



**Brooklyn Chamber
of Commerce**

Brooklyn Agenda for Recovery and Growth 2009

The Legislative Agenda of the Brooklyn Chamber of Commerce 2009

Annual Albany Lobbying Trip
March 17 – 18, 2009

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The Government Affairs Committee of the Brooklyn Chamber of Commerce

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2008 BROOKLYN CHAMBER OF COMMERCE MEMBER ISSUES SURVEY RESULTS

The Brooklyn Chamber of Commerce conducted its 2008 Member Issues Survey this past December. The survey conducted by email reached 1,146 (76%) Chamber Members and had a response rate of 10%. The survey looked at the Economy, NYC Projects and Issues, Education and Workforce Development, Healthcare, Quality of Life and Obstacles to Growth. The flailing economy permeated survey responses and the Chamber adjusted its programming to reflect these concerns. The table below cites the obstacles to the growth of our Members.

Obstacles to Growth

Obstacle	Percentage citing problem or severe problem	Current Rank	Rank in 2007	Rank in 2006
Increased cost of providing health insurance for my employees	55%	1	(2) 52%	(1) 62%
Fuel or energy costs (gas, diesel, electric, oil, etc.)	51%	2	(1) 55%	(3) 54%
Cost of general liability insurance	48%	3	(3) 50%	(2) 58%
Traffic/transportation problems	46%	4	(3) 50%	(4) 50%
Workers' Compensation costs	44%	5	(7) 39%	(5) 49%

As in previous surveys, Members were asked to rank their support for Brooklyn projects:

- 71% support working ports in Brooklyn
- 70% support the Cross Harbor Freight Tunnel
- 69% support the JFK Rail Link

The Chamber recognizes this year is atypical. The fiscal strain on our borough, state and indeed our nation means this is not business as usual. While the above projects are incredibly important to our economic growth and vitality we recognize that passage of the American Recovery and Reinvestment Act means we will reprioritize our infrastructure projects for the good of our nation. In that spirit, the Chamber stands behind Brooklyn's "shovel-ready" projects that meet the criteria set out by the Obama administration, e.g. Brooklyn Navy Yard, Brooklyn Bridge Park and Coney Island boardwalk.

New York State Budget Survey Results

The Chamber recently sought the feedback of its Members regarding some of NYS Governor David A. Paterson's proposals to close the state's multi-billion dollar budget gap. The survey conducted by email reached 1,165 Chamber Members and had a response rate of 17%.

NYS BUDGET ISSUES	SUPPORT	OPPOSE	I DON'T KNOW
Sales tax on sugary beverages (an 18% tax on beverages such as soda and non-diet soft drinks) – move is expected to raise \$400 million for health programs.	60%	32%	8%
Sale of wine in grocery stores (grocery stores would be charged franchise fees for the rights to sell wine) – the Governor estimates this would raise about \$150 million over three years for the State.	55%	37%	8%
Increase Article 18A (a public utilities tax by some 550%) – increase would raise more than \$651 million in revenue.	8%	60%	31%
Reform Empire Zone program (a tax incentive program designed to stimulate economic growth where the Governor wants all participants to produce \$20 for every \$1 invested by the State in order to remain in the program) – under this proposal, utilities, retail and real estate businesses would be excluded from future participation in the Empire Zone program.	23%	40%	38%
Elimination of sales tax exemption (on clothing and footwear under \$110) – replacing it with two tax-free periods where purchases under \$500 would be exempt from sales tax.	41%	52%	7%
Eliminating tax cap on gasoline – currently, sales tax is capped at 4%, which means 8 cents per gallon of gasoline; any part of the price over \$2 per gallon would now go untaxed.	40%	57%	3%
Mobility tax (tax would levy 33 cents on every \$100 in salaries and wages for all employers, including the income of the self employed, in each of the 12 counties served by the MTA) – this measure would raise \$1.5 billion a year for the MTA.	20%	72%	8%
“Millionaire’s Tax” (tax would increase the personal income tax on NY’s top earners) – under NYS Senator Eric Schneiderman’s proposal, income tax rates would increase for those earning more than \$250,000 a year by 1.4% to 8.25%; for those earning \$500,000 to 8.97%, and for those who earn \$1 million to 10.3%.	63%	30%	7%
Increasing City sales tax (Mayor Michael Bloomberg proposed an increase in City sales tax to 8.75%, which is currently at 8.375%) – the increase would generate about \$900 million for the City.	40%	55%	5%

