Testimony of Jim Bedient

Owner, Bedient Vineyards

Chairman of the Board, New York Wine & Grape Foundation

Before the Joint Legislative Budget Committee

February 14, 2011, Albany, NY

Mr. Chairman and members of the Committee, thank you for allowing me to submit this testimony. My name is Jim Bedient, and I own Bedient Vineyards above Keuka Lake in the Finger Lakes region. I and my family farm 100 acres of grapes that are used for both grape juice and wine. I am also Chairman of the Board of the New York Wine & Grape Foundation.

I would like to say two things: Thank you, and please. Thank you for creating the New York Wine & Grape Foundation 25 years ago, and for the incredibly productive partnership between the public and private sectors that it has represented. And please support our budget request for the coming fiscal year.

We are asking that you reinvest less than one one-thousandth ($1/1,000^{th}$) of the annual economic benefit our industry generates for the State. That is \$3.76 billion, and we are requesting just \$3 million for the research and promotions programs which have driven our industry's explosive growth and phenomenal success.

In short, we add tremendous value to the New York economy, including more than \$230 million in State and local taxes. Wine is the only agricultural product subject to excise and sales taxes. We are literally rooted in New York. We cannot move our farms to another state even if we wanted to, and we don't: We are New Yorkers, we love New York, and we are proud of New York grapes, grape juice, and wines.

But we urgently need your help. A major catalyst of our industry's success has been the research and promotion programs of the New York Wine & Grape Foundation, which the legislature created in 1985 during a time of economic crisis in our industry. The result: Today the wine industry is the fastest growing industry in the agriculture and tourism sectors, and one of the few bright spots in New York State's overall economy. This was made possible by the on-going financial partnership between the State of New York and our industry.

We commissioned two separate studies to measure the growth and economic impact of our industry. The National Agricultural Statistics Service study released in October 2009 showed the long-term growth since 1985 when the Foundation was created, and a study by Stonebridge Research released in January 2010 measured our economic impact on the State economy in 2008. Here are a few of the highlights:

- In 2008, the New York grape, grape juice and wine industry generated $3.76 billion in economic benefits to New York State, which included:
- 17,000 full-time equivalent jobs and $802 million in wages
- $36.5 million in grape sales, $32.7 million in grape juice sales, and $508 million in winery sales
- 4.98 million tourist visits to wineries and $376.5 million in wine-related tourism expenditures
- $230 million in state and local taxes paid

The industry's growth since the Foundation's creation has been phenomenal, as indicated by some of the NASS study's findings:

- From 2000 to 2009, 161 new wineries opened, which is more than in the previous 170 years (an additional 22 opened in 2010, so New York now has more than 300 wineries in 50 different counties)
- In just the past five years, 122 new wineries totaled more than in the 20 years of the 1980's and 1990's, more than quadrupling the growth rate
- There are now wineries in 50 New York counties including metro New York
- Tourist visits to wineries have multiplied more than 13 times since 1985 from 340,000 to nearly 5 million in 2008
- Between 2000 and 2008 visits increased by 85% and per person spending by 76%, for a total increase of 228% in the value of sales—AND sales taxes for the state and local governments
- The average winery invested $500,000 between 2000 and 2003, and $400,000 between 2006 and 2008, in vineyards, wine production, tasting room, and other facilities, supporting other economic sectors like construction and equipment manufacturers.

Much of this growth is attributable to the public-private partnership represented by the New York Wine & Grape Foundation. On behalf of our Board of Directors and industry, I respectfully request that you support that partnership again this year.

The Foundation has requested $3 million of State funds for fiscal year 2011-2012, a level which we had a few years ago. This is a small investment that will generate a handsome return based on a 25-year track record of success and growth.

For the past two fiscal years, the Executive budget proposed eliminating all funding for the Foundation from a level of $2.8 million in FY 2008-09, but the legislature restored $1.7 million in FY 2009-10, and $713,000 in FY 2010-11 Thank you. We genuinely appreciate your support, but the reality is that we have been cut by 75% in just two years.

