



# 2016 Policy Agenda

 **UNSHACKLE  
UPSTATE**

# A STRONG VOICE FOR UPSTATE NEW YORK

**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. Our leadership team is comprised of:



**GREATER ROCHESTER**  
*Chamber of Commerce*

**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 RBA / GRCC provides information, advocacy, human resource services and networking to help Finger Lakes employers grow.



**The Empire State Chapter of Associated Builders and Contractors** is the New York Chapter of ABC, a national construction trade association devoted to merit contractors. The Empire State Chapter serves close to 400 members from our central office in East Syracuse, and from branch offices in Albany, Buffalo, Rochester and Long Island/Metro NYC.



**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 Buffalo-Niagara Partnership**, a founding member of Unshackle Upstate, is the privately-funded economic development organization and regional chamber of commerce for the Buffalo-Niagara Region. The Partnership is comprised of thousands of employer members, including dozens of major investors who are committed to growing private investment and jobs in the Buffalo-Niagara region.



**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.

# COMPETING GLOBALLY

In 2015, the Tax Foundation, a nonpartisan tax research group, rated New York's "business tax climate" 49th in the nation, based on our tax burden, cost of doing business and regulatory environment; Forbes magazine ranked New York 50th in the nation for taxes. Rankings like these encapsulate how difficult it is to own and operate a business in New York and underscore why the Upstate economy has lagged so far behind the nation in job growth since the Great Recession of the late 2000's.

Our high taxes and onerous regulatory structure prevents all of New York – especially Upstate – from competing on a national and global scale. This further exacerbates a destructive cycle of population decline, deindustrialization, and dwindling local property tax bases which lead to blighted neighborhoods and fiscally stressed municipal governments.

Widespread, dynamic and sustained economic growth is the cure to these ills. And for that to occur, New York needs to continue to reform the way our state government operates and relieve the burdens it places on employers, taxpayers, homeowners and local governments.

## Say NO to New York's Unprecedented Proposal to Increase its Minimum Wage 67%

The Upstate economy is driven by small business, agriculture and tourism. These three sectors are placed squarely in the crosshairs should the New York State minimum wage be increased to an unprecedented \$15 per hour. This massive mandated wage hike amounts to a 67% increase in labor costs for employers who will be left with very few and very bad options if this proposal advances.

American Action Forum, using three different methodologies including one employed

by the highly respected nonpartisan Congressional Budget Office, predicted that job losses across the state could range from 200,000 to 600,000. Predictably, the negative impacts would be disproportionately felt Upstate, where our economy is less suited to absorb such a staggering increase.

Even economists who favor increasing the minimum wage balk at \$15 per hour, arguing that when the mandated minimum wage reaches 50-60 percent of a given economy's median wage job losses become likely. Upstate's median wage is currently \$16.25 per hour.

Should this short sighted and misguided proposal reach fruition, many businesses will be forced to increase prices of the goods and services they offer. The cost of agriculture





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**EUGENE FAMA, NOBLE PRIZE-WINNING  
ECONOMIST**

*Source: Albany Business Review,  
Nov. 20, 2015*

produce and manufactured foods are estimated to increase up to 30%.

Many small businesses and not-for-profit service providers that are simply unable to raise prices and remain competitive, will have to drastically scale back their operations or close their doors for good.

Unshackle Upstate, like the vast majority of hardworking people who call New York

home, wants to see everyone make more money and succeed as part of a strong, market driven economy, but simply put, saddling the employers that sustain our economy with an unprecedented 67% wage mandate will not create prosperity: **It will crush it.**

## **Workforce Development**

Across the state, tens of thousands of so-called “middle skills” jobs remain unfilled. Survey’s 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-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.

Rather than trying to mandate prosperity through arbitrarily increasing the minimum wage to \$15 per hour, the State’s short term and long term job creation and economic goals would be better served by strategically investing in workforce development programs to fill the jobs we have and meet the needs of Upstate employers.

