

# Unshackle Upstate

## 2013 Policy Agenda



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## A MESSAGE FROM THE EXECUTIVE DIRECTOR



Since Unshackle Upstate was founded in 2006, our highest priority has been improving the Upstate economy. We have worked on behalf of the taxpayers and employers of this state in our communities and in Albany to promote policies that will help our state thrive.

I am pleased that New York has improved in recent years, most notably with the enactment of a statewide real property tax cap and public employee pension reform. The state's progress on these two measures should be viewed as critical first steps toward correcting the problems caused by years of fiscal mismanagement and bad policy decisions. Additionally, we were an instrumental force in ensuring that the Thruway Authority did not ultimately enact a 45% toll hike on commercial vehicles. New York State is finally beginning to put in place the tools we need to regain the prosperity that we once enjoyed.

In 2013, our overarching goals remain unchanged. We continue to oppose unnecessary state spending, as well as any efforts to increase taxes or impose new or increased fees. We continue to push for relief from unfunded state mandates and regulatory burdens that impede job creation. And we continue to oppose relying on state borrowing where the long-term return on investment is not justified.

The cooperation and leadership over the last two years demonstrates what can be achieved in Albany. We do not believe that New York State is destined to be a high tax state that continues to lose population. We know that New York can do better. We expect that it will. With your continued support, we will keep working and make New York State a better place to live, work, raise a family and grow a business.

Please visit our web site ([UnshackleUpstate.com](http://UnshackleUpstate.com)), where you can join the Unshackle Upstate Army – a group of taxpayers who are committed to keeping lawmakers focused on lowering taxes and spending, promoting job creation and improving New York's economy.

I look forward to a successful 2013 for Upstate New York.

Sincerely,

A handwritten signature in black ink that reads "Brian Sampson". The signature is written in a cursive, flowing style.

Brian Sampson  
Executive Director  
Unshackle Upstate

## UNSHACKLE UPSTATE'S CORE PRINCIPLES

### REDUCE STATE SPENDING

As a state we still spend too much, and get too little for what we spend. New York must continue its recent trend of enacting state budgets that spend less than the rate of inflation. Many families and business have tightened their belts, and state and local government must do so as well.

### REDUCE TAXES, FEES AND ASSESSMENTS

For many years, excessive spending was fueled by higher taxes and fees. But the last two state budgets have taken a strong step in the right direction, as they did not rely on increased taxes or fees. This trend should continue in 2013.

### REDUCE MANDATES

Local governments and school districts have long been plagued by unfunded state mandates that undermine their ability to provide important services. Likewise, New York State's business community is over-burdened by regulations that hinder private sector job creation. These items must be addressed in 2013, both legislatively and through the regulatory process.

### REDUCE STATE BORROWING/DEBT

Continued reliance on borrowing will only exacerbate the already poor financial condition that plagues our state. We cannot borrow our way into prosperity. As the state continues to control spending, it should not rely on irresponsible borrowing which will further long-term debt.



## REDUCE STATE AND LOCAL SPENDING

New York State still has a spending problem. We are pleased that the last two state budgets started a trend in spending reductions, an aspect that Unshackle Upstate enthusiastically supports and advocates for on an annual basis.

Additional savings can be realized through further consolidation of state agencies and by streamlining services.

**Education and Medicaid spending** – which make up a significant part of the state budget – were capped in recent years. Unshackle Upstate supports the exploration and implementation of additional recurring savings in future years.

**Continue to Promote Government Efficiencies** – The Spending and Government Efficiency (SAGE) Commission was launched in 2011 to streamline state government through consolidation; to identify opportunities for improvements such as shared services; and to help make government more open, transparent and accountable.

Unshackle Upstate will continue to identify cost-saving items of this nature and will support future SAGE initiatives.

**Protect the Property Tax Cap** – Local property taxes are higher in New York than anywhere else in the country, and placing limits on annual property tax levy increases and requiring a super-majority vote in order to exceed those limits was a critical first step. The property tax cap encourages local governments to explore all avenues to reduce spending and enact efficiencies before resorting to a tax increase. We must make sure that the property tax cap remains in place, and no that no additional exceptions are enacted.