Again this year the Executive budget proposes eliminating our funding, so we again request your assistance in restoration. If this does not occur, it is highly unlikely that the New York Wine & Grape Foundation will survive.

I want to make something very clear: We are not asking the State to do all the lifting. Each year our industry puts up about $1 million to match the State dollars and multiply the budgets for research and promotion. We do not have an automatic funding mechanism such as a marketing order, but our industry always fulfills its commitment voluntarily. However, having the State matching funds is a vital incentive to making that happen.

Finally, I want to share with you the strategic goal of the New York Wine & Grape Foundation: "To have the New York grape and wine industry recognized as a world leader in quality, productivity, and social responsibility." Thanks to this partnership, that has been accomplished on a national level and we are advancing on the international level. We again thank you for your support and request that it continue.

PLATTSBURGH
NORTH COUNTRY
CHAMBER OF COMMERCE

TESTIMONY

Submitted for:

JOINT LEGISLATIVE PUBLIC HEARING ON 2011-2012 EXECUTIVE BUDGET PROPOSAL: ECONOMIC DEVELOPMENT

Hearing date: February 14, 2011

Home of:

North Country Small Business Council

Adirondack Coast Visitors & Convention Bureau

North Country Industrial Council

Québec-New York Corridor Coalition

New York's Tech Valley

S.C.O.R.E.

Essex County Business Council

Plattsburgh-North Country Service Corp.

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Dear Senators and Assembly Members:

The North Country Chamber of Commerce is the largest business and economic development alliance in northern New York and one of the five largest chambers of commerce in the state, representing more than 4,000 companies and organizations across Clinton, Essex, Franklin, Hamilton and northern Warren Counties. We engage very actively and strategically in economic development in our region, including a lead role in attracting economic investment from Quebec; promoting the development of crucial transportation and telecommunications infrastructure; leading the successful redevelopment of the former Plattsburgh Air Base as a new regional airport and aerospace industrial park -- Plattsburgh International Airport; providing direct support services for small business development and for industrial efficiency; engaging in regional tourism marketing and development; and working in collaboration with others to address the very special economic needs within the Adirondack Park.

With all of these roles in mind, we welcome this opportunity to provide comments from an economic development perspective as you consider the Governor's proposed budget for 2011-2012.

In an over-arching sense, we strongly support the general content and thrust of the Governor's budget in terms of actually decreasing the total budget year-to-year and closing the budget gap not only this year but going forward without any new taxes or fees. This includes supporting unwelcome but genuinely necessary and justified reductions in major spending areas such as local aid, education and Medicaid, coupled with serious commitments to identify ways to actually reduce program costs on the state and local level through mandate relief and the implementation of efficiencies and improved practices.

With regard to budget items specifically linked to economic development, we offer the following comments:

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1) EXCELSIOR JOBS PROGRAM:

We support the Governor's proposals to expand the Excelsior Jobs Program and to make it more flexible and supportive of the economic development opportunities we collectively need to grasp and secure over the next few years. This includes our support for the extension of the current tax benefit period from five to ten years, and offering an enhanced package of tax credits. Above all else, Excelsior must become a more predictable set of incentives for front line economic developers to be able to communicate to prospects, and benefits in any given case must be defined and conveyed to a prospective venture far more quickly than is now the case. This is particularly essential when in competition with other states who still have incentive programs that are more "entitlement" in nature as Empire Zones used to be. We are now losing good jobs to neighboring states that we would not have lost under Empire Zones, particularly from Canadian investors looking at the U.S.

2) REGIONAL COUNCILS:

We enthusiastically embrace the Governor's planned creation of Regional Councils, having long advocated for strategies and actions that are keyed into the specific challenges and opportunities in each of the state's many different economic regions as opposed to the past "one program fits all" approach. In relation to this initiative, we fully support the proposed allocation of $200 million in competitive resources.

