

# CAPITAL REGION CHAMBER

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YOUR ADVOCATE

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## 2015 Legislative Session Wrap-Up



# Changes at the Capitol & the Chamber:

## What It Means for the Capital Region and Your Business

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### A Message from Our Leadership

This year our Capitol and the Capital Region have seen incredible changes. Some planned and inspiring. Others completely unexpected and disheartening.

As the legislative session unfolded, we witnessed the sudden change in leadership in both the Assembly and Senate. While the circumstances necessitating these changes are truly unfortunate, your Chamber sees great promise in the future. We are committed to deepening our relationship with Senate Majority Leader John Flanagan and Assembly Speaker Carl Heastie. We have communicated our priorities with them and seek their support for issues that are important to our membership and region.

We also witnessed a change in the Chamber itself. However, unlike the events described above, this transformation was deliberate, well thought out and implemented with input and guidance from our Chamber members and Board of Directors. In April, members the Chamber of Schenectady County and the Albany-Colonie Regional Chamber voted to integrate the organizations through the formation of a new umbrella entity named the Capital Region Chamber. The two chambers remain as affiliate organizations. With more than 2,800 members representing 140,000 employees, your Chamber is an influential voice on behalf of membership investors and our Capital Region communities.

Local, state, and federal officials know us, respect us and listen to us. Through our ongoing and newly energized advocacy efforts, your Chamber proactively advocates for business and community priorities.

Your input and participation is crucial to our advocacy work. To help advocate, or to discuss public policy issues, please contact Tom O'Connor, Director of Government Relations, at 518.431.1413 or via e-mail at [toconnor@capitalregionchamber.com](mailto:toconnor@capitalregionchamber.com).

Sincerely,



Mark N. Eagan, CCE  
Chief Executive Officer



Charles P. Steiner, CCE  
President

# ADVOCACY IMPACT

The Capital Region Chamber is dedicated to promoting legislation, regulations and policies that support economic growth and job creation.

Here are the highlights from the 2015 State Legislative Session:

## BUDGET:

Your Chamber's advocacy efforts at the Capitol during this year's budget negotiations paid off. We persuaded our elected officials in Albany not to enact budget proposals that would have harmed our members and business climate. This is what we accomplished:

- The Chamber opposed the health insurance tax as a means to sustain New York State's Health Exchange. This additional tax would have forced many small businesses to opt out or drop their current coverage. **Removed from Budget.**
- The Chamber did not oppose a previous increase in the minimum wage which included a gradual phase-in, was not indexed to the rate of inflation and provided for small business tax credits. However, the Chamber opposed legislation included in the Governor's budget that would increase the hourly minimum wage from \$9. to \$11.50 in New York City and from \$9. to \$10.50 across the rest of the state. **Removed from Budget.**
- The Chamber supported the small business tax cut contained in the Executive Budget but only if it was amended to encourage a broader approach to small business tax relief. **Removed from Budget**
- The Chamber opposed the "circuit breaker" approach to real property tax relief put forth in the Executive Budget. Instead, we proposed a permanent property tax cap coupled with meaningful mandate relief. **Removed from Budget.**

The budget included the Governor's proposed \$1.5 Billion Upstate Revitalization Initiative. Seven regions, including the Capital



Region, are eligible to compete for one of three \$500 million upstate revitalization funds. Projects exhibiting region-wide impact will be made a priority. To continue the progress of the Regional Economic Development Councils (REDC), the Budget also included \$150 million to fund regional priority projects and \$70 million in State tax credits for a fifth round of the REDC awards.

## LEGISLATION:

**The "Big Ugly"** - The 2015 Legislative Session finally ended a week late with difficult negotiations and a number of issues left unresolved. However, in the final hours of the legislative session, the Senate and Assembly did pass an omnibus bill known as the "Big Ugly". Of particular importance to the Chamber was the extension of the real property tax cap. The cap was extended for four years. While the Chamber has been a strong supporter of a permanent tax cap, we are pleased that a four year extension was agreed to before the end of session. Additionally, a new property tax rebate was included. The rebate will amount to \$3.1 billion over the next four years. In 2016, the rebate would be roughly \$900 million. In order for homeowners to receive the new property tax rebate, their local governments and school districts are required to stay under New York's property tax cap. This bill also included extensions of several expiring laws including rent control regulations, 421-a tax incentive and abatement programs and provided increased funding of \$250 million to reimburse private schools for the costs of performing State-mandated services.