1. ENERGY

When the Brooklyn Chamber of Commerce delegation made its Albany visit in 2008, energy prices skyrocketed and the price of energy was the foremost topic of concern to our membership. Since that time, prices have moderated, but our Members still consider the high price of energy to be a significant impediment to their business. The unfortunate history of the State's energy policy shows there is interest in addressing energy issues when prices are high but when they decrease, improvements to energy policy are sidelined until the next crisis comes along. The Chamber urges the Governor and Legislature to use this time when prices have declined from all-time highs to develop a rational and comprehensive energy policy for the State. Such action can delay or prevent the next energy crisis as well as develop programs that will best serve the energy consumers of the State.

Alternative and Renewable Sources of Energy – SUPPORT

- While it is unlikely alternative and renewable energy will significantly displace fossil fuels in the near term, NYS should develop these alternatives to broaden its energy choices both in the short and long-term. With proper incentives, each can help meet a portion of our State's needs and provide a more balanced energy portfolio.
- Solar and energy from biomass offer realistic alternatives to traditional power generation.
- A number of promising alternative fuel sources are being developed to meet transportation needs.
- When it comes to encouraging the increased use of alternative energy sources, the proper role of government is to provide incentives while letting the marketplace determine which alternatives will be most helpful to meeting future needs. The government has not been successful in those instances where it has tried to pick winners and losers in advance among competing energy alternatives.

The Chamber supports the enactment of legislation that will provide proper incentives to businesses that use or produce renewable and/or alternative forms of energy.

Develop Effective Energy Efficiency Programs – SUPPORT

- Another objective of the Chamber's energy agenda includes the reduction of energy usage by business and residential customers. Governor Paterson has announced an aggressive energy efficiency program that he named "45 by 15" which describes its goal of meeting 45% of the State's electricity needs through improved energy efficiency and clean renewable energy by the year 2015. By any standard, such a reduction would be a dramatic and welcomed accomplishment. It will take the full cooperation of many State agencies, utilities, energy service providers and end-use customers to succeed. The Public Service Commission (PSC) has undertaken a far-reaching proceeding that is designed to accomplish these energy reduction goals. While we support the State's goals, in designing such a program the State must ensure that any resulting program include energy education components as well as programs that are comprehensive and easily accessible. Further, since the State will utilize large amounts of taxpayer and utility customer dollars to implement these reductions, the program must achieve its goals in the most efficient and cost effective manner possible.
- We also recommend the goals of any energy efficiency program be broadened to include reductions in natural gas usage.

The Chamber supports the development and implementation of aggressive programs to help all energy users consume less, thereby utilizing energy more efficiently.

Governor Paterson's Proposal for Additional Utility Taxes – OPPOSE

- Governor Paterson's recently released budget attempts to raise funds for State operations by hiding additional taxes in utility bills.
- Under the proposal, Section 18-a of the Public Service Law would be amended to charge the State utilities, and ultimately the public, for the cost of running the PSC and Department of Public Service.

