



# 2017 LEGISLATIVE AGENDA



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**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.

Unshackle Upstate's leadership team is comprised of:



**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.



#### **Empire State Chapter**

**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 throughout New York State 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.



#### **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 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.

**Learn more about our Leadership Team at**  
**[unshackleupstate.com/about-us/leadership-team](https://unshackleupstate.com/about-us/leadership-team)**

# INTRODUCTION

New York's 2016 state legislative session saw a wave of unprecedented new mandates imposed on employers of every shape and size, chief among them a drastic increase in the state's minimum wage and the most expansive paid leave mandate in the nation.

Upstate New York is an amazing place to work, live, play, raise a family and grow a business, if you have the opportunity. We are home to world class universities, abundant natural resources, culturally dynamic cities and unique small towns that are all unmatched in many

respects. Sadly, Upstate New York's economy has been held back for generations and its population has stagnated because of shortsighted and irresponsible government in Albany.

In 2017, for the third year in a row, New York State will have the second worst "business tax climate" in the nation, according to the Tax Foundation, a nonpartisan tax research group. This dubious distinction is based on tax burden, the cost of doing business and our regulatory environment. The negative impacts of these metrics are magnified Upstate where our

distinct regional economies do not possess the resiliency and vibrancy of our downstate brethren.

High taxes, an onerous and punitive regulatory structure, and difficulty in doing business prevent all of New York, but particularly Upstate, from competing on a national and global scale. To reach our full economic potential, Upstate needs a partner in state government that recognizes and confronts these challenges, so that Upstate's economy, its communities and its residents can grow and prosper.

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# HOLDING THE LINE ON TAXES AND SPENDING

To the credit of Governor Cuomo's and the Legislature, each of the past six enacted state budgets have held total spending in check – below 2 percent growth each year. We support, in the strongest possible terms, continuing on this path of fiscal discipline.

New York State faces growing budget deficits over the

next several years. State government should address this through continued spending restraint, NOT by raising taxes.

New York's top income tax bracket and the state's notorious 18-a energy surcharge are both scheduled to expire in 2017. Extending either of these temporary

taxes beyond their set expiration dates is equivalent to raising taxes. New York State, its economy and taxpayers need their leaders to hold the line on taxes and spending.

# WORKERS' COMPENSATION

New Yorkers continue to pay some of the highest workers compensation costs in the nation. For every \$100 of payroll, New York employers pay \$2.83 in workers compensation costs, third highest in the nation and more than 150 percent above the national median.

High workers' compensation insurance costs are a hidden tax that place Upstate at a competitive disadvantage in attracting investment to the region while also adding additional costs burdens upon existing employers. To finally get control of the state's workers' compensation costs, New York should:

- **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 medical practices.

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 occurs when an injured worker achieves 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, it has ballooned to nearly 6 years. These unnecessary delays have inflated costs and created an environment of uncertainty for all stakeholders.

New York State should determine Maximum Medical Improvement within 2 years of injury.

- **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.





- **Employ Regional “Average Weekly Wage” Calculations**

When determining an injured worker’s compensation benefits, New York State, in part, bases their award on the statewide “average weekly wage; a method that ignores the stark variations in wages and salaries that exist across New York State. The average weekly wage should be calculated based on regional labor and earnings statistics, not a statewide calculation that inflates costs.

- **New York Should “Do No Harm” To Our Already Wildly Expensive Workers’ Compensation**

Lawmakers should oppose any rollback of 2007 workers’ compensation 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.



## PREVAILING WAGE

Forcing a “prevailing wage” on private construction projects inhibits development and impedes economic growth. Most particularly, efforts to attach prevailing wage requirements to private construction projects/IDA supported projects will hinder goals to rebuild New York, especially in Upstate cities. A 2012 study by Columbia University’s Center for Urban Real Estate (CURE) found that the state’s prevailing wage policies are costing New

Yorkers millions of dollars every year.

With the state and its local governments facing significant challenges in meeting their basic fiscal needs, it simply does not make sense for the state to enact laws that require state and local taxpayers to pay more than they have for public construction projects. Efforts to expand prevailing wage mandates should be rejected.



## 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 by an estimated 18-30%.

In 2011, adding a PLA to the construction of a new exit

(122) off of State Route 17 cost state taxpayers an additional \$4.5 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.