*The Chamber leadership meets with Lieutenant Governor Kathy Hochul.*

### **Credit Privacy in Employment Act** -

Legislation was introduced in both houses of the State Legislature that would prohibit employers from using consumer credit reports in hiring and employment decisions. The Chamber opposed this bill. Employers have an obligation to their businesses, as well as to consumers, to ensure that their employment decisions are based on thorough background checks, including the use of consumer credit reports. Conducting thorough and proper employment screening can help mitigate risk and allow employers to make better hiring decisions. Thanks to the Chamber's opposition, this legislation did not gain legislative approval.

**Health Care Staffing Mandate** - The Chamber strongly opposed a bill that would mandate an enormously expensive and medically unnecessary nursing staff ratio on hospitals and nursing homes throughout the state. The bill, which has been introduced in both houses of the legislature, represents an enormous unfunded health care mandate, does nothing to improve patient care and will drive already profoundly high health care costs remarkably higher. Thanks to the Chamber's opposition, this legislation did not gain legislative approval.

**Permanent Tax Cap** - The Senate passed a bill sponsored by Senate Majority Leader John Flanagan which would make the municipal and school district tax caps permanent. The Chamber strongly supported this legislation. Unfortunately,

the Assembly failed to take action on this bill. The adoption of the cap has effectively helped local governments control spending and implement efficiencies. In fact, since the tax cap has been in place, New York State taxpayers have enjoyed over \$7.6 billion in tax savings. Capital Region taxpayers alone have realized tax savings of more than \$587 million. The current tax cap, which limits year-to-year property tax increases to 2%, was set to sunset in 2016, but as mentioned above, it was extended for 4 years as part of the "Big Ugly". The current cap must be made permanent and the Chamber will continue to push for this legislation until we have a permanent cap.

**SLA Reform Bill** - The Senate and the Assembly passed a bill supported by the Chamber and sponsored by Assemblyman Phil Steck that would amend the Alcoholic Beverage Control Law to clarify the State Liquor Authority's (SLA) legal authority to penalize licensees based on perceived violations of the laws of other states. The alcoholic beverage industry is an important component of our economy and any effort to provide this vital industry with additional regulatory clarity and enforcement predictability is welcomed. The Chamber has urged the Governor to sign this bill into law.

**QEZE Legislation** - The Senate and the Assembly passed a bill supported by the Chamber and sponsored by Assemblyman Phil Steck that would amend the Tax Law in relation to Qualified Empire Zone Enterprise

(QEZE) tax reduction credits. Under current interpretation of the law, only the New York-apportioned business income is included in the calculation of the credit. The QEZE tax credit was designed to encourage employment in New York State. An allocation between New York and non-New York income was not included in the original law and serves no purpose since the tax credit is designed to encourage employment in New York in manufacturing, not sales of manufactured products in New York. The bill would clarify the original intent of the chapter by allowing all taxable business income to be included in the calculation of the QEZE tax reduction credit. The Chamber has urged the Governor to sign this bill into law.

**Non-CPA Ownership Bill** - The Chamber supported a bill that would allow non-CPAs to be minority owners of CPA firms. New York is one of only three states that do not allow accounting firms to offer ownership to non-CPAs. This puts New York's accounting firms at a disadvantage when it comes to recruiting and retaining top talent. If this bill is enacted, New York could benefit from the potential creation of at least 145 new accounting firm partners across the state in the coming year alone. Although the Senate passed the bill, unfortunately the Assembly did not take action. The Chamber will continue to advocate for the passage of this bill.

## Support the Capital Region Business PAC

The Capital Region Business Political Action Committee (PAC), of the Capital Region Chamber, enables the business community to participate in the political process to promote a favorable business climate and quality life throughout the Capital Region and New York.

The Chamber has a focused legislative agenda and is at the Capitol representing your interests to make the Capital Region and New York State more competitive to retain and create jobs. The PAC provides dedicated resources to better position the organization to have a greater impact on legislative matters. The PAC does not endorse candidates; contributions are distributed on a nonpartisan basis and for advocacy on issues of importance to the region's business community.

To contribute, contact Tom O'Connor, Director of Government Relations, at 518.431.1413 or email him at [toconnor@capitalregionchamber.com](mailto:toconnor@capitalregionchamber.com). For more information on the PAC, visit [www.capitalregionvoice.com/PAC/](http://www.capitalregionvoice.com/PAC/).