- While PSC operations account for less than \$100 million in the most recent fiscal year, the 550% tax increase in Article 18-a will raise over \$651 million in additional revenue for the State. The additional revenue will be placed in the State's general fund to cover operations of the State government in total.
- The Chamber joins with such diverse organizations as the Energy Association and the Public Utility Law Project in opposing this attempt to hide the cost of government operations in utility bills paid by captive customers.
- We recognize the depth of the State's financial crisis. However, the method chosen to generate additional revenue is one of the most regressive and damaging to economic recovery efforts possible. If these dollars are necessary to fund legitimate State operations, then include them in the budget and raise taxes to fund them.
- The Governor's proposal will cause the utility bills of all customers, including middle-class and working poor, to rise significantly. We also are concerned that business customers, who already rate high utility costs in this State as an obstacle to growth (see 2008 Chamber Survey, page 3), will move their operations to states with a more hospitable tax and utility environment.
- The proposal also would exacerbate the already unlevelled tax playing field for broadband providers, hinder investment in broadband infrastructure, raise service costs on small and medium-sized businesses, and directly impact the family budgets of consumers, who during this period of extensive job loss and economic uncertainty, should not be subject to unfair taxes and fees.

The Chamber urges the Governor to reconsider, and the Legislature to reject, the proposed new utility taxes contained in the Governor's budget in the form of huge increases to the Public Service Law's Article 18-a assessments.

2. HEALTHCARE

Healthcare has long been a priority of the Brooklyn Chamber of Commerce membership. Brooklyn's top employer is the healthcare sector with the industry providing more than 88,700 jobs as documented in the Chamber's 2008 Brooklyn Labor Market Review. In order to maintain a robust healthcare sector in the borough, the Brooklyn Chamber supports responsible legislation that provides adequate resources and promotes quality care. We urge our legislators to engage in meaningful dialogue to that end.

Fair Allocation of Federal Stimulus Dollars/ FMAP - SUPPORT

The hospitals of Brooklyn are well aware of the historic nature of the State's budget deficit and fully accept their responsibility for a fair and equitable share of the budget cuts. However, we urge the Governor and the New York State Legislature to ensure that all federal Medicaid dollars received by New York State through the federal stimulus package are used for Medicaid health care services and, specifically, to help offset the overwhelming State health care cuts and taxes that have been proposed by the Governor.

The Chamber urges the Legislature to ensure that Brooklyn gets its fair share of federal stimulus dollars to be applied directly to the Medicaid (FMAP) healthcare budget.

Medical Malpractice Reform – SUPPORT

Medical malpractice costs for hospitals and physicians continue to grow at alarming rates, prompting some providers to halt services in specialties with high medical malpractice insurance costs (e.g., obstetrics). During these difficult economic times, it is especially important for the State to enact medical malpractice reform that will bring needed relief to providers. Without these reforms our State runs the risk of losing even more talented physicians.

The Chamber urges the Legislature to enact legislation that would result in meaningful medical malpractice reform.

Proposed Healthcare Reform – More Information Needed

The Legislature should recognize that the healthcare reforms proposed by the NYS Department of Health (DOH) would not achieve a reduction in the budget deficit. In fact, the current proposal merely pulls money from one place and moves it to another with no rationale. While we support the concept of reform, the current proposal does not achieve an equitable system of reimbursements.

The Chamber urges the Legislature to postpone this action until there is a comprehensive review of the DOH proposal that allows for input by healthcare providers.

3. HEALTH INSURANCE

Since 2004, Chamber Members have consistently cited the lack of affordable health insurance as one of the most important obstacles to their business growth. Rising premiums eat away at business margins, and some companies have been forced to drop coverage altogether. Businesses unable to provide health benefits find it more difficult to recruit and retain key employees; workers lacking access to health care are often less productive, which ultimately makes employers less competitive. Statewide, there are 2.4 million uninsured non-elderly residents; more than 50% are low-income workers—often part-time employees.

Reinstate Prior Approval of Health Insurance Premiums – SUPPORT

For far too many years, small businesses have experienced double-digit rate increases in their health insurance premiums. Under current “file and use” regulations, neither they nor the New York State Insurance Department (NYSID) can effectively question the basis for these increases. The Brooklyn Chamber supports the reinstatement of NYSID’s authority to regulate health insurance premiums by reviewing large proposed premium increases prior to their implementation. In addition, NYSID should establish timelines that require insurance carriers to submit proposed rate increases far enough in advance so businesses will have ample time to consider alternative options.

