

2011 Legislative Session

At the beginning of the 2011 legislative session, The Business Council published its "action agenda" focusing on state fiscal reform, reductions in the cost of state government, improved economic development programs, and reductions in state-imposed costs of doing business.

The Business Council's advocacy efforts have produced significant results for its members and the state's business community.

Overall, the session produced a number of reforms that will improve the state's economic climate and support new economic growth. Equally important, we avoided imposing significant new costs and burdens on the state's private sector employers.

The top priority of The Business Council for 2011 was adoption of a state budget that controlled spending and avoided new taxes. The legislature approved Governor Cuomo's proposed budget that reduced year-to-year state spending, and avoided new or increased taxes.

The Business Council has long supported real property tax limits that protect both business and residential property owners. The Business Council also supports unfunded mandate relief to lower costs of local governments and school districts.

The Council advocated for a state spending cap as well. While the state did not adopt an overall cap on state spending, the final budget included "mini-caps" on the state's two largest spending programs, limiting future increases in Medicaid spending to the rate of medical sector inflation, and limiting future state school aid to increases in state personal income.

Additional information is available at www.bcnys.org.

State Should Be Cautious With Health Exchange Legislation

Federal health care reform requires states to adopt legislation creating health exchanges in order to access the federal grant funds designed to offset the costs of implementation. The Business Council supported legislation that created the framework for exchanges without committing to significant changes in the insurance market.

"Creating health exchanges under the federal health care reform law is a complex and challenging endeavor," said Heather Briccetti, acting-president & CEO of The Business Council of New York. "Finding affordable, quality health plans is the number one cost of doing business issue for many businesses in our state."

Governor Cuomo has submitted a program bill that would establish a new Health Benefit Exchange to comply with the Affordable Care Act, where New York will operate its own exchange, rather than have the federal government operate one for the state, given the complexity and diversity of the insurance market in New York.

Repeal MTA Payroll Tax

The Business Council supports legislation that would eliminate the regional MTA payroll tax that raises money to maintain and operate the MTA's bus, subway and commuter train system.

"Legislation to repeal the ill-conceived jobs tax that supports the MTA is welcome and should be supported," said Heather Briccetti, acting-president & CEO of The Business Council of New York State, Inc. "The businesses in the MTA region need tax relief to grow and add jobs."

"Businesses in the region tell us this is an onerous tax. It discourages small businesses from hiring and it encourages larger business to grow outside the region," added Briccetti.

Critical Need to Rebuild New York Manufacturing

The gap is widening between New York's manufacturing industry and that of other states, and regaining the Empire State's stature as a national and a global leader in the sector is critical to economic growth and job creation. The Public Policy Institute, the research arm of The Business Council of New York State, Inc., emphasizes these points in a new study.

"We need to do more to attract capital investment in this sector so we can compete with other states," said Heather Briccetti, acting-president & CEO of The Business Council. "The first step to growing New York's manufacturing sector is lifting burdensome taxes and regulations that hinder the industry, which will make our state more business friendly and create much-needed jobs in New York."

The study, "*Let's Make it Here: Keys to a Manufacturing Resurgence in New York*," takes an in-depth look at how New York has experienced a reduction in manufacturing employment at a steeper rate than that of peer states and the nation as a whole.

According to the Bureau of Economic Analysis, for each dollar spent on manufacturing another \$1.41 is generated in other sectors of the economy.

Manufacturing also provides well-paying jobs, especially in upstate New York, where the average manufacturing wage is \$54,181. Massive state and local tax burdens, however, coupled with overly-rigorous environmental standards have discouraged growth in the sector.

Final recommendations from PPI to help attract new investments in manufacturing include: Implementing a 2 percent cap on the growth of property taxes; utilizing state universities to encourage public-private partnerships; and eliminating barriers that inhibit the flow of capital.

The full report is available at www.ppinys.org.

Material from *The Business Council of New York State, Inc.*
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