3) AGRICULTURE:

We also enthusiastically endorse the authorization of the Commissioner of Agriculture and Markets to establish a competitive grants program to fund agricultural research, marketing and education initiatives. Agriculture remains one of New York State's most important economic pillars, and we welcome the Governor's commitment to furthering support for agriculture and agri-business as a strategic part of the state's economic development agenda going forward.

4) TOURISM:

While resources are scarce and it would have been easy to potentially target the already diminished state commitment to the I Love NY Program, we applaud the Governor's recognition that a baseline of support for tourism marketing must be sustained, including the proposed allocation of $3.8 million for the I Love NY Matching Grants Program as well as $3.6 million for I Love NY advertising. These allocations must be retained in the final budget, and can hopefully be regrown in the years ahead as the means become available.

5) GOVERNMENT CONSOLIDATION:

We support the proposed consolidation of NYSTAR with the Empire State Development Corporation. This will simplify and strengthen overall efforts to maximize technology related endeavors as a vital component of economic development, and create a clearer and more seamless system.

6) ENERGY:

With high energy costs remaining an impediment to economic development and job creation in New York State, we fully support extension of the Power for Jobs Program for at least two additional years so it can be predictable and relied upon. We would then also be generally supportive of a "Recharge NY" program that would further enhance the benefits and value of the existing Power for Jobs program going forward.

Beyond specifics of the budget, we look forward to working with the Governor and his administration toward the incorporation of a number of economic development strategies and initiatives in its activities over the coming year, particularly through Empire State Development Corporation:

- **TRANSPORTATION**: Stronger correlation between New York State's transportation and economic development efforts, in the belief that "where things move is where prosperity occurs." The pending nomination of Joan McDonald as Commissioner of Transportation holds especially exciting possibilities, given her strong command in both fields.

  This correlation must also include continued commitment by New York State to the longterm vision of high speed rail development, both in the Empire Corridor to Buffalo and in the Adirondack Corridor to Montreal. Investment over time must also continue in other rail assets, including the state-owned Adirondack railroad infrastructure from Utica to Lake Placid, the last major rail access to the central Adirondacks with nearterm tourism benefits and longer term use for freight and other movement as fuel costs inevitably escalate and rail becomes the available alternative to trucks and cars.

- **QUEBEC AND ONTARIO:** The state's existing commitments to fostering and expanding our economic connections with Quebec and Ontario must not only be sustained but eventually expanded. Upstate's greatest economic asset is its border with Canada and the opportunities for investment, tourism and economic development both from and in partnership with our neighbor.

- **ADIRONDACK PARK:** New York State has fulfilled its commitment to environmental protection within the constitutionally designated Adirondack Park, but has never met its concurrent responsibility to support and nurture economic and community sustainability within the Park. A crisis is at hand as the Adirondack population declines and ages, and it is crucial that New York State engage collaboratively with local economic and community leaders to devise and pursue an economic and community development strategy appropriate to the Park's unique character, environment, circumstances and scale. The Adirondack Caucus, which unites Senators and Assembly Members who are from the Adirondack Park or have an active interest in its sustainable future, can be the leading vehicle for Legislative action in this vein.

Finally, we would be remiss if we did not also take this opportunity to enthusiastically endorse the nomination of Kenneth Adams as President of Empire State Development Corporation and Commissioner of Economic Development. The Governor could not have selected anyone better prepared to hit the ground running across the state. We encourage his earliest possible confirmation by the Senate.

We thank you again for this opportunity, and would welcome contacts from any Senators, Assembly Members or staff.