The Chamber supports sensible regulatory checks and balances that help to keep health insurance premium increases at a manageable level for employers and workers.

Increase Health Insurance Premium Taxes – OPPOSE

Many of the State’s health reform efforts, enacted as part of the Health Care Reform Act (HCRA) in 2000, have been funded by taxes placed upon health insurance premiums. Prior to this year, even the Chamber’s signature health insurance program, Brooklyn HealthWorks, was funded by HCRA funds. For the first time in the program’s history, Brooklyn HealthWorks and Healthy NY will be funded solely by insurance premium taxes based on the number of Healthy NY/ Brooklyn HealthWorks individuals and employees an insurance carrier has enrolled. Health insurance premium taxes have increased steadily over the past several years and have contributed to the rising cost of health insurance premiums as insurance carriers pass along these new taxes to individual and small business health insurance consumers. While businesses in Brooklyn have benefited from State funding to subsidize Brooklyn HealthWorks’ premiums, it is counter-productive to increasingly rely on funding for this and other programs by increasing health insurance premium taxes and passing them along to small businesses and ultimately to employees in the form of flattened or reduced wages. In order to moderate future increases to health insurance premiums, the Brooklyn Chamber opposes the following new taxes:

- The proposal to increase the covered lives assessment by \$120 million to a total of \$1.2 billion annually.
- The proposal to subsidize individual direct pay HMO/POS plans through health insurance premium assessments.
- The proposal to finance Healthy NY (and Brooklyn HealthWorks) through health insurance premium assessments.

The Chamber opposes health insurance taxes and fees that make premiums for small businesses and workers more expensive and less affordable.

Preserve and Improve Healthy NY – SUPPORT

Under the stewardship of the New York State Insurance Department (NYSID), Healthy NY (HNY) is an extremely flexible vehicle, which currently insures over 155,000 State residents. HNY offers uninsured small businesses the most affordable alternative available and provides a way to tailor products based on business needs. Brooklyn HealthWorks, the Chamber's private label HNY product localized to meet the needs of small businesses in Brooklyn, requires adequate funding to meet future program demands. Since the State began providing funding for Brooklyn HealthWorks in October 2007, the Chamber has more than tripled the number of small businesses enrolled in the program—from 123 to 377 small businesses.

Based on the experience of administering Brooklyn HealthWorks, the Chamber recommends the following modifications to HNY's small group products (2-50 employees):

- Eliminate the 50% mandatory employer premium contribution. Brooklyn HealthWorks has no such mandatory contribution; yet on a voluntary basis approximately 75% of all Brooklyn HealthWorks employers pay 50% or more of the premiums (49% contribute 100% of the premium). Employers contributing less than 50% of the premium told us if they were forced to contribute more they would not make coverage available to employees because the cost would be prohibitive. We believe this program modification is business-friendly and has helped to drive our enrollment successes. In addition, businesses presumably would be more willing to offer coverage to part-time workers if they were not required to contribute to monthly premiums. Part-time workers in turn would benefit by having access to health benefits at small group rates.
- In order to enroll even more sole proprietors and small businesses in the downstate area, HNY income eligibility criteria should be adjusted regionally based on differences in wages and/or the cost of living.
- Healthy NY premiums are fast approaching the cost of other small group plans available throughout New York State. Thus, the reinsurance corridor should be adjusted to maintain Healthy NY as a viable low-cost alternative for individuals, sole proprietors and small businesses.

The Chamber is opposed to making any changes to Healthy NY that in any way will increase the cost of monthly premiums, including adding or modifying existing benefits. In a recent Brooklyn HealthWorks Member Survey (30% response rate), 96% of respondents identified affordability (low cost) as the single most important reason they chose Brooklyn HealthWorks, and 88% of small business owners reported that current benefits generally meet the needs of their employees. Businesses in the downstate area wanting a more robust benefit package already have thousands of other plan options to consider in the small group market.