# ENERGY

To rebuild and grow the Upstate economy, employers need access to affordable energy, particularly in the manufacturing sector. Beyond commerce, New York State relies on natural gas for residential heating and electricity generation. Even though New York has denied its residents the economic opportunities associated with developing our own energy resources, natural gas is being produced in abundance by nearby Pennsylvania and Ohio. But 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). The state's Independent System Operator (ISO) has reported that a lack of needed natural gas infrastructure can undermine the reliability of the state's electrical grid.

Further, there appears to be an ever growing appetite within state government to restrict and eliminate the transportation of fossil fuels through other means (rail and road).

Without reliable and affordable energy options, New York State simply cannot compete in a global economy. The Public Service Commission has said that if gas

infrastructure is not available, those businesses, and the jobs associated with them, will go elsewhere.

New York should revisit its ban on natural gas development, and also put in place rules and regulations that are sensitive to both environmental and economic concerns regarding the development and transportation of energy resources. In order to grow our economy, we need more natural gas capacity.

We also support a consumer impact study and cost benefit analysis to better ascertain and respond to the costs associated with New York State's Reforming the Energy Vision initiative (REV).



## Allow the 18-a energy surcharge to expire in 2017

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 2017 – this onerous fee is still a major impediment to industrial growth. With state government facing deficits in coming years, it is critical that this onerous and regressive tax be permitted to expire once and for all.

# 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, culminating with a \$15 per hour wage in New York City in 2019 and for Nassau, Suffolk and Westchester counties in 2021.

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.

We strongly encourage the Department of Labor and the Division of Budget to consider Upstate-specific economic indicators 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.

The outlier is the fast food industry, whose wage rates were determined and are controlled by the decision of the controversial NYS Department of Labor's Fast Food Wage Board. The

minimum wage for the fast food industry in New York City will increase to \$15 by 2018 and by 2020 for the remainder of the state.

New York State should end its use of wage boards and their appointed panel members to determine economic policy in New York State. Such decisions should be made by the state's elected representatives.

**We strongly encourage the Department of Labor and the Division of Budget to consider Upstate-specific economic indicators when developing its Upstate Wage Indexing Formula.**

# 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, this

costs of this program costs will exceed the funds raised 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 now or in the future.



**"Albany needs to focus on improving the state's business climate – not making it more toxic."**

**- Greg Biryla, Unshackle Upstate Executive Director**



# LEVERAGE UPSTATE'S PROXIMITY TO CANADA 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 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 445 mile border with Canada provides 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.

New York State's economy, and specifically the Upstate economy, is substantially integrated with Canada's. Canada is our largest international trading partner with tens of billions in bilateral trade occurring between the Empire State and Canada. This partnership supports 680,000 jobs in New York. Any policies or material procurement mandates that would disrupt this important economic integration must be rejected.



**The Peace Bridge trade and travel corridor accounts for more than \$30 billion in annual commerce between Canada and the United States.**

*Source: [www.peacebridge.com](http://www.peacebridge.com)*



# FISCAL CONTROL AND REFORM OF NEW YORK'S MAJOR COST DRIVERS

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 a historic achievement in New York State, finally putting a meaningful control on our highest-in-the-nation-property taxes. However, real relief

County governments – funded largely through property tax dollars – pay 25% of this price tag, with Medicaid often accounting for more than 80% of county governments' 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 overwhelming local municipal budgets and keeping our tax bills sky high.

Further, New York is one of the few states in the nation that requires all optional benefits

their unique populations, cutting redundancies and costs.

## 2-PERCENT SPENDING CAP

In recent years, 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 much-needed fiscal discipline to Albany and it should be put in statute.



**New York State's total Medicaid spending reached \$59.8 billion in 2015 - the second highest amount in the United States.**

*Source: kff.org*

from high property taxes will remain elusive until New York structurally reforms its system of unfunded mandates that saddle local governments with millions in costs.

The largest among them is Medicaid, which costs taxpayers **more than \$1 billion per week.**

available through Medicaid be provided, ballooning our New York State healthcare costs. The healthcare needs in Broome County are surely different than those of Brooklyn and we believe that county governments should have discretion in determining what optional benefits fit the dynamics of

**"Permanently capping state spending sends the right message to residents and businesses and helps make our state more competitive by changing perceptions of New York as a tax-and-spend state."**

**– Senator Majority Leader John Flanagan**

*Source: nysenate.gov*

# 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 follow through on the report's recommendations and identify additional areas where reform and efficiencies can be realized.

## 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.

## OPPOSE NEW REDUNDANT BUREAUCRACIES

Interest groups across the state have 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 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.