New York State should conduct a thorough review of all current workforce development efforts and initiatives operated by both private and public sector entities to determine what efforts are producing employees and candidates with the in-demand skills and experience employers are seeking.

Additional funding and revenue streams should also be explored to support effective and efficient programs.



*Source: The Empire Center,  
[www.empirecenter.org/minwage](http://www.empirecenter.org/minwage)*

## Take Advantage of Upstate's Unique Geography to Bolster Our Role in the Global Economy

From Buffalo to the Northern reaches of the Adirondacks, many of Upstate's major population centers enjoy extremely close proximity to a 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 border with Canada provides unlimited potential as in international gateway for private sector job creation and economic opportunities. Unshackle Upstate strongly supports existing efforts like Global NY and believes in growing Upstate's economic partnership with neighboring Ontario and Quebec to improve cross-border commerce and tourism.

## Design-Build

Make permanent the project delivery method known as Design-Build to finish construction projects faster, more efficiently and at lower cost, and expand its availability to all counties, cities, towns and villages with populations above 50,000.

## Prevailing Wage

Forcing a "prevailing wage" on private construction projects stunts development and impedes economic growth. Most particularly, efforts at attaching prevailing or "living" wage requirements to private construction projects/IDA supported projects can only hinder goals to rebuild New York, especially in Upstate cities.

A recent study by Columbia University's Center for Urban Real Estate (CURE) finds that the state's prevailing wage rates are costing New Yorkers millions of dollars every year.

## Project Labor Agreements

Mandating regionally negotiated PLA's should also be rejected. Replacing one ill-advised anti-business mandate (the aforementioned "prevailing wage") with another (PLAs) is not sound public policy. PLA's increase the cost of construction projects an estimated 18-30%. 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 lone project.

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. This would also in turn save taxpayers millions.

## Paid Family Leave

A "one size fits all" mandate of this nature does not adequately factor in the wide range of employment situations that exist in our modern, mobile and information-based economy. Legislation that does not provide any flexibility for employers to craft their own time-off policies based on the needs of the company and its personnel will not work, particularly for small businesses.

Further, we have no idea what a paid family leave program will cost the state's employers to implement. Both the Senate and Assembly sponsors say that the fiscal impact of their proposal is "to be determined."

State lawmakers cannot have an intelligent conversation about a paid family leave proposal until they know all of the costs and administrative burdens that it would impose on the state's employers.

We also need to know how employers might have to adjust other employee benefits in order to implement paid family leave.

# REFORMING NEW YORK STATE GOVERNMENT



## Fiscal Control and Reform For New York's Major Cost Drivers: Education and Medicaid

Education and Medicaid spending – which make up nearly half of the annual state budget – have been capped in recent years. We support continuing these spending restraints and the exploration and implementation of additional recurring savings in future years.

### *Reforming Medicaid*

2011's property tax cap was an historic achievement in New York State, finally putting a meaningful control on our highest-in-the-nation-property taxes. However, property tax relief will remain elusive until New York structurally reforms its system of unfunded mandates that saddle local governments with tens of millions in costs.

The largest among them is Medicaid, which **costs New York State taxpayers more than \$1 billion per week**. More than the states of Texas and Florida combined.

County governments – funded through your property tax dollars – pay 25% of this price tag with Medicaid often accounting for more than 80% of their annual budgets.

In recent years, the state has taken on the responsibility of paying the growth in the local share of Medicaid, but to reduce the local tax burden, the State should incrementally take over the remaining share that is currently drowning local municipal budgets and keeping our tax bills sky high.

Further, New York is the only state in the nation that requires all optional benefits available through Medicaid be provided, ballooning New York State's health care costs. The health care needs in Monroe County are surely different than those of Manhattan and we believe that local county governments should have some discretion in determining what optional benefits fit the dynamics of their unique populations, cutting redundancies and costs.

## Two Percent State Spending Cap

For the past four budgets, State government has operated

under a self-imposed all funds spending cap that has limited out-of-control spending and allowed New York to reduce its out-year budget deficits. This self-imposed cap has introduced fiscal discipline to Albany and it should be made statutory.

