



**GREATER
BINGHAMTON**
CHAMBER OF COMMERCE

**PREPARED BY THE GREATER
BINGHAMTON CHAMBER OF COMMERCE**



**2018
AGENDA**

LEGISLATIVE AGENDA

FEDERAL, STATE AND LOCAL PRIORITIES FOR 2018

- MESSAGE TO OUR MEMBERS -

The Governmental Affairs Committee of the Greater Binghamton Chamber of Commerce is proud to present our 2018 Legislative Agenda.

Our 2018 Agenda is developed from the responses of our annual legislative survey and through discussions with our members throughout the year. The Chamber wants to build a successful and sustainable business climate in Broome County, and New York State. Information provided to us from our members, through the legislative survey, will help drive our advocacy efforts to create a better business climate in 2018.

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James McDuffee, Delta Engineers, Architects, & Land Surveyors

Joe Mirabito, Mirabito Energy Products

Mary O'Malley-Trumble, IBM

Jon Sarra, Hinman, Howard & Kattell, LLP

Jeff Smith, Binghamton Baseball Boosters

Robert Warholic, Delta Engineers, Architects, & Land Surveyors

Terry Wood, Willow Run Foods, Inc.

- LOOKING AHEAD -

OPPORTUNITIES

- Development of the urban core areas
- Funds available from New York State Economic Development
- Growth of Binghamton University and SUNY Broome

CHALLENGES

- Albany/State Government
- Availability of market rate housing growth and industrial space
- Attracting international and domestic companies/investors

- WORKFORCE DEVELOPMENT -

The Chamber believes, and is actively engaging in ways to create a responsive, employer-led pipeline to train our current and future employees and match them up with the employers in today's modern economy. Much like in many other areas, engaging and empowering private sector employers will be more effective in putting more residents to work and filling these consistently hard to fill positions.

While unemployment rates in Broome County continue to be close to the highest in the State, current statistics show that thousands of jobs in Broome County remain unfilled. Many of these positions are in the so-called "middle-skills" or "new collar" fields. These jobs often require more than a high school diploma, less than a college degree, but specialized skills and training and pay good salaries and wages.

Many of the Chamber's community partners and stakeholders spend admirable time, energy and resources toward training job seekers with new skills to make them more attractive candidates. However, our current funding, training, and job placement systems are siloed, counterproductive, and often result in unnecessary costs. Meanwhile jobs remain unfilled and people unemployed.

When asked, over 70% of survey respondents (employees and employers) said that their company has open positions that are consistently hard to fill. We asked for both the employees and the employers to explain the reasons why they think that these positions remain unfilled.

Employer identified the top reasons being:

1. Lack of quality applicants
2. Soft skills gap
3. Lack of training/skills

Employee identified reasons as most challenging to maintain current employment or to have upward career mobility:

1. Rate of pay
2. Cost of living
3. Housing options or cost

- TAXES & SPENDING -

The Chamber supports efforts that improve New York's efficiencies with reforms and programmatic savings that can help balance the State's budget without increasing taxes or reducing important public services.

In 2018, according to multiple sources, New York State is facing a budget deficit between \$1.7 and \$4.4 billion and is expected to face similar deficit in future years. The Legislature and Governor Cuomo's office have made it a priority to hold spending growth under 2% for the last 7 budgets. Prioritizing spending restraint and fiscal discipline could not be more important while facing this significant budget deficit. New York State, especially the Southern Tier, has an already struggling economic situation and cannot withstand additional state taxes or enhanced revenue actions. The Chamber specifically supports:

Make the Property Tax Cap permanent: Through our efforts with Unshackle Upstate, the Property Tax Cap has

been extended through the end of the decade. The Tax Cap has saved property taxpayers billions while close to 90% of taxing entities have stayed under the Cap. ***The Chamber will advocate for the Tax Cap to be made permanent in 2018, but also advocate for mandate relief to make it more effective.***

Continue efforts to keep state spending growth under two-percent: The State over the last 4 budgets has kept all funds under a self-imposed 2% spending growth cap. This has limited spending and has reduced New York State's budget deficits. ***The Chamber will urge lawmakers to continue this discipline and make this 2% cap a statute.***

Reform business taxes based on tax filing status:

This is the perfect time to provide long awaited tax relief to all sectors of the economy, including further tax relief to the small and medium-sized businesses that drive our economy. ***The Chamber will push for several reforms to taxes on small/medium sized businesses based on their tax filing status.***

Encourage local government efficiencies:

There have been several efforts over the past few years to help consolidate and share services between the over 20 government offices across Broome County. Identifying reforms or efficiencies like consolidation or sharing of services could help decrease some of the highest property taxes in the state. ***The Chamber will strongly support efforts to encourage and create local government efficiencies.***

- MANDATES & REGULATIONS -

The Chamber will advocate for the repeal of outdated and overly burdensome mandates and reforming the process of enacting new mandates and regulations.