The Chamber supports preserving and improving Healthy NY as an affordable health plan option for small businesses and workers.

Expand Health Insurance Coverage for Family Members Up to Age 29 – SUPPORT

Thirty-one percent of New York's uninsured are ages 19 to 29. Current law allows dependent children to be covered under their parents' policies through age 18 (for everyone) and through age 22 (if attending college on a full-time basis). Many individuals over the age of 19 choose not to enroll in health insurance because the high cost of coverage is greater than the perceived benefit. It is in the interest of New York State residents and businesses to enroll as many people in health insurance as possible because the cost of treating people in emergency rooms and other uncompensated care settings is ultimately borne by the public. In addition, businesses would benefit from this health insurance expansion as more of their young workers are healthier and more productive. And for those offering dependent coverage to their workers, this proposal would allow them to offer an expanded health insurance benefit without having to contribute to the cost of the coverage. State residents and workers between the ages of 19 and 29 also would benefit as the cost of this COBRA-like benefit would be based on the medical claim history of this entire age cohort, which should lower their cost significantly and presumably make their cost-to-benefit assessment more favorable.

The Chamber believes it is sound public health policy to expand health insurance coverage to all dependent family members to age 29.

Simplify and Provide Businesses Greater Choice in Health Plan Options – SUPPORT

There are literally thousands of health plan options available to small businesses, making it difficult and time consuming for business owners to compare plan options available to them. Despite the large number of plans available to small businesses, these plans generally have the same set of benefits contained within them. Healthy NY and Brooklyn HealthWorks have demonstrated that businesses value options that do not include all of the mandated State benefits. Every new benefit added to a health plan only raises the cost of the monthly premium for businesses. In order to give small businesses a greater range of health benefit options for their employees, the Chamber supports the establishment of a limited set of standardized plan offerings that are community rated. These plan offerings could be marketed by individual insurance carriers or exclusively by chambers of commerce throughout the State.

The Chamber supports giving small businesses more affordable health insurance options with a range of standardized services and plan benefits.

4. ECONOMIC DEVELOPMENT

Empire Zones Program – Support

In reaction to severe criticism of the Empire Zones program, the Governor is proposing a severe cutback in the incentives offered to businesses that expand or retain jobs in New York State. Empire Zone tax credits continue to be the State's most important incentive program to attract, retain and expand business in New York. In spite of inaccurate reporting and the assertions of some individual businesses, the Empire Zone is a performance-based program. Businesses do not receive any benefits until a company does something—invests and spends money or creates jobs.

The efforts over the last several years to tighten up the eligibility requirements by requiring Empire Zone applicants to complete a cost benefits analysis prior to receiving a certificate of eligibility has gone far to insure that only companies that have made a substantial investment in the State in both capital and its workforce will be eligible to receive tax credits. The Brooklyn Chamber of Commerce joins other organizations like the Business Council of New York State, Inc. in its strong support of the Empire Zones program and offers the following suggestions to make it an even better tool to attract businesses to grow in our State:

- The greatest growth in job creation in New York comes from the small business sector. During this period of severe recession it is more difficult than it has been in many years for businesses to make additional capital investments and hire additional employees. The State should strengthen its efforts to increase such growth. The Governor's proposal to require a cost-benefit ratio of 20:1 for companies to become eligible for the Empire Zones program virtually will eliminate small businesses, in particular small manufacturers that create the growth spurt the State desperately needs at this time.

The Chamber recommends the cost benefit ratio be maintained at the original 15:1 to encourage small businesses to grow in our State.

- To participate in the Empire Zones program, companies must apply and be approved on both the local and State levels. Since the program is an incentive for companies to grow, many business decisions are made based upon these projected benefits. The Governor's current reform proposal is to re-examine every currently certified business and analyze the cost to the State in relation to the benefit to the community. The 20:1 cost-benefit proposed by the Governor retroactively for all businesses in the Zone program would take back the incentives that companies have a right to expect. As a result, hundreds of businesses in Brooklyn would become ineligible to receive benefits they expected to help pay their expenses. This is completely contrary to the way that a business incentive should work. It ruins the State's credibility, and will make it difficult to encourage significant new investments by businesses at a time when new business investment is so desperately needed to help the State resolve its fiscal problems.

