

Testimony to the New York State Senate and Assembly Health Committees

Delivered by Rod Dion, owner / founder Tech Valley Office Interiors, Inc. and Nu2u Quality Used Office Furniture, Inc.

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Hello and thank you.

I appreciate your taking the time to listen and learn about the different perspectives central to this discussion about New York State's residents, communities, and its economy.

My name is Rod Dion. For 14 years I have navigated, adapted to, and endured the risks, rewards, and frustrations of small business ownership in New York State.

Owning your own business, creating something from nothing, providing opportunity for yourself, your family, your employees, and your community provides an indescribable sense of satisfaction and pride.

~~I am the founder, owner and operator of two businesses in the Capital District—Tech Valley Office Interiors, Inc and Nu2u Quality Used Office Furniture, Inc.~~

These businesses started with one other employee and myself. Today I have a full-time staff of 10 employees, funded the old fashion way of home equity loans and personal savings. Yes, I had that infamous conversation with my wife one night. Hey, I have a great idea, let's spend all our savings, take the equity out of our house, and if we are lucky maybe in 3 years or so I might be able to take a paycheck. While she was not thrilled, she was supportive and that dream, that piece of the American dream is what brings me here today

We pay our employees good wages, provide opportunity for growth, and highly competitive benefits. I believe being a business owner is one of the greatest responsibilities one can take on in life. I do not take lightly the responsibilities of supporting 10 families. I also believe that as a business owner I have responsibilities that include the well-being of my employees. As an example, I make it a point to help my professional staff that is struggling with student loan debt. We pay a principle portion each month of their loan, and recently just paid off our first employee college loans since the program started.

And to be perfectly honest, we could probably employ more and offer even better benefits if not for New York State.

Every tax – whether it's property, corporate, on energy, or gas adds up.

Every mandate on private business increases the operational and frictional costs of running a small business.

Our general liability insurance costs are unconscionable because of state laws that favor attorneys' pockets at the expense of the independent businessman and taxpayers. My workers Compensation cost have doubled over the past year because of a single claim, my first claim in ten years.

Friends and family who left New York long ago for destinations south or west legitimately wonder why I am still here; why I am intent to sail my boat where the current is strongest.

It's for the same reason why any business owner remains. It's our home. We love our communities. And we are still willing to fight for its future.

As I mentioned, every new regulation and mandate, no matter how well intentioned, makes small business owners like myself spend late hours alone with our books trying to make sure the ledger will balance. That payroll is met.

The New York Health Act will certainly save me from some of those late nights, because there is no amount of creative arithmetic or entrepreneurial optimism to make these numbers add up for small businesses like mine.

This legislation creates the largest state bureaucracy in the nation, paid for by hundreds of billions of dollars in new taxes.

Taxes paid largely by businesses like mine. Last year alone in Payroll, sales, school, property and income taxes, my small business generated \$108,020 in taxes to NYS. The legislation is quite clear that payroll taxes will finance a significant portion of this obligation. And that businesses will carry 80 percent of the new payroll tax burden.

The effects of this will be devastating, and they will be immediate.

Businesses that are more mobile in nature will incorporate somewhere else.

Those that stay will adjust by hiring less or cutting staff. A payroll tax of this unprecedented size increases the cost of labor dramatically and will make investment in labor far more difficult.

Then businesses like mine will have to try to – at least partially – recoup these costs through other measures like reducing benefit offerings or indefinitely delaying necessary capital investments, which is exactly the business I am in, and growth and capital spending will be dramatically cut back.

Many in my industry will simply close, as they did during the great recession. The success of my business is in direct correlation to how business owners feel the economy is going to perform, a bill like this would devastate an already suffering industry.

The majority of the businesses left in my community -- and most New York communities -- are the strong ones. Some can absorb this burden. Most cannot. Presently I am working with 3 longtime clients who are in the process of opening new locations outside of NYS. The total number of staff at these new locations outside of NYS will be in the range 350-400 employees.

New York isn't the first state to explore this path. Vermont and California advanced government-run health care further than any state had before. In both instances, it was realized – by elected officials who were public supporters of single-payer – that the cost of such a program was too enormous: The cost to businesses, the cost to general taxpayers, and the cost to the greater economy.

The same is and will be true for New York.

I hope this testimony provided some perspective from a business owner in New York and that you recognize the irreplaceable contributions small businesses like mine make in this state and in your communities.

Thanks again for this opportunity.