New York State seems to have an expanding and never ending set of mandates and regulations to deploy on employers of all sizes. This regulatory and mandate culture in New York State significantly contributes to the state being ranked as one of the least friendly states to business, and new mandates are created and executed by state agencies, and their appointed boards, rather than our elected officials. Each year legislative task-forces identify specific regulations that need to be repealed or reformed due to being outdated or overly burdensome, including:

Discourage creation of state agency mandates: Many state agencies, such as the Department of Labor, were created to provide oversight and compliance to wage and labor mandates enacted by our elected officials. A recent trend has been these state agencies creating new mandates and regulations through public comments and a hearing process without substantial legislative involvement or oversight. ***The Chamber will advocate for our State Legislature to have an active and equal role in any action in the regulatory process.***

Reform the “absolute liability” standard in NYS Labor Law 240/241 or Scaffold Law: The Scaffold Law is more than a century old and continues to be a strain on progress and economic development. The Scaffold Law is estimated to cost taxpayers \$785 million annually, but most people do not even know it exists. ***The Chamber will continue to push for its reform, but also provide education to our members on how this affects their business and personal finances.***

Oppose expansion of Prevailing Wage: Forcing a prevailing wage on construction projects stunts development and impedes economic growth. The State’s current prevailing wage rates are costing New Yorkers millions of dollars every year. In the recent study *Prevailing Wage: New York’s Costly Public Work’s Pay Mandate*, prevailing wage laws are costing public construction projects an additional increase of between 13 and 25 percent. Efforts to expand the prevailing wage to privately funded construction, products being used at construction sites, and IDA supported projects will further hinder growth in Broome County. ***The Chamber will actively oppose any expansion of prevailing wage.***

Reform MWBE contract requirements: New York leads the way in contracting to Minority and Women Owned Businesses (MWBE). While this is something to be proud about, it also puts unrealistic and unattainable guidelines on grants and contracts in the Greater Binghamton region. It is unfair to expect certain regions of the state to award the same 30 percent of contracts to MWBE certified firms as New York City. There are simply not as many MWBE certified firms to accomplish that 30 percent goal. The MWBE application and certification process is very burdensome and confusing. While it might not fully accomplish the 30 percent goal, if this process were made more open, reachable and effective, the pool of available MWBE contractors would increase. ***The Chamber will push to reform the MWBE mandated guidelines to more accurately reflect demographic realities in the region and making the MWBE application and certification process quicker and easier.***

- ENERGY & INFRASTRUCTURE -

The Chamber will advocate and support all efforts to improve the state's energy infrastructure to assist with economic development, and keep energy costs as low as possible.

In 2016, Governor Cuomo denied it's residents the economic opportunities associated with Natural Gas development and hydraulic fracturing. Our current transportation infrastructure (pipelines or CNG transfer stations) are dated and do not meet the needs of current or potential large volume consumers. Through blocking and delaying permits for enhanced and modern energy transportation infrastructure, New York has been impeding economic development across the state and increasing costs. New York has also instituted a Clean Energy Standard that mandates a 50% increase in the use of renewable energy sources by 2030. Part of this plan is to significantly decrease the usage of nuclear power, but currently most renewable energy is produced by nuclear energy. New York State's Independent System Operator (ISO) has reported that this clean energy standard, combined with the lack of natural gas infrastructure upgrades, will undermine the reliability of the state's electrical grid and businesses will go elsewhere.

Our Chamber members are concerned about energy infrastructure, supply, and the threat of increased costs. Nearly 60% identified that their business would not be able to absorb a significant energy cost increase over the next 5 years and over 80% are in support of building a combination of pipelines and CNG transfer stations to enhance and modernize our energy transportation infrastructure. For these reasons, we are fighting to improve the state's energy infrastructure, assist with economic development, and keep energy costs as low as possible, including:

Reassess New York State's total ban on natural gas development and the use of hydraulic fracturing: In order to address both the energy costs to businesses and residents and creating economic development options, these regulations must be addressed. *The Chamber will continue to push for the removal of restrictive policies that negatively impose the areas economic development through resource exploration.*

Advocate for commonsense rules and regulations: These regulations are sensitive to both environmental and economic concerns in relation to the development and

transportation of energy resources. If we do not allow development and transportation of our energy resources and an increase to our capacity, economic development will go elsewhere. *The Chamber will advocate for efficient processes that allow for economic development.*

Advise our elected officials: Politically driven choices to postpone or reject vital energy infrastructure projects severely hurts our development opportunities. *The Chamber will engage elected officials and push for sound, pro business policies.*



- EMPLOYER REGULATION -

The Chamber will fight for a continued seat at the table for businesses and organizations in any employee/employer regulation discussion.