The Chamber recommends that any changes in the cost benefit ratio for participation in the Empire Zones program should not impact upon businesses that already have been certified.

Regulations Impacting the Business Community

Many of the new regulations imposed upon the business community, such as the ones developed by Empire State Development for the Empire Zones Program, are often promulgated on an “emergency basis” even though there usually is sufficient time for the proposed regulations to be reviewed and commented upon by the citizens of the State. Promulgating regulations in this manner thwarts the ability of the business community to make comments and suggestions before the regulations are imposed. Clear sunset provisions will allow for re-assessment of the need for “emergency basis” regulations.

The Chamber recommends all State agencies adhere to strict public notice provisions and set reasonable sunset dates for all new or extended regulations that impact the business community.

Economic Stimulus for New York Businesses

A sizable portion of the federal economic stimulus dollars will be channeled through State government. In expending this money, the State should consider how it could make the greatest impact upon both the business community and people living in NYC’s most populous borough.

- **Energy Use Reduction**

A program that would encourage homeowners and landlords to build and make improvements to their buildings to conserve energy, or “build green,” by providing tax credits for such work would go far to spur such activities and provide hundreds thousands of jobs for small businesses in the home improvement sectors. This would adhere to the aggressive deadlines for use of the economic recovery funds.

- **Transit**

Brooklyn is the largest county in New York State by population and number of businesses. Public transit is critical to the economic vitality of the borough, and significant improvements are needed to Brooklyn’s subway system stations and tracks. Many improvements are considered “shovel ready” and meet the federal mandate for aggressive use of the economic recovery funds.

- **Job Creation/ Entrepreneurship**

Additionally, care should be taken that “green” jobs are encouraged by providing programming to encourage job growth in business that have green products, processes or facilities. Small businesses should be the primary target for stimulus activities, as they are deeply invested in the community and are the primary engine of job creation in Brooklyn. Finally, NYS should allow a price preference for MWBE firms to help them stay competitive with firms in less expensive locales.

The Chamber recommends that some portion of the federal economic stimulus dollars that come into NYS be used to encourage homeowners and landlords to make energy saving improvements to their properties. Improvements to public transit will reduce vehicular traffic, create jobs and improve the quality of life and economic prosperity of the borough.

5. TAXES

Reposition to Support our State's Fragile Economy – SUPPORT

New York State has one of the highest per capita taxation rates in the nation for residents and businesses. New York State businesses, particularly those upstate, are hemorrhaging, and businesses are relocating to other states to find more “tax-friendly” jurisdictions. A similar case can be made for individuals, especially retirees in their prime spending years, who opt to use their retirement dollars in more “tax-friendly” jurisdictions. New York's present economy cannot afford to lose either group of productive taxpayer.

As a solution for businesses, we suggest New York State:

- **Reduce** the Unincorporated Business Tax (UBT) by 10% to encourage new and fledging businesses to remain in New York State.
- **Reduce** the Gross Receipts Tax (GRT) on all utility bills for both individuals and businesses by 10%. With the GRT making up more than 15% of each customer's utility bill, and our state utility bills considered some of the highest in the nation, the GRT is just another significant tax that drives prospective businesses and individuals out of New York State. In fact, with lower-income taxpayers in this State, this is an extremely regressive tax and hurts them the most.
- Like the GRT, the New York State Corporate Income Tax encourages businesses to flee, and discourages businesses from entering the State. The Corporate Income Tax needs to be **reduced** by 1/2% this fiscal year and an additional 1/2% next fiscal year.