## Promote Government Efficiencies

Unshackle Upstate supports state and local government consolidation efforts and will work to identify other cost saving items for New York State. The Spending and Government Efficiency (SAGE) Commission issued its final report several years ago. The State should complete the report's recommendations and continue to identify additional areas where reform and efficiencies can be realized.

## Oppose New Redundant Bureaucracies

In 2014, interest groups across the state sought to create a new state office of Utility Consumer Advocate in their purported effort to

combat rising utility costs. Unfortunately, this office was 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 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.

State-imposed mandates limit the ability of local governments and school districts to provide essential services that drive up local taxes. They also prevent private-sector businesses from competing globally. We support proposals that will make our communities more affordable by eliminating unfunded mandates and promoting job growth through regulatory reform.

## Let NY Work Agenda

Unshackle Upstate is a leader in 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 support the Let NY Work agenda,

which will provide relief from unfunded mandates for local governments, school districts, and ultimately taxpayers.

## Wicks Law

Currently most public construction projects in New York are subject to separate bidding requirements. In 2008, Wicks Law was amended that set an exemption threshold of just \$500,000 (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 to a uniform, statewide \$10 million.

## Oppose Publicly Financed Political Campaigns

Unshackle Upstate opposes the use of taxpayer money to fund political campaigns for public office in New York State. New York State already taxes too much and spends too much. A system of taxpayer-funded political campaigns would be

too expensive and create an uneven playing field that would bolster the political power of organized labor. While we support efforts to end political corruption, taxpayer-funded political campaigns will not fix this problem. It will create new opportunities for politicians to abuse public money.

Unshackle Upstate supports common sense reforms of the state's elections system – including stronger enforcement and greater transparency – that do not require the use of taxpayer money to fund campaigns.

## SEQR Reform

The State Environmental Quality Review (SEQR) Process has often been cited as a main impediment in the project development process, too often being used to stifle economic development. SEQR should be reviewed and updated to establish an efficient, predictable and fair environmental review process. Transparency in the process should also be addressed, as well as the inclusion of definitive timelines.

### Voters' Views On Taxpayer-Funded Political Campaigns



Source: Quinnipiac University Poll, April 17, 2013



# ECONOMIC DEVELOPMENT

## Infrastructure Parity and Investment

In the autumn of 2015, Governor Cuomo and New York City Mayor Bill de Blasio announced an agreement to inject \$8.3 billion dollars of capital into the beleaguered Metropolitan Transportation Authority (MTA). Unshackle Upstate understands the importance of an effective and efficient mass transit system to New York City, and many of the subway cars and busses employed by the MTA are manufactured right here in Upstate.

However, a well-maintained and well-financed network of roads, bridges, rail and airports is equally essential to the economy, public safety and quality of life for nearly 8 million Upstate residents. We call on our leaders in Albany

to stand up for Upstate too by equitably investing in Upstate's transportation infrastructure, as has been agreed to for Downstate.

For years our leaders in Albany understood the importance of equitable infrastructure investment and funded the Department of Transportation (DOT) and the MTA capital programs with relatively parity. That changed in 2009. Under a one-party, downstate dominated legislature, Governor Paterson, the Senate and Assembly enacted a 5-year capital plan for the MTA but left Upstate roads and bridges without a long term commitment.

Since 2009, investment in downstate transit has surpassed investment in Upstate roads and bridges by nearly \$6 billion. This has resulted in the continued deterioration of the infrastructure network we

rely on every day. 60 percent of New York State's roads are currently in need of repair or reconstruction. Our infrastructure, our economy, needs investment now.

We also believe the Dedicated Bridge and Highway Trust Fund should be strengthened to ensure the tax dollars collected through gas and transportation taxes are invested in road and bridge maintenance and repair.

## Redeveloping Upstate's Cities

Many Upstate communities' economic future and physical redevelopment has been stifled by sins of the past. Our industrial heritage – which once drove our economy – has left parcels and properties that simply cannot be cleaned-up, redeveloped and returned to the tax rolls without fiscal incentives. Last year we



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achieved a major victory by extending the Brownfields Redevelopment Program for ten years. This incentive program has proven very successful in Upstate cities like Buffalo and Rochester in redeveloping long vacant environmentally damaged properties into community assets.

