

Priority for new state officials must be restoring fiscal sanity

Despite some unfinished business from the 2010 elections, it's time to start strategizing about what we as a community expect to see our state government accomplish in the coming year.

The unfinished business I'm referring to is determining just which political party controls the state Senate. Three Senate races are still too close to call, and with ballot recounts and the inevitable legal battles, it could be months before a final result is announced. Pundits say it could go either way. Or it could come down to a 31-31 split, leading to some interesting legal debates as to how ties will be broken.

But no matter which party is in control, the issues remain the same. New York's elected officials simply must find a way to reduce the state's ridiculous tax burden and spur some meaningful job growth, especially upstate.

So today I'm going to lay out the economic development issues that we in the business community are telling Gov.-elect Andrew Cuomo and the Legislature that we want action on in the coming year:

■ Reform the Taylor and Triborough laws to rein in the cost of the public workforce. As detailed in Unshackle Upstate's "Double Standard" report, salaries and benefits for public employees are growing at an unsustainable level. To address this, the state simply must reform the Taylor Law and the Triborough Amendment to take into



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Sandra Parker

fective manner possible.

■ Encourage efficient use of public funding going to education. It's essential that we bring public school spending in line with taxpayers' ability to pay.

■ Pass the SUNY Public Higher Education Empowerment and Innovation Act. This act would propel the SUNY system into becoming a key partner in preserving and enhancing the state's economic competitiveness.

■ Expand charter schools, which have been successful across the country and in Rochester. We should also bring the lessons of the successful charter operators to our public systems.

■ Find ways to reduce energy costs. Electricity prices in our state are among the highest in the nation. New York depends heavily on clean fuel stock, whereas states that rely on coal technology have much lower costs. To counteract this competitive disadvantage, New York should cut taxes imposed on the utility industry.

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■ **Negotiate cost-effective state contracts.** The contracts governing several major collective bargaining units are set to expire. As governor, Cuomo will have the opportunity to address the state's escalating costs for its work force, including tying any salary increase proposals to explicit cost reduction strategies.

■ **Cap property taxes.** We strongly support Cuomo's call for a 2 percent cap on property tax increases as a first step to reducing taxes. But it will be effective only if the state decreases spending and cuts back on the unfunded mandates it passes down to the other taxing authorities, including counties, towns, cities and school districts.

■ **Reform Medicaid.** New York spends more than twice the national average per capita on Medicaid. Cuomo supports restructuring of the \$52 billion program, but other actions are needed to "bend the cost curve." For example, the state should strengthen incentives to encourage the purchase of long-term care insurance and bring use of personal care services more in line with national norms.

■ **Restrict debt.** State-funded debt has grown 25 percent in five years to \$60 billion. Back-door borrowing by public authorities should be banned, state-fund debt should be limited to 5 percent of personal income, and the constitution should be amended to restrict the use of long-term debt to capital purposes.

■ **Consolidate government.** We support many of the proposals in Cuomo's "A Plan for Action" that are aimed at restructuring state and local government. There are several examples in which consolidation would lead to cost savings and more effective program management.

■ **Provide relief from unfunded mandates.** The regulatory environment in our state is costly and overly bureaucratic. We urge Cuomo to reinvigorate the Governor's Office of Regulatory Reform, which can help to identify solutions that achieve broader social goals in the most cost-ef-

■ **Fully implement adopted reforms** in the workers' compensation system. In 2007, reforms were made with the intention of increasing benefit levels for injured workers and reducing system costs and premiums for employers. Unfortunately, many of the anticipated savings for businesses have yet to be realized. New York must keep its 2007 commitment to employers by fully implementing the reforms.

A very contentious political season has just ended. Most of the candidates, responding to an outcry from taxpayers, campaigned on promises of reducing state spending and taxes. Now it's time for us to hold them accountable and make them turn those promises into actions. As taxpayers and citizens of this state, that's our responsibility. We owe it to ourselves, to our families. New York's future depends upon us.

Sandra Parker is president and CEO of the Rochester Business Alliance Inc. Contact her at SandyP@RBAAlliance.com.

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