Further, if local governments use “assessment” changes as a means to supersede the tax cap, then the state must promulgate laws that also limit assessment growth.

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## REDUCE TAXES, FEES AND ASSESSMENTS

New York must improve the economic climate by enacting policies that will reduce the tax burden on individuals and businesses. The last two state budgets did not include any new taxes and fees – which must continue.

**Eliminate the 18-a Assessment** – New York’s extraordinarily high energy costs were further increased in 2009 when the 18-a energy assessment was imposed. We urge the immediate repeal of this onerous, hidden, job-killing tax in 2013, and for the Governor and Legislature to stop imposing taxes through utility bills.



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## REDUCE STATE BORROWING

While recent responsible fiscal policies in Albany have been positive, debt still remains a major issue in New York State. According to the State Comptroller, New York is currently responsible for \$63.3 billion in state-funded debt. This results in \$3,253 per person in public borrowing.

As New York continues to address its infrastructure needs, we must do so in a fiscally responsible manner. Moreover, borrowing and bonding should never be implemented as revenue streams for non-infrastructure projects or proposals deemed critical to New York’s survival.

**Eliminate the Health Care Reform Act (HCRA) Surcharge** – New York’s Health Care Reform Act (HCRA) imposes a surcharge on charges for patient care provided by state licensed health care providers. New York State 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 care more affordable.

**Repeal Ton Mileage Tax on Trucking** – The ton-mile tax is based on the specific weight of trucks and is intended to offset wear and tear on roads by charging fees for miles traveled in the state. This nearly 60-year-old levy is applied to vehicles with maximum gross weights of at least 18,000 pounds operating in the state. This tax is a barrier to competition with neighboring states and a major reason for trucking operations moving out of the state.

**Avoid Increasing Thruway Tolls** – After initially proposing a “modest” toll increase of 45% on commercial truckers, the Thruway Authority ultimately abandoned this disastrous plan. The Thruway Authority must continue to get its fiscal house in order, and that starts with undergoing a thorough, independent audit of its operations to explore potential additional areas of savings.



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## REDUCE MANDATES

State-imposed mandates limit the ability of local governments and school districts to provide essential services, and they prevent private-sector businesses from flourishing in New York. Unshackle Upstate supports proposals that will alleviate these burdens to make our communities more affordable by eliminating unfunded state mandates and will promote job growth through streamlining the state’s complex regulatory scheme.



### Making our Communities More Affordable

**Let New York Work Agenda** – Unshackle Upstate is a leader in the Let New York Work coalition, which includes representatives from the business community, local government organizations and members in public education. This group has identified the core cost drivers for local government and the education systems that must be addressed. We continue to urge the state’s elected officials to support the adoption of the Let New York work agenda, which will provide relief from unfunded mandates for local governments and school districts. For more information on the Let New York Work agenda, visit [www.unshackleupstate.com/let-ny-work](http://www.unshackleupstate.com/let-ny-work).

### Promoting Private Sector Job Creation

**Oppose Minimum Wage Increase** – Increasing the state’s minimum wage as New York continues to recover from recent financial crisis is the wrong approach. The state should focus on enacting proposals to increase private sector job growth. A minimum wage increase will only increase the cost of doing business in the state, and will harm some low-wage workers.

**Wage Theft Prevention Act** – This law imposes onerous compliance requirements that are of questionable value in terms of protecting employees. Imposing mandates of this nature on businesses run counter to the fundamental changes the Governor and Legislature are trying to implement, and to promote through the nation and beyond. This statute should



be revisited to determine whether it is addressing the problem it was intended to deal with, or if it should be substantially revised to be less burdensome on the vast majority of law-abiding businesses.

**Unemployment Insurance Reform** – New York’s Unemployment Insurance program is low-benefit and high cost, and it is functionally insolvent. As a result, employers have been hit with annual assessment fees that cover the interest on federal loans the state took to cover unemployment insurance payments. We have to fix our Unemployment Insurance program by eliminating our debt to the Federal government and lower the Unemployment Insurance costs.