We support similar efforts to develop 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 redevelopment we have seen across our urban centers.

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

## Maintain and Enhance REDCs

Since 2011, the Regional Economic Development Council program has redefined and reinvigorated how New York State distributes vital economic development aid. The REDCs focus the economic development process at the regional level, take advantage of unique assets and opportunities presents in New York's diverse regional economies, and empower local stakeholders.

Combined with The Buffalo Billion, the Upstate Revitalization Initiative, and additional Upstate investments in photonics and nano-tech, the REDCs have guided billions of economic development aid to Upstate. New York State should continue and expand upon this innovative economic development model.

## Revisit Natural Gas Development in the Southern Tier

Last year, New York State became the first state with sizeable natural gas resources to outlaw the safe extraction and development of this valuable economic asset. The highly productive drilling process known as "fracking" has led to a "shale gas revolution" across the national economy, producing jobs and affordable natural gas.

New York has made a mistake that will continue to hold the Southern Tier and Upstate economies back for years. Many states have developed comprehensive rules and regulations that are sensitive to both environmental and economic concerns. New York should revisit its decision to ban natural gas development and remain open minded on developing new technologies like gelled-propane extraction.



# TAX REFORM

## Relief For Small Businesses

In the past 5-years, the Executive and the Legislature have successfully implemented some tax reforms that we are proud to have supported

and assisted with: personal income tax rates, the corporate franchise tax, taxes on manufacturers and the dreadful 18-A energy assessment tax have all been significantly reduced.

These actions have been essential to some of the economic gains New York has experienced in recent years, but as evidenced by our recent second-to-last ranking in tax climate by the non-partisan Tax Foundation, much work remains before New York is truly open for business.

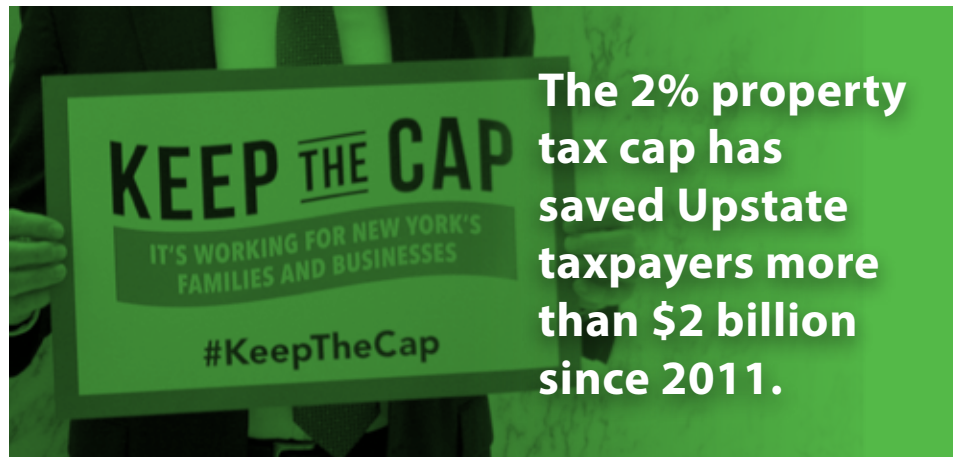
While the aforementioned tax reforms have benefited many employers across Upstate, they unfortunately do not apply and provide no benefit to the tens of thousands of small businesses that file their taxes via the proprietor(s) personal income taxes (PIT).

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

- Make the 2011 PIT tax cuts permanent for all taxpayers;
- Reduce personal income tax by 10% for sole proprietors and businesses with net incomes of \$500,000 or less. This proposal is for businesses established as a personal income tax “pass-through” entity like LLCs, LLPs and sub-chapter “S” corporations; and
- Create a 10% personal income tax exemption for small businesses with less than 100 employees.