Respectfully submitted by:

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PARTNERSHIP FOR THE
PUBLIC GOOD

Sam Magavern, Co-Director
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Buffalo, New York

Testimony to the Senate Finance and Assembly Ways and Means Committees
Budget Hearing on Economic Development

February 14, 2011

My name is Sam Magavern and the following represents the testimony of the Partnership for the Public Good (PPG) in Buffalo, NY regarding economic development and the 2011-2012 Budget. PPG unites over 90 partner organizations in Western New York working to build a more just, sustainable, and culturally vibrant community through action-oriented research, policy development, and citizen engagement.

Summary
Wealthy individuals and big businesses have benefited dramatically from reduced taxes and increased subsidies, and they should make a fair contribution to resolving New York's budget crisis. Taxes on the very wealthy and reduction of corporate welfare will do much more to reinvigorate the economy and restore fiscal health than drastic cuts in health and education spending.

Wealthy Individuals and Businesses Have Expanded their Political Power
Over the past decades, the political power of very wealthy individuals and large businesses has skyrocketed in New York, as it has across the nation. These powerful interests have used their clout to reduce taxes for the highest income brackets and increase government subsidies to private businesses. As their influence permeates state government through campaign donations, lobbying, and other means, state government becomes less and less able to advance the public good.

As New York's budget crisis unfolds, much of the discussion has centered on the power of public sector unions and the need to force them to sacrifice. The influence of these middle class interest groups, however, is dwarfed by the power of big business and the very rich. In 2010, unions donated $21 million to state electoral campaigns, while individuals donated $83 million and businesses donated $67 million.[i] Governor Cuomo received $2 million from unions, $11 million from business, and $20 million from individuals.

Individual giving was overwhelmingly from wealthy donors.[ii] Of the $83 million in individual donations, 88 percent came in gifts over $1,000.[iii] Less than six percent came from gifts under $250. Bruce Kovner, a hedge fund executive and chair of the conservative American Enterprise Institute, donated over $283,000.[iv] David Rich, of Rich Foods, donated over $221,000.[v] The biggest month for donations each year is March, when the budget process is at its most active.[vi]

New York has the Worst Income Inequality in the Nation.[vii]
Between 1980 and 2007, the average income of New York's bottom 50 percent fell from $16.074 to $14,045.[viii] Meanwhile, the average income for the top one percent exploded from $446,507 to $2,730,973.[ix] The richest one percent now receives 35 percent of all income in the state.[x] During the same decades that their income was surging, the state income taxes of the wealthiest New Yorkers were being halved.[xi] Our tax system became drastically less progressive, to the point where today, those in the top one percent pay only 7.2 percent of their incomes in New York sales, property, and income taxes, while those in the lowest twenty percent pay 9.6 percent, and those in the middle, earning between $33,000 and $56,000 per year, pay 11.6 percent.[xii]

New Yorkers Overwhelmingly Favor the Millionaires Tax
Given these realities, it is shockingly irresponsible to eliminate the tax surcharge on those earning over $200,000 per year – a surcharge that is generating an average of $4.6 billion per year for New York.[xiii] New Yorkers overwhelmingly support keeping this surcharge – a recent NY1/Marist poll found 66 percent in favor.[xiv] Similarly, a December 2010 Siena poll found that 73 percent favor raising taxes on those with incomes over $1 million, compared to 29 percent favoring cuts in health care and 23 percent favoring cuts in education.[xv]

In 2008, Nobel Prize winning economist Joseph Stiglitz explained the need for the millionaires tax: "[E]conomic theory and evidence give a clear and unambiguous answer: it is economically preferable to raise taxes on those with high incomes than to cut state expenditures."[xvi] As Stiglitz pointed out, in a recession budget cuts reduce spending and thus reduce jobs at precisely the moment when the government should be spurring job creation.