For individuals:

- The New York State Personal Income Tax is one of the highest in our nation. Like the New York State Corporate Income Tax, it encourages our State's most productive individuals to actively seek other jurisdictions in which to reside. The State Personal Income Tax needs to be **reduced** by 1/2% this fiscal year and an additional 1/2% next fiscal year, to reduce this outflow of our State's tax base.
- The New York State Mortgage Recording Tax, now at 2%, reduces the number of first-time buyers who can afford to buy their first home in New York State. By having the Mortgage Recording Tax so high, New York State drives out many first-time buyers who are in the process of becoming the State's next generation of productive taxpayers. Once they have left, it is not likely they will return. The solution is to keep the Mortgage Recording Tax at 2% –and no higher – for all new mortgage recordings except first-time buyers.
- For first-time buyers of residential properties under \$600,000 (indexed for inflation), the Mortgage Recording Tax should be **reduced to zero**.
- Interest and Dividends of up to \$ 10,000 should be exempt from all New York State income tax to taxpayers with Adjusted Gross Income (AGI) under \$70,000 (\$150,000 joint return) and indexed for inflation, to help keep our working class families in New York State. This is the only way we are going to get individuals to start saving, and create new capital for long-term investment in New York State.

The Brooklyn Chamber of Commerce supports NYS's efforts to regain its competitive edge, to attract our nation's best and brightest entrepreneurs. Consider offering strategic tax breaks to achieve the desired results of business expansion and economic growth in this fragile economy

6. WORKFORCE DEVELOPMENT

Responding to the economic crisis and the structural changes taking place in our economy will require new approaches to workforce development and education that not only deal with the immediate challenges of unemployment and significantly reduced employer needs, but also prepare our workforce for the new demands that will come with economic recovery. As NYS and NYC benefit from the stimulus funding set aside for workforce development activities, it is important these funds match the priorities of business, especially small businesses, that are the key to economic recovery and future job growth.

Specifically, the Brooklyn Chamber of Commerce believes the following priorities should be included when determining how to effectively use workforce development funding tied to the stimulus package:

Work Opportunity Tax Credit – SUPPORT

The Work Opportunity Tax Credit is designed to encourage employers to hire jobseekers from special populations. The new stimulus adds two new categories to this roster, and has the potential to increase tax breaks for businesses. Even a 20% increase in the tax credit amount could increase an employer's capacity to hire one additional worker. The 40% of the first \$6,000 in employee wages is not sufficient to allow employers to add new workers.

Reinstate Funding to Employer Based Workforce Development Programs, On-the-Job Training and Wage Subsidy Programs – SUPPORT

Job retention and creation are both key issues during this economic crisis; businesses need assistance now more than ever to keep their employees working. Programs like the Brooklyn Chamber of Commerce's On-the-Job training program, which was recently reduced in the New York State Department of Labor's budget by nearly 65%, encourages employers to hire jobseekers who lack certain skills and provides a wage subsidy to offset the cost of the training involved to develop those employees' skills and productivity. *Over the past two and a half years, the Brooklyn Chamber of Commerce, through the New York State Department of Labor's On-the-Job Training program, has helped to create over 100 new jobs, and returned over \$150,000 to employers to support training.*

Incumbent Worker Training Programs – SUPPORT

Critical during this time is to ensure training continues for already employed New Yorkers, and they are not left behind in this time of change. State programs such as STEP advance the skills of already employed individuals so they can meet the needs of today's changing work environment. *Since 2005, the Brooklyn Chamber of Commerce has assisted businesses in accessing over a half million dollars in City and State training funds for both new and incumbent workers.*

Expand Adult Literacy and ESOL Funding; Allow Flexible Service Delivery – SUPPORT

In New York City alone, 45% of the population is foreign-born. This population represents a niche in the workforce that is grossly underrepresented and often underpaid due to lack of proficient language skills. Additionally, many other New Yorkers lack the basic literacy skills to advance in their current job or find success securing employment on their own. Increasing adult literacy and ESOL funds will build the capacity of communities and families, and help support the overall educational requirements of the State. *Since 2007, the Brooklyn Chamber of Commerce has supported three businesses in training 15 workers in vocational ESOL and continues to create opportunities for employers to access and offer onsite ESOL and literacy programs.*

