

# State government must act on fiscal agenda; our survival is at stake

**D**ecember is really a thoughtful time. The holiday season presents opportunities to reflect on the year about to end and begin planning for the year ahead.

This goes far beyond personal reflections. Business executives, community leaders and others are engaging in the same process as we try to make sense of where we've been and draw the map toward where we are headed.

Here at the Rochester Business Alliance, part of this process is hosting our annual economic outlook meeting. We bring in experts on the economy, various industry sectors, the stock market, the labor market and have a roundtable discussion on the year ahead.

We'll be carrying on this discussion in greater detail at a Rochester Rotary luncheon on Jan. 4. I'll be moderating a panel of experts who will share their views. Watch the news and your e-mails for more on that later.

But here are the highlights, most of which won't come as any surprise to you.

Rochester is coming out of the recession. But in the fashion typical of Rochester, the turnaround is slower here than in other parts of the country.

Our unemployment is down but still higher than we'd like it to be. Companies are doing some hiring, and we are seeing year-over-year gains. Still, we're at our lowest employment level since 1993, and no one seems to be hiring in droves.

Auto sales have picked up, as have retail and leisure spending. But construction is still hurting, and there's concern about real estate now that the homebuying incentive programs have expired.

The fact that we're recovering more slowly isn't bad news in itself. This is happening because Rochester didn't suffer in the recession as much as many other communities. One major factor: Our fiscally conservative community was largely spared the housing/foreclosure nightmare



that ravaged other economies. But also playing a key role was the state of Rochester's pre-recession economy. In other words, we had already taken a hit and didn't have as far to fall.

And that brings me back to a theme familiar to readers of this column: the role of New York's state government in suppressing the upstate economy and the key initiatives we believe must be undertaken for that to change. The issues are not new, nor are they a surprise to any of us living in upstate. Yet even with the concerted and focused efforts of Unshackle Upstate and an ever-worsening fiscal picture for our state, change has been painfully and frustratingly slow.

So in the spirit of the new year—and preparing for a new governor whose administration is well-acquainted with upstate's economic issues—we have laid out a plan.

We're calling it the "New York State Survival Guide," which we unveiled at a news conference last month. A copy has been sent to Gov.-elect Andrew Cuomo and Lt. Gov.-elect Robert Duffy, and we're hosting one-on-one meetings with members of the Rochester-area legislative delegation in hopes of gaining their committed support. Ultimately, we will present copies of the plan to all 212 New York state legislators, and we will be pushing this as our public policy agenda for 2011 and beyond.

The guide offers a simple plan, 10 steps that must be taken if New York's economy is to survive, let alone thrive:

- Cap the taxpayer burden.

- Stop unfunded mandates.
- End the "double standard" around public employee pay and benefits.
- Trim Medicaid's excess.
- Control the state's debt.
- Improve the competitive climate (make New York more business-friendly).
- Reform economic development.
- Encourage innovation in education.
- Reduce the size of government (think consolidation).
- Lower the cost of energy.

But achieving the plan will be far less simple. It will involve the governor and Legislature taking on public employee unions in a push to reform the Taylor and Triborough laws, which govern their contract negotiations.

It will involve our elected officials engaging in tough political negotiations to institute a property tax cap—a real cap, not a program with a circuit breaker, the more politically popular option because it merely shifts costs without requiring cuts.

It will take political will on their part to reject calls to cover budget deficits by adding to the state's debt or adding new

taxes and fees.

And it will take creativity and initiative to delve deeply into education funding and Medicaid to separate essential services from those that merely bloat the costs of these programs which make up so much of the state's budget.

It sounds like an enormous task, but the bottom line is that these issues are real and threaten our state's future. It's also the responsibility—the job—of our elected officials to work for solutions that will improve New York.

But you have a role to play as well. As taxpayers, we must be willing to make our case to elected officials and then hold them accountable for finding effective solutions.

Soon we will flip the calendar page to a new year, but the old problems will still be there. Let this be the year we pull together and bring the change, the real change that will put Rochester and all of New York back on the road to prosperity.

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## FAST START

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with Oh Hey, logging after-work hours and consulting with Chapman over Skype and IM.

"I love building websites," he says. "I like interacting with small businesses because they don't know the new technology. It's not easy navigating this new technology, but it's not as hard as people think."

After graduating in May, Chapman put his record label on hold because he wasn't earning enough for the time he put in. He briefly looked for a job. After just two weeks, he decided to strike out on his own and recruited Hauenstein for the Web development side. Chapman worked "full-time plus" over the summer to get

the business going, and Oh Hey officially opened its doors Sept. 1.

These days he works roughly 60 hours a week, consulting with clients on ideas and working on graphic design, creating marketing plans and running the business. He's also been meeting local veterans of the industry. Hearing the perspectives of people who have 20 or 30 years of experience in the field has helped him get Oh Hey on its feet, he says. In turn, they are eager to learn from younger counterparts.

The No. 1 lesson Chapman has learned: Just be yourself.

"There was no branding meeting about how we were going to position ourselves as a firm," Chapman says. "We're just who we are. Otherwise we'd be working a lie, and that's not fun."