A Bonus Recapture Tax Could Generate $6.9 Billion
The very people that plunged the state and nation into the Great Recession – the financiers on Wall Street – continue to reap the greatest rewards from our inequality and wield outsize influence in Albany and Washington. This select group of plutocrats took over $20 billion in bonuses at the end of 2009. A bonus recapture tax proposed by the Center for Working Families would generate between $4.7 and $6.9 billion if levied on bonuses of over $50,000.[xvii] But with the insurance, financial, and banking sector donating almost $7 million to New York politicians in 2010, such a common sense tax faces an uphill battle.[xviii]

A Windfall Recapture Tax Could Generate $8.1 Billion
The wealthiest Americans saw their federal tax burdens drop by an average of $124,000 due to the Bush tax cuts.[xix] President Obama originally proposed to let the Bush cuts expire for the wealthiest two percent but later reached a deal with the Republicans to maintain them. A recent proposal to address New York's budget suggests that New York enact a surcharge on those earning over $250,000 to recapture the windfall they are receiving from the federal government. This surcharge would generate some $8.1 billion in revenue for New York.[xx]

Corporate Welfare Has Exploded to over $8 Billion in New York
What is business reaping from its $67 million per year in campaign donations and millions more in lobbying? One of the biggest rewards is the ever-escalating number and size of

corporate welfare benefits: loopholes, exemptions, incentives, abatements, subsidies, loans, and direct cash assistance given to a small minority of companies each year. Currently, New York State and its local governments and Industrial Development Agencies (IDAs) provide roughly $8.2 billion per year in business tax expenditures.[xxi]

The badly broken Empire Zones program expanded from $40 million in 2000 to $554 million in 2010. Despite numerous studies and reports detailing their lack of accountability and results, IDAs offered $645 million in tax expenditures in fiscal year 2008.[xxii]

Here in Western New York, we have nine IDAs, including six in Erie County, competing with each other for business – each with its own staff, office, lawyers, etc. In 2004, the Amherst IDA spent $396,600 on its salaries and overhead while offering businesses net exemptions worth over $4.8 million. Every taxpayer in the county pays for these exemptions, but a small, unelected board and staff representing only Amherst give them away.[xxiii]

Verizon Received Subsidies Worth $3.1 Million per Job Created

The way that large corporations have learned to work the subsidy system can be seen in recent data center deals. Yahoo received roughly $200 million in tax breaks for a data center in Lockport that will employ 125 people – a subsidy of $2.1 million per job. Verizon is receiving subsidies worth $614 million for 200 jobs, or $3.1 million per job, for a data center in Somerset.[xxiv] How did Verizon obtain this lavish package? Certainly, it didn't hurt that Verizon donated more than $1.2 million in campaign contributions over the last five years and spent $9.3 million in lobbying state and local governments in New York from 2006 to 2009, employing fourteen in-house lobbyists and outside lobbying firms, too.[xxv]

Conclusion

One important cause of New York's fiscal crisis is the way that wealthy individuals and large business interests have used influence acquired through campaign donations and lobbying to reduce their share of the tax burden. An equitable and economically sound solution to the crisis must include fairer taxation.

