulatory process has become a troubling trend. Wage and labor mandates are increasingly being promulgated and implemented by unelected state agencies and appointed boards, without significant legislative input or

oversight. The State Legislature is a coequal branch of state government whose members are often in a better position to communicate, interact and be held accountable by their constituents.

In addition to repealing and reforming specific regulations identified to be outdated or overly burdensome, we also support ongoing efforts to reform the regulatory promulgation and rule-making process in New York, including:

- ✓ **LIMITING THE USE OF "EMERGENCY RULEMAKING" AUTHORITY**
- ✓ **IMPROVING REGULATORY "JOB IMPACT" ANALYSES**
- ✓ **ENSURING SMALL BUSINESS WITH LIMITED RESOURCES HAVE THE ASSISTANCE NECESSARY TO ENSURE COMPLIANCE**
- ✓ **IMPROVING THE PUBLIC COMMENT PERIOD AND HEARING PROCESS TO MAKE IT MORE INCLUSIVE OF EMPLOYERS**

STOP NEW EMPLOYER MANDATES

New York's challenging business climate is notorious, but it is not just our tax burden that stifles economic growth. Albany places a never ending and always expanding set of mandates and regulations on large employers, small businesses and not-for-profits that increase the cost of doing business, deter

potential employers from locating Upstate and put current Upstate employers at a competitive disadvantage.

Potential new mandates that will place onerous restrictions on common place hiring practices and flexible scheduling carry burdensome reporting, administrative and

compliance costs that simply make New York less attractive to do business.

No matter how well intended, mandates like these are a major contributor to the state's continued economic malaise and should be rejected.

CONSIDER EMPLOYER CONCERNS REGARDING MARIJUANA

While New York State considers the possible legalization of recreational marijuana, employer concerns must be considered. In particular, the legislature should consider establishing an impairment standard, addressing impacts to workplace safety and employer liability concerns.

We encourage Legislators to seek feedback directly from businesses, chambers of commerce and trade associations to understand potential impacts on the business community as part of initial discussions on this issue.

WORKFORCE ON WEED

85%

MORE INJURIES

75%

GREATER ABSENTEEISM

55%

MORE INDUSTRIAL ACCIDENTS

Source: National Safety Council

STATE MANDATED OR SPONSORED RETIREMENT

Proposals that currently exist to create a payroll deduction to fund a state administered private sector retirement plan are simply new legislative mandates from Albany that will increase administrative and regulatory burdens and raise compliance costs on small employers.

We are also concerned that the state-administered system will be more expensive than lawmakers anticipate, and that state taxpayers could ultimately be required to make up the difference.

With this issue in mind, in 2016 Governor Cuomo created

the SMART (“Saving More to Achieve Richer Tomorrows”) Commission to study available options for employees who do not have access to a private sector retirement plan. We hope that the release of this study will respond to some of the concerns that remain.

WORKERS' COMP

2017 marked the first time in a decade that New York State enacted significant workers' compensation reform. The 2017 reforms take important steps to reduce employer costs, modernize the system and retain worker protections.

However, New York employers, small businesses, not-for-profits, and local governments still pay among the highest workers compensation costs in the nation – third highest in nation, 150 percent of the national median. Much work remains to ensure the enacted reforms achieve their cost saving intent in the coming years.



MODERNIZE SLU IMPAIRMENT GUIDELINES



EXPAND THE CURRENT PREFERRED PROVIDER OPT-OUT PERIOD FROM 30 TO 90 DAYS



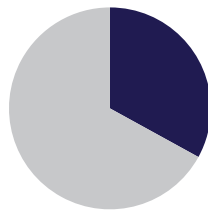
NEW YORK SHOULD "DO NO HARM" TO OUR ALREADY EXPENSIVE WORKERS' COMPENSATION

SUPPORT ENERGY INFRASTRUCTURE

To rebuild and grow the Upstate economy, employers need access to affordable energy, particularly in the manufacturing sector. Albany must utilize existing resources to ensure we have reliable energy supply for heating and electricity generation.