State-imposed mandates limit the ability of local governments and school districts to provide essential services while driving up local taxes. They also prevent private-sector businesses from competing in the global marketplace. Unshackle Upstate supports proposals that will alleviate these burdens to make our communities more affordable by eliminating unfunded state mandates and promoting job growth through regulatory reform.

## 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 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 to a uniform \$10 million.

## 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.

Developers have long complained that New York's SEQR process too often results in expensive delays and overall uncertainty for projects. Dragging out the SEQRA process can effectively serve as a denial, especially for small project developers who may lack the financial resources to work through a process with no clear end in sight.

# ECONOMIC DEVELOPMENT

## INVESTING IN INFRASTRUCTURE

In early 2015, Unshackle Upstate issued a report calling on lawmakers to make greater investments in maintaining and upgrading roads, bridges, water mains and supply networks, and sewer systems throughout the state. Our report began with the following assessment: “New York’s essential infrastructure is in dire need of repair and replacement.”



Unfortunately, our assessment has not changed. In some ways – with respect to the state’s natural gas infrastructure, for example – we have taken a step backwards.

New York State has made some high-profile investments in infrastructure, such as the Tappan Zee Bridge replacement and the ‘Broadband for All’ program to provide high speed internet access to all New Yorkers by 2018.

But much of the infrastructure we take for granted – our water and wastewater systems

in particular – are in need of serious maintenance and upgrades. Industries throughout the state depend on our water resources.

Thus, future economic growth depends on the state making adequate investment in clean water and efficient wastewater treatment systems.

And as noted above, the state has rejected sensible, privately-funded proposals to enhance the state’s natural gas infrastructure while unnecessarily delaying others.

Domestic natural gas is the main reason the United States leads the world in reducing carbon emissions. In July, the ISO found that the state growing even more reliant on natural gas, and this trend is expected to continue.

We urge the state to stop making politically motivated decisions to delay or reject these important projects.

Doing so makes natural gas more difficult to obtain and thus more costly, driving up our already high energy costs.

## 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.

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 needs of Upstate employers.

Using the existing structure of the Regional Economic Development Councils, New York State should conduct a thorough review of all current workforce development efforts and initiatives currently being operated by both the private and public sector entities to

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determine what efforts are producing employees and candidates with in-demand skills and experience that employers are seeking, respective to the unique needs

of regional economies. Then the state – in collaboration with private sector leaders – should put in place in each region a coordinated and flexible approach to workforce

development efforts that involve identifying specific workforce needs and providing a workforce that can meet those needs.

## REDEVELOPING UPSTATE COMMUNITIES AND REVITALIZING NEIGHBORHOODS

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 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.

We also support funding for a second round of the Downtown Revitalization Initiative.

## PROMOTE ACCESS TO WIRELESS SERVICES THROUGH CO-LOCATION WITH EXISTING FACILITIES

Robust and reliable telecommunications networks are essential to the state's economy and to its economic growth, particularly in rural Upstate regions, and the state needs a forward thinking agenda to promote investment and innovation. The state should promote private investment in existing

and new telecommunications networks by putting in place a uniform process for the placement, co-location, modification and maintenance of equipment on existing wireless facilities. Doing so will ease burdens on local governments and serve as an incentive for wireless carriers

to co-locate their equipment onto existing wireless facility sites, rather than to construct new sites. This would be particularly helpful in rural communities that are seeking wireless coverage, helping to lower the cost to expand into currently underserved communities.

## PERMIT RIDE-HAILING TO OPERATE UPSTATE

New Yorkers and people who visit Upstate destinations want access to Uber, Lyft and similar services. Transportation Network Companies, commonly called ride-hailing services, offer customers who prefer to secure transportation through their smartphone the ability to

do so, in some case at a lower cost than other transportation providers.

In some places, these services are getting credit for helping redevelop downtown neighborhoods. By reducing the need for

downtown parking, which can be in short supply and thus costly. We support legislation that legalizes ride-hailing services, while also providing protections for consumers and drivers.

## MAINTAIN AND IMPROVE REDC PROCESS

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 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.

We also believe unique regional workforce development and skills training needs would be best met through the regional economic development council process.

## CONTINUE SUNY2020 CHALLENGE GRANTS

Across Upstate, SUNY campuses provide world class educations while also driving local and regional economies. We continue to support using our public higher education assets as engines for promoting economic growth.