WORKER'S COMPENSATION

The Chamber, along with Unshackle Upstate and our business advocacy partners from across the state, was proud to announce that 2017 was the first time in a decade that New York State enacted significant workers' compensation reform. While these reforms are steps to reduce employer costs, modernize the system and retain worker projections, there is much work still to be done. New York State employers, and that includes not-for-profits, local governments, and businesses, still pay among the highest workers compensation costs in the nation.

Changes and continued efforts to modernize the SLU Impairment guidelines need to happen.

Ensure we continue to have a seat at the table:

During worker's compensation reform and employer regulation discussions, we need make sure any efforts to roll back the just-adopted reforms are rejected and new proposals are discussed before implementation.

The Chamber will continue to engage our State legislators on reforms to the Workers' Compensation system to modernize and drive down the costs to employers across the state and in our region, while mitigating attempts to add new costs to employers.

MINIMUM WAGE

New York State enacted the largest increase to the minimum wage in recent history during the 2016 legislative session. These increases will continue to increase until they reach \$12.50 per hour in Upstate New York by 2020. When asked, nearly 50% of businesses said that they have passed these costs onto their customers or reduced their number of employees. Further increases to the minimum wage in Upstate are scheduled, but will be governed by a to-be-determined indexing formula created by the Department of Labor. Before enacting these further increases, the DOL also needs to study how these increases have been affecting business and the economy of Upstate New York.

Hold the Department of Labor accountable: It is important to make sure the Department of Labor is aware of the negative affects increases to minimum wage

have had on employers, employees and the economy. *The Chamber will advocate for our members, and the businesses of Broome County, by making sure the Department of Labor is aware of the negative affects the increases to minimum wage have had on employers, employees and the economy.*

PAID FAMILY LEAVE

Also enacted in 2016 was the most extensive paid family leave mandate in the nation. When enacted, the business community was ensured that all costs for this program will be paid for by an employee payroll tax. It is also believed that when fully enacted, the small payroll tax will not cover the costs of the program and the employers will be looked at to pay the bill. This new mandate cannot be paid for on the backs of employers and the economy of New York State could not withstand this added cost.

The Chamber will fight any attempt to pass the costs of paid family leave onto the employer.



- ECONOMIC DEVELOPMENT -

The Chamber will continue to support and consider additional ways to expand economic development in Broome County. Specifically we support the following:

Lower property taxes: The statewide average property tax rate is 1.5%, but Broome County consistently is over 1% higher than the statewide average. *The Chamber will explore ways to lower the average rate in Broome County including efficiencies and consolidations in local government and schools.*

Streamline the economic development process: From the Regional Economic Development Council to the Upstate Revitalization Initiative and the Greater Binghamton Fund, *the Chamber will stay active with these efforts and others to ensure our members have access to, and can navigate, these programs.*

Improve transportation and infrastructure: Our aging infrastructure continues to be in dire need of repair and replacement. Our roads, bridges, water mains, supply networks and sewer systems all need attention. *The Chamber will advocate for improvements and encourage*

other creative funding, like the Tax Increment Financing (TIF) to help fund needed infrastructure improvements without burdening taxpayers or the local tax base.

Improvement to our Urban Cores: Urban Cores in any region can and should be the economic driver of the community. Our Chamber members view the urban cores in Broome County as some of our greatest opportunities for economic growth. While improvements have been made in the City of Binghamton and Johnson City, the urban cores in Broome County struggle with pockets of blight and crime. We support efforts like the Brownfield Cleanup Program to provide tax credits to incentivize the redevelopment and remediation of properties, and the work of the Broome County Land Bank to demolish and promote the redevelopment of blighted properties. *The Chamber will actively engage in efforts to return many of these properties to the tax rolls thus paying huge dividends for Broome County residents in the future.*

- HEALTH CARE -

The Chamber supports efforts that lower health coverage costs for businesses and require financial accountability before the passage of new mandates, fees or assessments on health care costs. We will also push for repeal and reform of these taxes and fees that could potentially decrease a business's overall premium costs by 10%.

New York State continues to have among the highest health care costs of any state in the nation. The major reasons for these high costs are the taxes, surcharges and assessments the state passes onto employers and individuals who purchase health insurance. In 2016 these taxes, mandates, surcharges and assessments included: the covered lives assessment (\$1.1 billion), the premium tax on commercial health insurance (\$353 million), the

section 206 assessment (\$149 million), and the HCRA surcharge (\$3.1 billion), adding up to \$4.7 billion. These taxes and fees can add up to over 10% of a business's overall premium costs. Controlling the rise of Health Care Costs by mandate reform and reducing state and federal taxes is of top importance.

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