Though New York has denied its residents the economic opportunities associated with developing our own energy

We urge the state to stop making politically motivated decisions to delay or reject important energy infrastructure projects. Doing so makes natural gas more difficult to obtain and thus costlier, driving up our already high energy costs. Additionally, we believe New York should revisit its total ban on natural gas development and put in place rules and regulations that are sensitive



33% OF NEW YORK STATE'S NET ENERGY CONSUMPTION COMES FROM NATURAL GAS

Source: NYSERDA

resources, natural gas is being produced in abundance by nearby Pennsylvania and Ohio. But the current transportation infrastructure (pipelines) does not fully meet the needs of existing or potential large volume end-users.

The NYS Department of Environmental Conservation has been denying permits for enhanced and modern energy transportation infrastructure by failing to act within legally required timeframes. New York's resistance to new pipelines is bad for businesses and residents (who end up paying more for energy than they should).

to both environmental and economic concerns relating to the development and transportation of energy resources.

New York must also consider taking advantage of existing energy supplies that will help lower costs for consumers. Increased use of hydro power from in Quebec and Ontario provide New York an opportunity to enhance our use of renewable energy and access a reliable energy source.

REJECT THE COSTLY CLIMATE AND COMMUNITY PROTECTION ACT

There has been a growing push in Albany to pass the *Climate and Community Protection Act*. This legislation – which would mandate that all energy in New York State be generated by renewables – would significantly increase energy costs for most businesses and ratepayers.

New Yorkers already pay some of the highest utility rates in

the nation. A recent study by researchers at Stanford and Cornell found that achieving a 100 percent renewable standard by 2030 would cost New Yorkers almost \$400 billion in higher energy costs. Increasing costs on businesses and households will make New York less economically competitive and undermine our efforts to create private sector jobs.

New York State has several programs intended to boost the role of renewables in our energy portfolio. These efforts, however, should not come at the expense of viable energy sources like natural gas, which serve businesses and households today, and do not rely on state subsidies for sustainability.



A RECENT STUDY FOUND THAT ACHIEVING A 100 PERCENT RENEWABLE STANDARD BY 2030 WOULD COST NEW YORKERS ALMOST \$400 BILLION IN HIGHER ENERGY COSTS.

Source: <https://www.bloomberg.com/news/articles/2013-04-08/new-york-renewable-power-plan-would-cost-382-billion-by-2030>

MINIMUM WAGE

In 2016, New York State passed the largest increase to the State's minimum wage in recent history. For most industries, the minimum wage will increase substantially over the next several years.

Upstate New York will see its minimum wage rise to \$12.50 per hour by 2020 with a to-be-determined indexing formula to govern Upstate's subsequent wage increases.

The Department of Labor and the Division of Budget must use an Upstate-specific economic indicator(s) when developing its Upstate Wage Indexing Formula to ensure that the increases are responsible and do not pose additional burdens on Upstate's struggling small businesses.

New York State should end its use of appointed wage boards to determine economic policy in New York State. Such decisions are the responsibility of the state's elected representatives.

"THE INCREASE ON MINIMUM WAGE, JUST LIKE ANY OTHER GOVERNMENT REGULATION, CAUSES AN ADDITIONAL HURDLE FOR BUSINESSES ACROSS THE BOARD."

JENNIFER CONWAY, GREATER BINGHAMTON CHAMBER OF COMMERCE PRESIDENT AND CEO

PAID FAMILY LEAVE

In 2016, New York State enacted the most expansive paid family leave mandate in the country. While the program is supposed to be funded by employee payroll deductions, we have serious concerns that, when fully phased-in, the costs of this program costs will exceed the funds identified to support it.

The Legislature and the Governor have promised that employers would not directly fund this new mandate and that promise must be upheld. Employers and taxpayers simply cannot afford to bear the currently unknown cost of this expansive and expensive program.

“AS A FAMILY BUSINESS, YOU’LL MAKE THOSE THINGS HAPPEN BECAUSE IT’S ALL PART OF A FAMILY HERE. WHAT I’M CONCERNED ABOUT IS THAT THIS BEREAVEMENT, HOW BROAD IT IS.”

