



Submitting
not testifying

Unshackle Upstate
Joint Legislative Public Hearing on the Executive Budget
Economic Development
January 31, 2012

Written testimony of Brian Sampson, Executive Director
Unshackle Upstate

Thank you for the opportunity to present this written testimony to the Joint Legislative fiscal committees regarding the economic development provisions of the Governor's 2012-13 Executive Budget proposal.

Unshackle Upstate is a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from all parts of Upstate New York.

As an organization, our purpose is to achieve reforms in Albany that make Upstate New York a better to do business. To this end, our priorities remain the same as they have since we were founded in 2006:

- reducing state and local government spending;
- reducing taxes, fees and assessments;
- reducing unnecessary mandates on businesses and unfunded mandates on local governments and school districts; and
- reducing the state's reliance on borrowing.

We urge you to build on the successes of the 2011 legislative session as you construct the 2012-13 state budget.

Regional Economic Development Councils – Let Upstate Be Upstate

While much of New York State has been lagging behind the nation in economic growth, Upstate New York has been sinking. Job growth has been anemic and incomes virtually stagnant and people have been leaving for other areas which have had more success in their job creation efforts. While there are pockets of success, overall jobs continue to lag and our population leaves for other pastures.

For far too many years, New York State spent billions of taxpayer dollars on economic programs and community projects without a focused and coordinated plan for job creation and economic growth.

Since our inception, Unshackle Upstate has called on state government to “allow Upstate to be Upstate” – that is, to not force upstate communities to play by a set of rules that are better suited to the downstate region. This began to change with the creation of the Regional Economic Development Councils in 2011. Regional collaboration, supported by a sustained state commitment, will result in workable regional solutions that create jobs and promote economic growth.

New York State needs to continue on the path that it has set out, in which public and private stakeholders in each region of the state have come together to identify their local needs and establish a plan for meeting such needs.

To this end, we support Governor Cuomo’s effort to create jobs and support economic development through his Regional Economic Development Council (REDC) initiative, and ask the Legislature to approve a second round of funding for the REDCs. Shifting from a state-driven, top-down economic development model to a locally-driven, community-based approach enables each region to emphasize its unique needs and assets, while establishing their own plans and priorities.

New York Works Infrastructure Investment – Investing in Critical Infrastructure

The Governor’s budget proposal includes a multi-billion dollar initiative to rehabilitate the State’s critical infrastructure by building and/or improving bridges, highways, parks, waste water treatment facilities, renewable and efficient energy systems, flood control structures, dams, SUNY facilities and other critical infrastructure components.

We support the Governor’s proposal to allocate state funds in a manner that will leverage billions in private-sector investments. The state’s infrastructure must be kept up and improved, and the longer such investments are delayed the more costly they will be.

We also support the Governor’s proposal to authorize the use of the “design-build” contracting process. The design-build process enables faster design and construction of infrastructure projects, ultimately reducing the cost of those projects.

Helping an Upstate City in Need -- Buffalo Regional Innovation Cluster

Unshackle Upstate supports the Governor's proposal to assist Buffalo by providing funding for job growth projects that are intended to help Buffalo attract new employers.

We urge the Governor and Legislature to recognize that the challenges facing Buffalo are very similar to those facing other Upstate cities, including Rochester, Syracuse, Binghamton and Plattsburg.

Unshackle Upstate urges the Governor and the Legislature to consider supporting similar initiatives to assist other economically challenged Upstate cities in addition to Buffalo.

Keeping Promises -- Fulfilling Prior Funding Commitments

The 2012-13 Executive Budget will appropriate funds for commitments previously made to projects, including \$110 million for the NY SUNY 2020 Challenge Grant Program that will expand the program to all SUNY campuses.

Following through on this funding will be critical in using the higher education sector to help turn around the state's economy. It will further promote important public higher education initiatives that connect academic excellence with economic development.

New York Needs to Do More -- Eliminating Regulations and Mandates on Businesses

We also urge you to recognize that in order to stimulate real economic development in Upstate communities, lawmakers must eliminate burdensome and unnecessary regulations and mandates on businesses.

We need to take steps to improve the business environment and promote job creation by reducing the cost of doing business.

This can be done by providing relief from existing mandates on businesses and avoiding imposing new mandates on businesses.

Some examples include (1) revising the Wage Theft Protection Act to (at the very least) ameliorate the onerous paperwork compliance requirements it imposes on law-abiding businesses, (2) reforming the SEQR process so that it does not unduly delay development, (3) finally implement the medical guidelines and treatment protocols that were agreed to in the 2007 Workers Compensation Reform, and (4) further expanding the use of alternate project delivery methodologies to include vertical construction, which can help the state and local governments complete construction projects more efficiently and cost-effectively.

Marcellus Shale

Unshackle Upstate believes that the development of the Marcellus Shale gas deposit can be done safely, and that New York State must be prepared to take full advantage of this tremendous economic opportunity.

While Pennsylvania, West Virginia and Ohio continue to tap the Marcellus Shale for its rich natural gas reserves, New York has continued to lose economic opportunity.

The DEC should continue its science-based, comprehensive review of the potential environmental impacts of natural gas development in a timely manner, with regulations that strike an appropriate balance between economic development and environmental protection. Further delay in developing the Marcellus Shale is not acceptable. New York must finalize the rules so that wells can be drilled in 2012.

Lowering the Cost of Energy

The high cost of energy remains a major impediment to job creation and economic growth in Upstate New York.

A 2010 report by the Public Policy Institute of New York State found that “fully 26.68 percent of New Yorkers’ electric bills support state and local taxes and fees,” and that New York State has the third highest energy costs in the country.

That report also notes that so-called “innovation economy” firms, such as those in the biotechnology field, are energy intensive and thus energy cost-sensitive. And these are also the very same industries – those that can offer high-paying jobs – that communities such as Buffalo are hoping to attract in order to help improve its economy.

The Legislature must avoid any further attempts that drive up energy costs. In fact it must take steps to reduce the cost of energy – through a reduction in taxes and fees – to encourage investment and job development.

On behalf of Unshackle Upstate, thank you again for the opportunity to share with your our views regarding the Governor’s 2012-13 Executive budget proposal.