Invest and Expand Paid Internship For Summer Youth – SUPPORT

The City and the State currently fund some innovative paid internship programs such as the Young Adult Internship Program (YAIP), the Summer Youth Employment Program (SYEP) and the Wage Subsidy Program (WSP). These programs help to offset the labor costs associated with hiring new workers, especially younger workers. Small businesses that have been impacted by the recent credit crunch can especially benefit from these programs that allow them to take on additional workers with limited risk.

The Chamber supports tools that encourage and promote job creation and retention, including tax credits and wage subsidies for small businesses to hire and train new and existing employees during this recession.

7. TRANSPORTATION

American Recovery and Reinvestment Act

In past years, the Brooklyn Chamber of Commerce has advocated in favor of large scale infrastructure projects including the Cross Harbor Freight Rail Tunnel, Gowanus Tunnel and JFK Rail Link to name a few. While we remain committed to these projects we understand the current economic reality faced by the State. A multi-billion dollar budget deficit leaves little room for much more than the necessities of the day-to-day operations of our State. So as we make the conscious decision to defer these larger scale projects in favor of those that meet the guidelines set out by the American Recovery and Reinvestment Act, we ask that our legislators support those projects that will bring jobs and increased economic life to the borough. The following is a short list of some of the projects supported by the Chamber:

The Brooklyn Navy Yard (BNY) is spread out over 300 acres with 40 buildings and provides 3.5 million square feet of industrial space. This facility is a key employer in Brooklyn's manufacturing industry with over 200 tenants and 4,500 employees. As such, the Chamber supports the Brooklyn Navy Yard's bid for the following expansions/ upgrades using federal stimulus dollars:

- \$6 million to complete funding for the Brooklyn Navy Yard Center at Building 92 (the Center)
- \$7.4 million for waterfront pier replacement and upgrades

- \$25 million for the creation of the Green Manufacturing Center

The following projects put forward by Brooklyn Borough President Marty Markowitz are vital to Brooklyn's growth as a tourist destination and the many jobs that the industry inevitably provides. The Brooklyn Chamber supports the revitalization/ rehabilitation of these Brooklyn landmarks in the ongoing effort to promote the borough and the State to tourists from around the country and the globe. These include **Brooklyn Bridge Park, Coney Island boardwalk** and the **Coney Island Center Amphitheatre**.

Finally, the Brooklyn Chamber encourages the State's newly formed economic recovery cabinet to award contracts to local companies that in turn stimulate local economic activity.

East River Tolls – OPPOSE

The majority of Brooklyn Chamber of Commerce Members surveyed say they oppose tolls on the East River crossings in order to provide the MTA with revenue. As an alternative, the Chamber encourages the State to explore other means of raising these monies such as restricting tolling to peak travel times, weight-based vehicle registration fees and, as supported by Members of the Brooklyn Chamber, the reinstatement of the commuter tax.

Mobility Tax – OPPOSE

Seventy-two percent of Brooklyn Chamber Members recently surveyed oppose the Ravitch Commission's proposal to levy a payroll tax on employers, including the self employed, in an effort to close the Metropolitan Transportation Authority's projected \$1.2 billion budget deficit. The mobility tax would raise some \$1.5 billion for the MTA. Once again the Brooklyn Chamber urges the Governor and Legislators to seek alternative measures of raising revenue for this agency and further asks that the agency seek other costs saving measures.

The Brooklyn Chamber supports the responsible, efficient use of American Recovery and Reinvestment Act dollars to reinvigorate the State's economic life. Multi-pronged use of these dollars will create jobs and contribute to transportation/ infrastructure improvements. Transportation is a key element to a vibrant economy, but revenue cannot be generated on the backs of the outer-boroughs. The MTA must be more responsible and find more equitable ways of balancing its books.