

Labor can support a plan to add jobs

In his State of the State message to the people of New York, Gov. Andrew Cuomo proclaimed that New York is going to become a business-friendly state. He made it clear there will be a public-private partnership, "the focus of which is to create jobs, jobs, jobs." With one in three New Yorkers struggling to make ends meet, there could not be a higher priority. The governor proposes to establish 10 regional economic councils chaired by Lt. Gov. Bob Duffy, which will coordinate existing economic development money coming into the region and listen to local concerns and plans.

We think the governor is headed in the right direction. Our labor federation would gladly join local community and business leaders on the new council. We are prepared to help establish some mutually acceptable goals. We would prioritize investments in our infrastructure, gain a consensus about regionally significant development projects and foster an environment that promotes good jobs, jobs that reinforce the backbone of our middle class.

The governor said he wants a government that actually gets results. He said New York spends about \$1.6 billion per year in economic development, and we rank 50th in terms of results. We are not surprised.

Our labor movement has felt for some time that the taxpayers are not getting their money's worth from public investments in job creation. Our economic development tools consist of a broad category of state tax expenditures including special tax breaks, credits and exemptions, and local tax expenditures through industrial development agencies. The Fiscal Policy Institute estimates that taken together, the state and local tax expendi-

tures on behalf of business amount to \$8.2 billion.

The stated objective for these tax expenditures is to provide a climate that creates incentives for industry or other commercial enterprises to relocate to or stay in New York. There is little evidence, however, that the jobs created justify the costs. In addition, in the context of a projected state deficit of \$10 billion for fiscal year 2011-2012, these substantial tax expenditures are generally overlooked. To put it simply, as taxpayers we are seeing very little bang for our buck.

We believe that legislation proposed to reform the state's IDAs put forward a set of principles that would reassure the public that their investments are well-spent. These measures include much greater accountability and transparency by the IDAs so the public could have some input into the decisions to grant tax breaks and be aware of the actual results. It suggests wage standards for construction and the permanent jobs created by subsidized projects as well as regional hiring requirements and apprenticeship programs to enhance the local work force and build regional purchasing power.

We believe that these reforms, if applied broadly to the range of state and local economic development initiatives, would build an economy that creates good jobs and sustains the middle class.

Regional councils can also serve as a means to gain consensus and create an action plan in support of regionally significant projects. We believe that important development projects, where there is a broad consensus, should have a streamlined approval process without denying the public the opportunity to comment. There needs to be a

new methodology to break a stalemate and allow a project like the Lighthouse to move forward. There should be commitments for infrastructure investments to address local concerns about traffic, water treatment and mass transportation.

The governor asked us all to get behind a plan "where New Yorkers can be proud of their government once again." Putting people back to work and rebuilding our communities is a plan we can all support.

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