## Make the Tax Cap Permanent

2011’s property tax cap stands as the state’s signature economic achievement in recent history. This past year, Unshackle Upstate led the effort to preserve the tax cap and extend it through the end of the decade. We believe



the tax cap has exceeded everyone’s expectations in its effectiveness, saving Upstate property taxpayers over \$2 billion while close to 90 percent of taxing entities have stayed within the strictures of the cap. It’s time to make this effective control on New York’s highest-in-the-nation property taxes permanent.

## Property Tax Relief for All

As effective as the Cap has been, it merely limits the growth of our already astronomical property tax burden; it does nothing to reduce it. Governor Cuomo has championed and enacted additional property tax relief measures, commonly referred to as the property tax rebate and the property tax freeze.

The problem is these efforts merely subsidize our high local taxes with state tax money and exclude commercial property tax owners from any relief. New York State should focus on reforming our expensive patchwork of unfunded state mandates that keep our

property taxes high and also allow commercial property owners to participate in any future property tax relief efforts.

## Wireless Taxes

New Yorkers of every stripe have quietly been paying some of the highest wireless taxes in the nation. State and local taxes account for nearly 20% of New Yorkers’ cell and wireless bills.

Such high excise taxes on communication devices that have become central to our personal lives and successful business operation should be reduced as part of the broader tax reform proposals previously outlined.

## Ton Mileage Tax

The Ton Mileage Tax is based on the specific weight of trucks and is intended to offset wear and tear on roads by charging fees for miles travelled in the state.

This nearly 60 year old levy is applied to vehicles with maximum weights of at least

18,000 lbs. operating in New York.

This tax is a barrier to competition with neighboring states and a major reason trucking operations are moving out of state.

## 18-A Energy Assessment

In 2009, Unshackle Upstate led the fight to oppose this burdensome energy tax that impacts all ratepayers in NYS and is especially detrimental

to manufacturers. While we were successful in securing its repeal – effective March of 2017 – this onerous fee is still a major impediment to industrial growth in the state. We continue to work towards expediting its expiration.

# REFORMING NEW YORK'S SUFFOCATING REGULATORY BURDEN

New York State has two primary regulatory problems: First, there are too many and they 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. We support continued efforts on this front and urge action on these specific burdens.

## Workers' Compensation

Unshackle Upstate has successfully worked with the Governor and Legislature to enact substantive reforms to

the State's Unemployment and Workers' Compensation programs, which improved each system, lowered long-term costs for employers and provided much-needed stability.

However, more work remains to make New York economically competitive with other states. New Yorkers continue to pay among the highest workers' compensation costs in the nation.

For every \$100 of payroll, employers in New York pay \$2.75 in workers' compensation costs, fourth highest in the nation and nearly 150% above the national median of \$1.85 per \$100 of payroll.

Such high workers' compensation insurance costs places Upstate at a competitive

disadvantage in attracting new investment to the region and adds additional cost burdens onto existing employers. **New York State should:**

### *Employ Regional "Average Weekly Wage" Calculations*

When determining an injured worker's compensation benefits, New York State bases their award on the statewide "average weekly wage" for a given occupation; a method that ignores the stark variations in wages and salaries that exist across New York State.

This results in injured workers Upstate receiving a disproportionate amount of compensation in relation to their relatively low cost of living, driving up costs

of workers' compensation insurance rates for Upstate employers.

The average weekly wage should be calculated based on regional labor and earnings statistics, not a statewide calculation that inflates costs.

### ***Reform "Schedule Loss of Use" Guidelines***

When an employee is injured and suffers the loss of use of a specific body part, they are placed in the state's scheduled loss of use protocols. While we fully believe injured workers should be justly compensated, the Schedule Loss of Use protocols in New York reflect outdated medicine.

Evaluation guidelines should be updated to clarify application and reflect modern medical advancements. Further, scheduled loss of use awards should more accurately reflect actual lost time.