“*Base Period Calculation*” - Unshackle Upstate also supports correcting an Unemployment Insurance loophole, which can unfairly raise the unemployment rate for some businesses. In 2012, legislation was advanced that would solve this problem – S.6850 (Ritchie)/A.9725 (Morelle).

**Workers’ Compensation Reform** – New York State must continue to improve the administration and operation of the workers’ compensation program and avoid undermining the important reforms achieved in 2007. These reforms imposed a cap on permanent partial disability benefits and raised the maximum benefit to workers. The cap and other reforms were pegged to deliver savings of as much as 10 percent to 15 percent for employers. However, a 2012 national study of average premiums ranked New York 5th highest in the nation, up from 19th in 2008.

Additional work needs to be done to ensure that employers receive the savings necessary to help improve New York’s economy. Clear and objective medical guidelines must be adopted to ensure that injured workers have their cases properly classified and treated fairly.

**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.

**Health Care Quality and Cost Containment Commission** – In 2007, the Health Care Quality and Cost Containment Commission was created to review of 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.

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## MAKE NEW YORK MORE BUSINESS FRIENDLY

**Prevailing Wage** – Wage mandates such as prevailing wages impede economic development efforts and should be rejected. Most particularly, efforts at attaching prevailing or living wage requirements to private construction projects/IDA supported can only hinder efforts to re-build New York.

**Project Labor Agreements** – Mandating regionally negotiated PLA’s should also be rejected. Replacing one ill-advised anti-business mandate (prevailing wages) with another is not sound public policy.

**Paid Family Leave** - A “one size fits all” mandate of this nature does not adequately factor in the wide range of employment situations that are in place throughout New York State. Legislation that does not provide any flexibility for specific employers to craft their own family leave policies based on the needs of the company or its workers will not 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 in-state service territories drive up customer costs, while providing no benefits to the employers. Businesses should be free to locate their call centers in any location of their choice – especially Upstate.

**WE**   
**MANDATE  
RELIEF**

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**NEW YORK’S TAXPAYERS, EMPLOYERS,  
LOCAL GOVERNMENTS AND  
SCHOOL DISTRICTS SUPPORT  
AFFORDABLE COMMUNITIES.**

**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. The Governor and Legislature should reject this proposal, which will also reduce innovation in health care, while decreasing access for New York consumers, without providing countervailing benefits.

**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 dramatic increases in the cost of insurance for many New Yorkers. Furthermore, we are concerned that proposals of this nature will ultimately lead to private health insurance becoming less affordable, leading employers to drop coverage.

**Transportation Industry “Fair Play Act”** – This proposal would put all independent owner-operator truckers out of business in New York State, and would have a substantial negative effect on the Upstate economy. Further, consumers will see their cost for goods and services increase due to higher trucking costs.

**Design-Build & Public Private Partnerships** – New York State recently took steps in implementing design-build project delivery for certain infrastructure projects. Unshackle Upstate supports the expansion and continuation of this practice to deliver projects faster, more efficiently, and at a lower cost to the taxpayers.

**VoIP Reform** - Unshackle Upstate supports 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 unused regulatory authority in the area.

**Scaffold Law** – 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 commission of a crime.

**Wicks Law** – Currently most public construction projects in New York are subject to separate bidding requirements. In 2008, the Wicks Law was amended that set an exemption threshold of only \$500,000 for Upstate projects (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 real savings to Upstate taxpayers.

Unshackle Upstate proposes to increase the Wicks Law threshold to uniform \$10 million across the state.

**Economic Development** – Unshackle Upstate continues to support the Regional Economic Development Council process. In order to restore our economy and keep talented people in New York, we must continue to promote private sector job growth.

This effort should continue. Locally driven economic development will help maintain momentum and focus toward important job creation efforts across the state. We support the continuation of regionally-focused economic development programs with input from local business leaders.

**Natural Gas Development** – Unshackle Upstate believes that the Marcellus Shale gas deposit can be developed responsibly, and that New York State must begin to take full advantage of this tremendous economic opportunity. The state should finalize its comprehensive review of the potential environmental impacts of natural gas development and adopt regulations that strike an appropriate balance between economic development and environmental protection as soon as possible.



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