## 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.

## MWBE CONTRACTS

New York is a leader in providing economic opportunity to Minority and Women Owned Businesses (MWBE).



The goals and targets of MWBE programs must reflect demographic realities across the state and responsibly differentiate the practicalities and available pool of MWBE providers in individual economic development regions where grants or contracts are awarded.



# TAX REFORM

## 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 significantly reduced or are scheduled to be eliminated.

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%

## PROPERTY TAX RELIEF FOR ALL

As effective as the real property tax 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 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.

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



## MAKE THE TAX CAP PERMANENT

2011's Real Property Tax Cap stands as the state's signature economic achievement in recent history. Thanks to Unshackle Upstate's and its partners' efforts, New York's landmark tax cap has been extended through the end of the decade. We believe the property tax cap has exceeded everyone's expectations in its effectiveness, saving Upstate property taxpayers billions 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 without any additional exclusions or revisions.



## 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 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 the 2nd most expensive state in the nation in which 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.



## WIRELESS TAXES

New Yorkers pay some of the highest wireless taxes in the nation, even as the average cost of a cell phone plan has dropped. 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.

Moreover, excessive taxes and fees reduce low-income consumers' access to wireless service at a time when such access is critical to economic success.

# 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. We support continued efforts on this front and urge action on these specific identified burdens.

## 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 suffers more acutely from the 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. Such mandates should be rejected by lawmakers.





## OPPOSE CHEMICAL OVER-REGULATION AND PRODUCT BANS

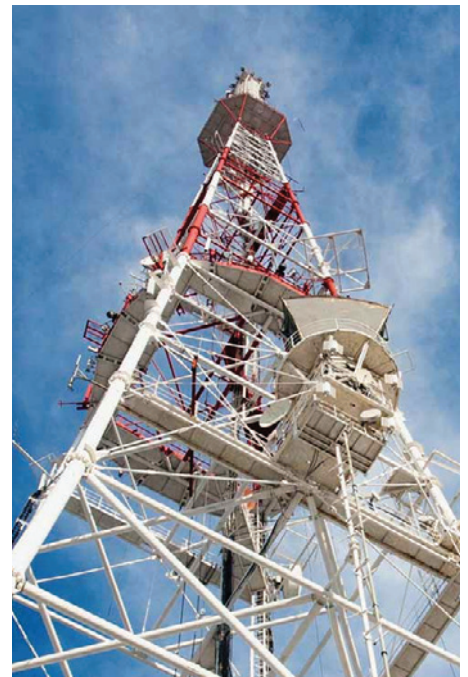
State laws and regulations like chemical regulations and product ban legislation are hindering the state's economic recovery, particularly Upstate, and contributing to its reputation as hostile to private business. The chemical industry represents almost 10 percent of total manufacturing employment in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



**"Strengthening our small businesses and manufacturers will get the economy back on track. We need to get people back to work, create more jobs and have career opportunities so our young people can stay after they graduate."**

**- Senator Cathy Young**

*Source: nysenate.gov*



# MAKING HEALTH CARE MORE AFFORDABLE

Unshackle Upstate has consistently been a leader in fighting for the state's taxpayers and employers. With the rising cost of private health insurance as one of the major issues of concern for our members and their employees, we continue to explore opportunities to help keep health insurance affordable in New York State.



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

Employers across the state continue to cite that among their top concerns is the ability to provide affordable health care to their employees. 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.

## REDUCE HEALTH CARE TAXES, ASSESSMENTS AND SURCHARGES

For myriad reasons, New York State has among the highest health care costs of any state in the nation. One of the chief reasons 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.



New York State's health care taxes are out of control:

HCRA Surcharge  
***\$2.9 Billion***

Covered Lives Assessment  
***\$1.1 Billion***

Premium Tax on Commercial Health Insurance  
***\$353 Million***

Section 206 Assessment  
***\$240 Million***

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Grand Total:  
***\$4.6 Billion***

## 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.

**New York's health care spending overall and per capita are among the highest in the nation.**

**Health spending has accelerated over time and is projected to increase to more than \$300 billion by 2020.**

*Source: NYS Health Foundation; Health Care Costs and Spending in New York State*

## ENSURE THAT HOSPITAL MERGERS DO NOT RESULT IN HIGHER COSTS

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.

## 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.

## PREVENT 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 with providing health care delivery options and believe it's important to ensure the viability and sustainability of small practices in rural communities.

# LET'S GET OUR ECONOMY MOVING IN THE RIGHT DIRECTION



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