FRANK FALATYN, OWNER OF FALA TECHNOLOGIES

Source: Albany Business Review, <https://www.bizjournals.com/albany/news/2018/07/30/legislature-expands-paid-family-leave-to-include.html>

Unshackle Upstate also has serious concerns about proposals to expand this program. Efforts to include bereavement leave will

only add to the costs of this program, and that these excess costs will ultimately be borne by the state’s employers, or by the state’s taxpayers.

OPPOSE PUBLICLY FINANCED CAMPAIGNS

Unshackle Upstate opposes the use of tax dollars to fund political campaigns. New York State already taxes too much and spends too much. A system of taxpayer-funded political campaigns would be another yet another burden on New York families. While we support efforts to curb political corruption, taxpayer funded

campaigns will not fix this problem.

Given the many challenges in this state, those dollars would be better spent on broad based tax relief, upgrading our crumbling infrastructure, or strengthening our communities.

NO ONE HAS BEEN ABLE TO PROVIDE A DEFINITIVE ESTIMATE AS TO THE ACTUAL COST OF A SYSTEM OF TAXPAYER-FUNDED POLITICAL CAMPAIGNS. PER FOUR-YEAR POLITICAL CYCLE, ESTIMATES SHOW THE COST COULD BE AS HIGH AS



GROW THE NY/CANADA ECONOMIC CORRIDOR

From Buffalo to the Northern reaches of the Adirondacks, Upstate enjoys a unique cross-border market with close to 14 million people and hundreds of billions of dollars in economic activity stemming from Toronto, Montreal, Ottawa, Hamilton and St. Catherine's.

Upstate's 445-mile border

with Canada provides tangible benefits and significant potential as an international gateway for private sector job creation and economic opportunities.

Unshackle Upstate strongly supports existing efforts such as Global NY and supports growing Upstate's economic

partnership with neighboring Ontario and Quebec to improve cross-border commerce and tourism.

We oppose shortsighted "source of origin" procurement mandates that ignore and jeopardize our unique integrated economy with Ontario and Quebec.



"NEW YORK'S PARTNERSHIP WITH CANADA IS ONE OF ITS GREATEST ECONOMIC ASSETS, ESPECIALLY UPSTATE. FROM TRADE TO TOURISM TO FOREIGN DIRECT INVESTMENT, IT SUSTAINS AND CREATES THOUSANDS OF JOBS FOR NEW YORKERS AND MUST BE VALUED AND SUPPORTED BY THE STATE IN ALL POSSIBLE WAYS, WITH SPECIAL ATTENTION AND CREATIVE PARTNERSHIPS IN COLLABORATION WITH KEY CHAMBERS WHO ARE LEADING THE WAY FORWARD."

GARRY DOUGLAS, NORTH COUNTRY CHAMBER OF COMMERCE PRESIDENT AND CEO

EXCELSIOR JOBS

The Excelsior Jobs Program is a key job retention and attraction tool for struggling Upstate regions. We support this program and would like to see its usefulness expanded by lowering the

job creation thresholds to 10 jobs and capital investment of \$1 million to qualify as a "regionally significant manufacturing project" in rural and low population regions of Upstate. In the North Country

and Southern Tier in particular, what constitutes a "significant project" differs from other parts of the state.

PROMOTE GOVERNMENT EFFICIENCIES

Unshackle Upstate supports state and local government consolidation efforts. The Spending and Government Efficiency (SAGE) Commission issued its final report several

years ago. The State should follow through on the report's recommendations and identify additional reforms and efficiencies.



OPPOSE OFFICE OF UTILITY CONSUMER ADVOCATE

Interest groups have sought to create a new state office of Utility Consumer Advocate in a purported effort to combat rising utility costs. Unfortunately, this office is not imbued with the requisite power to actually address what causes our energy and utility bills to be so high -- state-imposed taxes, fees and assessments on every single

utility bill that we pay each month. New Yorkers pay the third highest electricity prices in the nation. The first action to protect energy ratepayers in New York State must be to reduce the taxes, fees and surcharges on our utility bills, which currently account for 25 percent to 30 percent of a typical bill.

WICKS LAW

Currently most public construction projects in New York are subject to separate bidding requirements. In 2008, Wicks Law was amended to set an exemption threshold of just \$500,000 Upstate (while New York City receives a threshold of \$3 million and Long Island and Westchester County receive a threshold of \$1.5 million).