### ***Expand the Current Preferred Provider Opt-Out Period from 30 to 90 Days***

This change will benefit injured workers and their employers by reducing administrative costs for all stakeholders; improving continuity of medical treatment; providing expedited access to medical providers, specialists, testing, referrals and treatment; while reducing loss and restricted work days and limiting lengthy and expensive litigation.

### ***Provide Meaningful Timelines For Maximum Medical Improvement (MMI)***

MMI is the time it takes an injured worker to achieve optimal medical improvement for a given injury, thus triggering the awarding of a final capped-benefit, providing resolution for the worker, the employers and medical professionals.

For decades, this process routinely took about 2 years, but since 2007 has ballooned to take closer to 6 years. This has inflated costs and created an environment of uncertainty for all stakeholders.

New York State should return to the standard of determining Maximum Medical Improvement within 2 years of injury or start of treatment.

### ***Apply Nationally-Recognized Standards for Medical Treatment and Impairment Guidelines***

New York State should move to immediately adopt national standards in the diagnosis, care and treatment of injured workers, including the American Medical Association Guidelines (AMA) and the American College of Occupational and Environmental Medicine (ACEOM) treatment protocols.

### ***New York Should "Do No Harm" To Our Already Wildly Expensive Workers' Compensation***

**Oppose** rollback of 2007 cost-savings measures and **reject** new proposals that would allow indemnity benefits for incarcerated claimants; create onerous new regulations on independent medical exams; presume disability based on the qualification of social security disability benefits or empower judges to order forfeiture of business assets.

### ***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 in situations where a worker's injury is caused by a failure to follow safety training, intoxication or during the commission of a crime. New York should also consider exempting Upstate, where the economy and construction development continue to struggle from the late-2000s recession from Scaffold Law's absolute standard.

## Annualization Reform

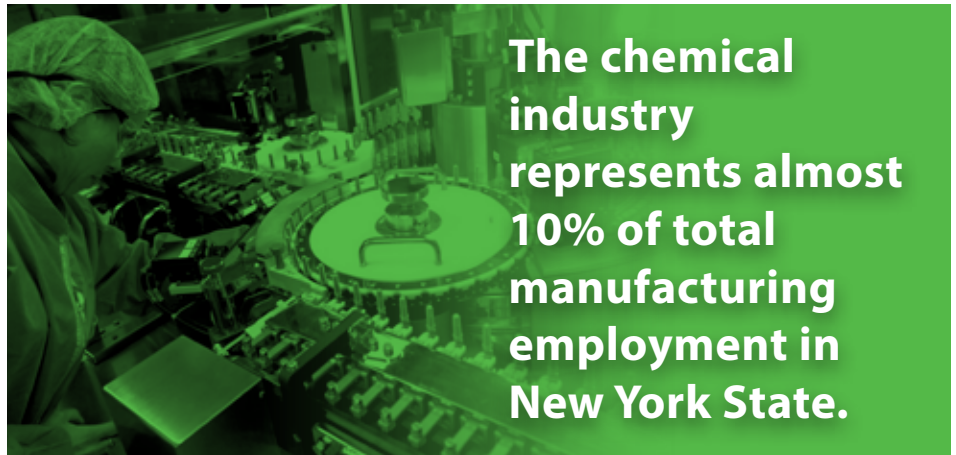
Currently, the New York State Department of Labor calculations annualize private and public benefits using the same method, resulting in excessive costs to contractors already providing benefits to their employees. We support legislation that would utilize the federal methodology for annualization of benefits under the Federal Davis Bacon Act, which is more equitable and does not penalize employers for doing both public and private work.

## 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, while providing no benefits to the employers.

## Oppose Chemical Over-Regulation and Product Bans

State laws and regulations like chemical regulations and product ban legislation are hindering the state's economic recovery, particularly Upstate, and contributing to its reputation as hostile to private business. The chemical industry represents almost 10



**The chemical industry represents almost 10% of total manufacturing employment in New York State.**

percent of total manufacturing employment in New York State; 24 percent of the state's overall manufacturing shipments; and many of these sites are located in Upstate.