Sincerely,

Sam Magavern
Co-Director

[i] New York Public Interest Research Group, "Capital Investment$ 2010"
[ii] Id.
[iii] Id.
[iv] Id.
[v] Id.
[vi] Id.
[vii] Fiscal Policy Institute, "Grow Together or Pull Apart? Income Concentration Trends in New York"
[viii] Id.
[ix] Id.
[x] Fiscal Policy Institute, "Budget Austerity will not Put New Yorkers Back to Work," February 1, 2011.
[xi] Center for Working Families, "A $4.6 Billion Tax Break for the Wealthiest: Bad News for New York"
[xii] Institute on Taxation and Economic Policy, 2009
[xiii] Center for Working Families, "A $4.6 Billion Tax Break for the Wealthiest: Bad News for New York"
[xiv] NY1, "Poll Finds Most New Yorkers Support 'Millionaire's Tax,' Governor, February 1, 2011.
[xv] http://www.siena.edu/SRI/SNY
[xvi] Joseph Stiglitz, Letter to Governor David Patterson, Majority Leader Joseph L. Bruno, and Speaker Sheldon Silver, March 27, 2008.
[xvii] Center for Working Families, "Tax Wall Street to Close the Deficit," April 19, 2010.
[xviii] New York Public Interest Research Group, "Capital Investment$ 2010"
[xix] Center for Working Families, "A $4.6 Billion Tax Break for the Wealthiest: Bad News for New York"
[xx] The Council of the City of New York Progressive Caucus, "Proposal for Temporary New York Surcharge on Bush-Era Tax Cuts for the Wealthiest Households," December 2010.
[xxi] Fiscal Policy Institute, "The Growing Budget Burden of New York's Business Tax Expenditures," December 7, 2010, p. 3.
[xxii] Id., p. 4
[xxiii] Partnership for the Public Good, "Missing the Target: How Economic Development Programs Have Failed to Revive Buffalo's Most Challenged Neighborhoods," p. 31.
[xxiv] James Heaney, "Sweet deals lure major data centers," Buffalo News, November 7, 2010.
[xxv] James Heaney, "Deep pockets help Verizon promote its interests," Buffalo News, November 14, 2010.

COALITION FOR
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Allison Duwe, Executive Director
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Testimony to the Senate Finance and Assembly Ways and Means Committees
Budget Hearing on Economic Development

February 14, 2011

My name is Allison Duwe and the following represents the testimony of the Coalition for Economic Justice (CEJ) in Buffalo, NY regarding economic development and the 2011-2012 Budget. CEJ is a permanent coalition of over 60 faith, labor, community, academic, and policy organizations in Western New York. Our organization works at both the local and state level to advance economic development policies that promote the creation of quality jobs and sustainable neighborhoods. We co-anchor a state alliance of government watchdog groups, labor organizations, community groups, environmental advocates and policy and research allies that has been promoting a set of common sense reforms for economic development programs in NYS.

There is no doubt that New York is facing very real budget strains and that bold actions must be taken to put our state on a path to lasting economic recovery. However, the Governor's budget does not require New York's wealthiest to pay their fair share and it fails to call out an obvious culprit of wasteful spending – the sprawling network of state economic development programs entrusted with spurring job creation in our communities. At an estimated cost of over $8 billion per year for state and local governments according to the Fiscal Policy Institute, it is time to ask if our economic development programs are part of the solution or part of the problem.

The Coalition for Economic Justice strongly believes that reforming, consolidating, and coordinating our state's broken economic development structures has the potential to increase tax revenues and spur economic development that benefits working families and local communities. The Governor and Legislature must start by adopting common-sense reforms that ensure that existing programs as well as new initiatives, such as the Governor's proposed **Regional Economic Development Councils**, create the quality jobs we need to get New York on a path to shared economic prosperity.

With an 8.2% unemployment crisis, we need economic development programs that can create quality jobs to address the crisis. Current programs have not been up to the challenge.

An analysis of the state's largest economic development program—Industrial Development Agencies (IDAs)—reveals that New York's economic development efforts to-date have failed to foster the creation of good jobs and strong communities. IDAs provide financial assistance to businesses in the form of state and local tax breaks and tax-exempt financing in exchange for the promise to create jobs. According to data released by the NYS Comptroller and the Authority Budget Office, IDAs waste $135 million a year on businesses that create no new jobs and even cut jobs. IDAs also create strains on local governments: Over 80% of IDA spending results in net revenue loss to local coffers; and IDAs have increased their spending on net tax exemptions by 82% over the last 5, from $354 million in 2003 to $645 million in 2008.