The Upstate threshold remains far too low to generate any savings to Upstate taxpayers. We propose increasing the Wicks Law exemption threshold.

SEQR REFORM

The State Environmental Quality Review (SEQR) process is frequently cited as a major impediment in the project development process, effectively stifling economic development. SEQR should be reviewed and updated to establish an efficient, predictable and fair environmental review process.

Transparency in the SEQRA process should also be addressed, as well as the inclusion of definitive timelines.

INVESTING IN INFRASTRUCTURE

Upstate New York faces significant infrastructure needs. Our roads, bridges, water mains and supply networks, sewer systems and more are aging and require a significant investment to upgrade and maintain.

A recent TRIP report suggested New York's deteriorating roads cost drivers an estimated \$24.8 billion each year. Additionally,

49% of the state's roads and bridges found to be in poor or mediocre condition.

In early 2015, Unshackle Upstate issued a report that began with the following assessment: "New York's essential infrastructure is in dire need of repair and replacement." Unfortunately, that assessment still holds true today.

Continuing responsible and equitable investment in the state's aging infrastructure is an economic imperative. When making investments in infrastructure, we urge leaders in Albany to recognize the critical needs of the thruway, as well as the subway.

"ROADS, BRIDGES, HIGHWAYS AND TRANSIT ARE THE BACKBONE TO OUR SUCCESS. IT IS IMPERATIVE THAT WE NOT ONLY FUND THE NECESSARY MAINTENANCE OF THIS INFRASTRUCTURE, BUT THAT WE INVEST IN ENHANCING OUR TRANSPORTATION NETWORKS AS WE WOULD FOR ANY KEY ECONOMIC DEVELOPMENT INITIATIVE."

DOTTIE GALLAGHER, BUFFALO NIAGARA PARTNERSHIP PRESIDENT AND CEO

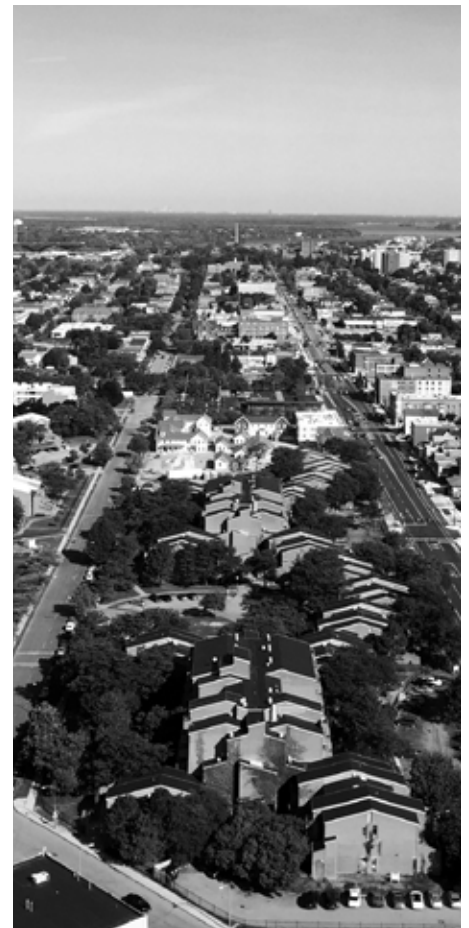
REVITALIZING UPSTATE COMMUNITIES

Upstate's industrial heritage – once the main driver of our economy – has left parcels and properties that simply cannot be cleaned-up, redeveloped and returned to the tax rolls without fiscal incentives. The Brownfield Cleanup Program has proven to be successful in redeveloping long vacant and environmentally damaged properties into community assets.

We support similar efforts to provide tax credits to

incentivize the redevelopment and remediation of properties with significant quantities of asbestos, lead paint and mold. This would improve the environmental quality of Upstate communities and continue the momentum of urban redevelopment.

Asbestos abatement notification fees should also be reduced from their current level to incentivize the safe and efficient abatement of asbestos-present properties.