Proposed changes and bans would lead to uncertain futures for 1,400 chemical manufacturing employees; forcing companies to comply with another regulatory promulgation among an already burdensome patchwork of state laws.

## VoIP Reform

We support modernizing and improving the state's telecommunications infrastructure by eliminating the state's regulatory authority over Voice-Over-Internet-Protocol (VoIP) communications. New York should encourage investment in internet based telephony by eliminating the state's regulatory authority in that area, which has never been exercised.

## Reject Sweeping New Regulations of Automobile Dealerships

A sweeping series of new laws have been proposed that would fundamentally reshape the way car dealerships in NYS operate, including granting the NYS Department of Financial Services jurisdiction to regulate the advertising and marketing materials of car dealers, and direct oversight of auto financing, financing transactions and financing departments at auto dealerships.

## Reject New Licensure Regulations Targeted at Employment Agencies

As is the norm across the country, many Upstate employers rely on employee recruitment and placement firms to attract qualified employees and grow their

business. This model of hiring has proven particularly useful in Upstate communities that

rely heavily on cross-border economic trade like Buffalo and Plattsburgh.

We oppose the adoption of burdensome new licensure and regulatory requirements for these vital employers.



# HEALTHCARE COSTS

It's reported time and again by trade associations and individual businesses that their number one cost and concern is being able to affordably provide health care for their employees.

While federal laws and regulations certainly have a significant impact on the rising cost of employer-provided health care, New York employers pay some of the highest costs in the nation because of a burdensome and archaic patchwork of taxes, mandates and regulations that stifle innovation and efficient health care delivery.

Just last year, Unshackle Upstate successfully defeated a proposed new \$69 million state tax on health plans.

As spending on specialty drugs grows at an alarming rate, it's imperative that state government examine health care's true cost drivers and take action to make our health care more affordable for every New Yorker.

## Oppose Out of Network Health Coverage Mandates

Legislation that would require health insurers to reimburse out-of-network providers at certain minimum rates will result in higher insurance costs for many New Yorkers. We are also concerned that proposals of this nature will ultimately lead to private health insurance becoming less affordable, leading employers to drop coverage.

## Eliminate the HCRA Surcharge on New York's Health Care

The Health Care Reform Act (HCRA) imposes a strict surcharge on the cost of patient care provided by licensed health care providers. Businesses have been facing skyrocketing health care costs for years, making it more and more difficult for employers to provide employees with access to employer sponsored health

insurance plans. Repealing this surcharge will make employer-sponsored health insurance plans more affordable.

## Health Care Quality and Cost Containment Commission

In 2007, New York State created the Health Care Quality and Cost Containment Commission to review all current and proposed mandated health insurance benefits. This review was to provide an objective "cost-benefit" analysis before legislative action would be taken on specific proposals.

This commission exists only in law, and not in reality. At a time when all New Yorkers are grappling with rising health care costs, the need for this commission to fulfill its legislative charge could not be clearer.

# REDUCING STATE BORROWING

While recent actions in Albany have resulted in a turn towards more responsible fiscal policies, debt still remains a major issue in New York State. According to a 2013 report by State Comptroller:

- New York State is responsible for \$63.3 billion in state-funded debt, second only to California's \$96.4 billion and more than 80 percent higher than New Jersey, which ranks third;
- The State's debt per person (\$3,253) is nearly three times the median of all states, ranking second nationally;
- At 5.4 percent, New York's ratio of debt to GSP was 2.1 times the national median and far higher than levels in most comparable states; and
- In 2012, the state was projected to spend roughly \$1.1 billion to repay prior years' borrowing that was used for budget relief or other non-capital purposes.

*Source: Office of New York State Comptroller, Dept Impact Study - An Analysis of New York State's Debt Burden, January 2013*



**"I believe in Upstate New York and, more importantly, Upstate New Yorkers should believe too, because the best is yet to be."**

*Source: Governor Andrew Cuomo, Huffington Post, September 1, 2015*



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our mission at  
[unshackleupstate.com](http://unshackleupstate.com)**

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