In Western New York we have experienced firsthand the failure of our IDAs, as well as other programs like the former Empire Zone program. We have 6 IDAs in Erie County alone. These IDAs all too often compete against one another, subsidizing businesses to move from one part of the county to another – often from the City to the outlying suburbs. Suburban projects are often speculative office developments with no known tenants despite an overabundance of office space both in and outside of the city. Moreover, when jobs are the focus of the incentive package, the local community often misses out on the benefits. Just this week a story broke on Channel 4 news regarding a hotel upgrade. The hotel received a sales tax abatement of hundreds of thousands of dollars, yet hired

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an out of state contractor to do the renovation project. And, the contractor exploited undocumented workers to execute the work. The only people benefitting from this situation are the IDA executives who reaped a fee from the project, hotel executives who were able to save money on materials, and a contractor who lined his pocket at the expense of his workforce.

With no high road performance standards, or strong accountability and transparency measures, it is no wonder that job creation and broader economic development goals of IDAs often go unmet, and taxpayers are left holding the bag and having to pay the price with service cuts or increases to our taxes. Sadly, IDAs are only an example of a much bigger problem that accounts for $5.4 billion in lost revenue to the state and $2.8 billion to local governments when all economic development programs are included.

Corporate tax subsidies could have a place in economic development efforts, but they're in need of some common sense reform to transform them from corporate giveaways into smart, targeted investments that grow the middle class. Restructuring our economic development system around a regional approach, as Gov. Cuomo proposes, could be a crucial first step in fixing our failed approach to economic development. However, we must make sure that all entities responsible for job creation, whether local or statewide, and including the proposed Regional Economic Development Councils, adhere to the following common sense principles from the outset:

High-Road Performance Standards:

- Public subsidies should invest in **good jobs** that keep families above the poverty line and offer **career pathways**, and they should benefit **local workers**. These policies would help grow a stronger economy where increased consumer purchasing power means more economic growth in our local communities, and where better job opportunities give residents, particularly in upstate, a reason to stay in New York.
- Economic development should follow **smart growth** principles and preference should be given to development that locates near already developed areas with access to public transportation, affordable housing, and/or built water and sewage infrastructure. Subsidies should also encourage **high performance building standards for energy efficiency** and the **reduction of carbon emissions**.

Accountability Standards:

- Publicly-subsidized development should have a public benefit. The **workers and communities** most affected by development should have a say in development decisions. Labor and community stakeholders must be included at the decision-making table.
- We need to hold our government accountable for protecting the public interest when businesses fail to live up to their promises. Tax breaks should only be allocated after job creation goals are met. Additionally, we should be able to **"clawback"** subsidies from companies that misuse subsidies, as well as use **anti-raiding measures** to prevent development entities from using taxpayer dollars to shifting jobs from town to town instead of creating new jobs.

Transparency Reforms:

- Economic development spending is largely a "hidden cost." With costs spread out among many departments, quasi-private agencies and authorities, subsidies and other incentives are difficult to total and mostly lay outside of the accountability and transparency that budget appropriations demand. We need a **comprehensive inventory of all "front door" and "back door" spending** for economic development. These line items should be reflected in the state budget to accurately reflect taxpayer costs.
- Development authorities and their subsidized businesses should be required to submit a **full annual report** on their job creation performance, wages and future commitments, and disclose all information pertinent to the specifics of deals.

At this time of severe fiscal and economic crisis, quality job creation must be the primary outcome of any effort to revamp our economic development structures. We do not just need more jobs—New York needs quality jobs. We need jobs that pay the bills, lift people out of poverty, and have the kind of benefits that allow families to survive a recession or a health crisis, and plan for their children's futures.

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A much-needed coordinated strategy and a long-term plan for how to make New York a leader in sustainable and prosperous economic development must think of the state's economy as a whole and avoid policies of the past that shift jobs from town to town instead of creating new jobs. Regional Economic Development Councils could help fulfill this vision, but we cannot allow them to become yet another layer of bureaucracy with hidden taxpayer costs.

To this end, I urge the committee to make their voices heard in support of adopting high road performance standards, accountability standards and transparency reforms so that that New Yorkers finally get their money's worth from economic development dollars. Thank you.

Sincerely,

Allison Duwe
Executive Director