PROMOTE WIRELESS BROADBAND INVESTMENT AND CONNECTIVITY

New York State has exerted significant attention to expand internet access for underserved businesses and residents through the Broadband for All initiative. Despite these efforts, many communities lack access to cellular service, an essential resource in today's environment.

As they have done for broadband, the state should make efforts to expand cell service using public private partnerships to help close

significant coverage gaps. Enhancing our cellular infrastructure will not only provide an important economic boost, but will also enhance public safety, particularly in the state's Adirondack region.

The state must also take efforts to modernize existing wireless services. Mobile fifth-generation (5G) wireless systems are the next upgrade of wireless technology, offering significantly faster speeds, greater capacity and improved reliability. A large amount

of new equipment – called “small cells” – will have to be installed in the coming years in order for wireless providers to deploy this new technology.

We urge state lawmakers to promote the deployment of state-of-the-art wireless networks in New York State by enacting small cell siting legislation that balances the needs of local governments and wireless companies and facilitates the deployment of this potentially transformative technology.



MAINTAIN AND IMPROVE REDC PROCESS

Since 2011, the Regional Economic Development Council program has redefined and improved how New York State distributes vital economic development aid.

According to REDC documents, New York State has awarded more than \$4 billion through

six rounds of the competition which has funded more than 5,000 projects.

The REDCs focus the economic development process at the regional level, take advantage of unique assets and opportunities present in New York's diverse economies, and

empower local stakeholders to guide the economic direction of their communities.

New York State should continue to utilize and emphasize regional expertise and input in economic development investment decision making.

ADOPT THE LET NY WORK AGENDA

Unshackle Upstate is a supporter of the *Let New York Work* coalition, which includes representatives from the business community, local municipal leaders and public education. This group has identified the core cost drivers for local governments and the education systems that need to be reformed. We continue to urge state leaders to promote and support the Let NY Work agenda, which will provide relief from unfunded mandates for local governments, school districts, and ultimately taxpayers.

We also continue to support efforts to place a moratorium on new unfunded mandates, independent reviews of existing mandates and reform to the notoriously burdensome Taylor Law and Triborough Amendments.

MAKE THE SHIPMENT OF GOODS EASIER AND MORE AFFORDABLE

New York currently ranks as thesecond most expensive state in the nation to operate a truck, primarily because it is one of only four states in the nation with a highway use tax (HUT) on commercial vehicles.

Although the HUT is imposed only on commercial vehicles, it serves to increase the operating costs of many businesses in New York State as a result of trucking companies imposing higher

transportation rates to cover this expense.

Reforming this onerous, antiquated tax that continues to put New York employers at an economic disadvantage would reduce shipping costs to businesses across the state, improve the competitiveness of New York based motor carriers and help to improve the overall economy for all businesses and consumers.



REFORM THE SCAFFOLD LAW

New York's one of a kind and more-than-a-century old Scaffold Law increases the cost of general liability insurance on every construction project in the state, serving as a drag

on growth and economic development. This includes public projects like schools and bridges; the Scaffold Law is estimated to cost taxpayers \$785 million annually. New

York should pass legislation to apply a comparative negligence standard (liability proportional to fault) under the Scaffold Law.

ANNUALIZATION REFORM

Currently, the New York State Department of Labor calculations annualize private and public benefits using the same method, resulting in excessive costs to contractors already providing benefits to their employees. We support

legislation that would utilize the federal methodology for annualization of benefits under the Federal Davis Bacon Act, which is more equitable and does not penalize employers for doing both public and private work.

OPPOSE CHEMICAL OVER-REGULATION AND PRODUCT BANS

State laws and regulations can contribute to the state's reputation for a hostile business environment and hinder the state's economy. More specifically, over-regulation and product bans related to the chemical industry can further hurt the stability and growth of Upstate. The chemical industry is the largest manufacturing sector in New York, representing almost 10 percent of total manufacturing employment in New York

State; 24 percent of the state's overall manufacturing shipments; and many of these manufacturing sites are located in Upstate. Proposed changes and bans would lead to uncertain futures for more than 37,000 employees directly employed by the industry and another 30,000 related jobs; and would force companies to comply with another level of regulations among an already burdensome patchwork of state laws.