# ADDITIONAL ADVOCACY EFFORTS:

The Chamber met with Governor Cuomo's new transportation staff to continue advocating for direct access from I-87 Exit-4 (Phase II). This project would reconfigure Exit-4 to provide direct access to the airport, reduce traffic congestion, and spur continued economic growth in the Capital Region. Your Chamber will continue to advocate for this vital infrastructure project until it is finally built.

The Chamber traveled to Washington, DC to participate in Congressman Paul Tonko's Capital Region on Capitol Hill Symposium with executive agency officials and congressional staff. Topics under discussion included the innovation economy, evolving state health care, federal grants and infrastructure challenges. We utilized the opportunity to advocate for our federal priorities.

The Chamber has joined more than 250 local, regional and state chambers of commerce in urging Congress to resolve the impending insolvency of the federal Highway Trust Fund, and to pass a long term federal transportation authorization bill. The Chamber fully supports a reliable and resilient transportation network. This is vital to our region's economy. Your Chamber will continue to be a strong advocate for a sustainable source of infrastructure funding to grow jobs and keep the Capital Region moving.

The Chamber is a founding member the Business for Federal Research Funding, a coalition of more than 60 chambers of commerce from across the country, advocating for an increase in critical federal research accounts. As the 2016 budget process progresses, we are urging Congress to pass appropriation bills that robustly fund research as it is a key driver of our national innovation economy.



*The Chamber team at Unified Military Affairs Council Airplane Pull to raise awareness of the impact the military has on the economy of the region*

# ISSUE SPOTLIGHT:

## Workforce Development and the Job Skills Gap How the Capital Region Can Bridge the Gap

The gap between the skills of current job seekers and the skills required for available jobs, particularly for mid-level skill jobs, is ever widening. This gap is a real and troubling dilemma facing employees and employers alike. However, your Chamber remains optimistic that this gap can be bridged and will continue its efforts to ensure that the Capital Region has a talented and skilled workforce ready to fill the jobs of today and tomorrow.

Chamber CEO Mark Eagan testified before the Senate Taskforce on Workforce Development which is co-chaired by Senator George Amedore. During his appearance before the taskforce, Mark outlined the consequences of the current gap, as well as offered what the Chamber believes are possible solutions. The following are highlights from his testimony.



*CEO Mark Eagan appears before the Senate Taskforce on Workforce Development*

Economic prosperity throughout the state is hindered by the current and continuing employment gap. The middle-skill jobs gap is stunning in terms of its share numbers. Currently, there are over 115,000 available jobs in New York State. In the Capital Region alone, there are over ten thousand available jobs. It is disheartening for job seekers to see thousands of job openings yet not have the required skills to get hired. It is also frustrating for employers who are in desperate need of mid-skilled employees to see their job vacancies go unfilled. Without these mid-skilled employees, employers are finding it difficult, if not impossible, to successfully meet their demands, maintain productivity and, in short, conduct business.

In order to remain competitive, retain businesses, attract new businesses, and ultimately ensure the economic prosperity, we must provide job seekers with both the pathways to skills and the actual skills necessary to get hired.

The Chamber strongly supports education models that better prepare students for entry into careers and/or college. Career and college ready students are critical to regional job growth and prosperity. The Chamber is an advocate of innovative education models and multiple pathways. We believe that not every student will succeed by following the traditional education pathway and consequently should be given every opportunity to pursue other avenues to graduation.

The Chamber also encourages efforts to improve science, technology, engineering and math education (STEM). The current and future jobs in our science and high-tech industries, those jobs that are so important to Tech Valley, require workers with skills and knowledge that only STEM education can provide.

In addition to multiple pathways and STEM education, the Chamber supports of New York's P-12 Common Core Learning Standards. Today's businesses require employees that are critical thinkers, complex problem solvers and effective communicators. The CCLS prepares students to effectively fulfill each of these roles. Through CCLS, we can align the skills of our students with the requirements of our colleges and businesses.

The Chamber is a strong advocate for increased funding for community colleges for the purpose of customized industry training. Community colleges have been a great business partner. They have and should continue to play a vital role in addressing the employment gap.

Unless it is addressed now, the gap will steadily and rapidly widen. It is incumbent upon all stakeholders to develop solutions and support existing programs that will bridge the gap between skills and jobs. The Chamber is encouraged to see the many partnerships between business, education and government leaders that have formed to tackle this gap. We truly believe that the best, most effective and innovative solutions will be produced by these partnerships.

Businesses have a vested interest in bridging the employment gap. The Capital Region, its businesses and our community can only thrive if our workforce is equipped with the skills required for today's and tomorrow's jobs. Let's keep at it and close this gap and ensure a strong talent pipeline.



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