CALL CENTERS

Bills that require regulated entities, such as telecommunications companies and utilities, to provide certain call center services to customers from centers

located within their respective state service territories drive up customer costs. Such mandates should be rejected by lawmakers.

“UPSTATE NEW YORKERS DON'T NEED HANDOUTS – WE NEED PRO-GROWTH, PRO-TAXPAYER POLICIES THAT WILL GET EMPLOYERS INVESTING IN OUR COMMUNITIES AGAIN AND GET PEOPLE WORKING IN SUSTAINING JOBS.”

***MICHAEL KRACKER,
UNSHACKLE UPSTATE
EXECUTIVE DIRECTOR***



**NEW YORK
STATE'S HEALTH
CARE TAXES ARE
OUT OF CONTROL:**

**HCRA SURCHARGE
\$3.1 BILLION**

**COVERED LIVES
ASSESSMENT
\$1.1 BILLION**

**PREMIUM TAX
ON COMMERCIAL
HEALTH
INSURANCE
\$350
MILLION**

**SECTION 206
ASSESSMENT
\$149
MILLION**

**GRAND TOTAL:
\$4.6
BILLION**

MAKING HEALTHCARE MORE AFFORDABLE

The rising cost of private health insurance is routinely cited as a primary concern by Upstate employers and their employees; we continue to pursue opportunities to keep health insurance affordable in New York State.

There is no question that while the Federal government has added to this problem, New York's employers pay some

of the highest health care costs in the nation largely due to burdensome state taxes, mandates and regulations that ultimately complicate health care delivery.

The governor and Legislature should explore ways to reduce the taxes, fees and surcharges and help make employer-sponsored health insurance plans more affordable.



REDUCE HEALTH CARE TAXES, ASSESSMENTS AND SURCHARGES

One of the chief reasons New York State has among the highest health care costs of any state in the nation is the number of taxes, surcharges and assessments the state imposes on employers and individuals who purchase health insurance.

These taxes are "hidden" in health insurance premiums. In 2015, the "covered lives" assessment (\$1.1 billion), the premium tax on commercial

health insurance (\$353 million), the New York State Department of Financial Services (DFS) section 206 assessments (\$240 million) and the HCRA surcharge (\$2.9 billion), combine to cost consumers \$4.6 billion. In some cases, these taxes are adding up to over 10% of a business's overall premium costs. We support reducing the cost of health insurance by reducing these taxes.

REIN IN PRESCRIPTION DRUG COSTS

The rapid increase of prescription drug costs continues to be a serious issue both nationally and in New York State. According to The Centers for Medicare & Medicaid Services (CMS), overall health care spending increased 5.5% in 2014, while prescription drug spending grew by 12.6% over the

same period. As spending on prescription medication, particularly specialty drugs, grows at an alarming rate, it's imperative that state government examine health care's true cost drivers to make it more affordable – including promoting greater transparency by pharmaceutical companies.

PREVENT EXCESSIVE ER CHARGES BY OUT OF NETWORK HOSPITALS

In 2014, legislation was enacted requiring out-of-network provider bills emergency services (and some additional “surprise bills”) to an Independent Dispute Resolution (“IDR”) process which would protect consumers from balance billing and take them “out of the middle” of provider and health plan reimbursement disputes.

The new law, however, only applied to physician emergency service charges and not out-of-network hospital emergency charges. The governor and Legislature should enact legislation to subject excessive hospital charges to the same IDR process which has both reduced health care costs for employers and their employees.

PHYSICIAN COLLECTIVE BARGAINING

Allowing for “collective negotiation” by physicians and other health care providers will raise the health care costs for all privately insured New Yorkers. A recent study found that a federal physician collective bargaining proposal

would raise premiums by 6% to 11% - which will ultimately be borne by businesses and their employees across New York State.

We recognize that certain areas of Upstate New York struggle

CONTROL COSTS FROM HOSPITAL MERGERS

As hospital systems across New York continue to consolidate through acquisition of other systems, our elected leaders must ensure that these activities improve efficiencies, reduce the cost of care, and do not adversely affect employers and consumers through increased health care costs.



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