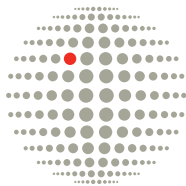




## **2012 PUBLIC POLICY PRIORITIES**

A pro-growth, pro-jobs agenda for New York



**Partnership for New York City**

## About the Partnership

*The Partnership is dedicated to ensuring that New York remains a thriving global center of commerce, finance and innovation.*

- **Network of Business Leaders**

The Partnership is a nonprofit membership organization comprised of leaders of New York's top corporate, professional and entrepreneurial firms who "partner" with each other and with leaders of government, labor and the nonprofit sectors to advance the interest of the city and state.

- **Contributor to Economic Growth**

Through its affiliate, the New York City Investment Fund, the Partnership contributes directly to projects that create jobs, improve economically distressed communities and stimulate new business formation.

- **Resource for Government**

The Partnership engages industry experts to provide information, research and analysis that inform the public debate and advance legislation and programs that contribute to economic growth, modernization of infrastructure and improvement in public education. The Partnership and its members are a resource that public policy makers, the media and others call upon to better understand and resolve the major challenges facing the city and state.

- **Voice of Business**

At City Hall, in Albany and Washington, the Partnership is the voice of New York City's business community, bringing a pan-industry perspective to critical public issues.

### Policy Priorities

In 2012, the Partnership will continue to focus on maintaining New York City's pre-eminence as a global center of business, finance and innovation. To this end, policy and legislative priorities will address the following key objectives:

- Pro-growth, pro-jobs tax and regulatory policies
- Fiscal health and balanced budgets in local, state and federal government
- Education and immigration reforms
- Infrastructure modernization

*The Partnership was established in the wake of the 1970s urban crisis by David Rockefeller, who recognized that great world cities are the essential platform for international business in a global economy.*



## PRIORITY 1

# Promote Pro-Jobs, Pro-Growth Policies

*New York is uniquely positioned to spur American business formation and job growth, to attract foreign investment, and to bring U.S. products and services to markets around the globe.*

*Helping government to identify and enact pro-jobs, pro-growth tax, regulatory and investment policies is the top priority of the Partnership. While the city is generally thriving as an entrepreneurial and commercial center, its tax base is increasingly strained by demands to both provide a state-of-the-art platform for global business and to maintain high quality services for a growing population. The City and State must continue to pursue policies that make New York more competitive, more affordable and more attractive to business and residents.*

### Economic Development

The Partnership supports state and local investment in economic development that is tied to job creation, workforce development and building innovation industry clusters. The State's Excelsior Jobs Program, which was enacted in 2010, should be expanded. Its eligibility should be extended to smaller businesses and its scope broadened to encompass job retention in key industries.

### Tax Reform

At the federal level, the Partnership has endorsed comprehensive tax reform that reduces overall corporate rates, eliminates most tax preference

loopholes, encourages repatriation of overseas profits, and eliminates punitive impositions on foreign direct investment. At the city and state levels, the Partnership endorses tax reduction, simplification and conformance of business tax policies in order to reduce compliance and audit costs and make New York more competitive for business investment and job creation.

### Intellectual Property Protection

The Partnership supports federal action to protect intellectual property rights, one of New York's most important exports.

### Improving the Business Climate

New York State ranks poorly as a place to establish a business based on high costs, exposure to litigation, and a difficult tax and regulatory environment. The Partnership continues to promote policies and legislation that reduce burdens on business and create a more positive business climate. Priorities in 2012 include streamlining and expediting environmental review for development projects and opposition to new mandates and impositions on employers.



## PRIORITY 2

# Promote Fiscal Responsibility in All Levels of Government

*Budget deficits plague all levels of government. The Partnership will continue to advocate for sound fiscal management and balanced solutions to deficit problems, including reductions in spending, reform of entitlement programs and commitment to economic growth. At the same time, the Partnership will insist that New York City receive a fair share of state and federal aid and that the state and federal governments provide relief from mandates that limit flexibility and drive up costs of local government.*

### State and Municipal Pension Reforms

Current state and local pension and benefit obligations for public employees are unsustainable. Since 2001, New York City's annual pension costs have increased from \$1.1 billion to \$8.4 billion. The explosion in the City's pension costs has been driven primarily by benefit increases (80%), not asset performance (20%). Governor Cuomo and Mayor Bloomberg have both made pension reform a top priority for 2012 and the Partnership will support them in this effort.

The Partnership also supports a proposal by the Mayor and Comptroller to professionalize management of the \$120 billion municipal pension fund system.

Finally, the Partnership encourages the State to expand the alternative investment options available to public pension fund managers.

### Restructuring Government

Today, there are more than 600 state agencies, authorities, and commissions — each with its own staff and budget. In 2011, the New York State Legislature approved three agency consolidations and authorized the Governor to submit additional reorganization plans, which are being developed in consultation with the business community. In 2012, the Partnership will support continued reorganization of state government to reduce costs and enhance efficiency.

### Medicaid and Malpractice Reform

The Governor's Medicaid Redesign Team and State Health Department are leading a transition in the healthcare delivery system from dependence on inpatient and emergency room care to primary and preventive services, from fee for service to payment for outcomes. The purpose is to reduce costs and improve health. The Partnership supports these reform efforts and will advocate for necessary federal waivers required to help finance the transition. More immediately, there are steps that will directly reduce costs of providers and government, starting with capping medical malpractice awards for punitive, non-economic damages.



### PRIORITY 3

## Focus on Talent

*Economic growth depends on achieving the best prepared and most diverse talent pool, through a combination of education, workforce development and strategic immigration policies.*

### Education Reform

New York spends more on education than any other state but its student outcomes remain unacceptably low: only 37% of high school graduates are deemed college or career ready. System-wide restructuring is needed to eliminate waste and redirect funds to where they are needed to enhance student performance. More rigorous professional evaluation and accountability standards are required, along with greater flexibility for local school districts to manage their financial and academic operations. The Partnership will continue to work with education and workforce development officials to align curriculum and core standards with the needs of employers. The Partnership also supports efforts to improve teacher

quality with a combination of incentives, professional development and removal of ineffective teachers.

### Immigration Reform

Equally important to improving the talent equation are more open and strategic immigration and visa policies. With Mayor Bloomberg and a national coalition of business leaders and mayors, the Partnership is part of a campaign to convince the federal government to align immigration and visa policies with the economic and labor market needs of the country. With comprehensive immigration reform on the back burner in Washington, DC, the Partnership is advocating for incremental action as part of America's jobs plan. This would include expanding green cards and visas for foreign entrepreneurs and for highly skilled foreign graduates of U.S. universities, as well as providing children of undocumented residents with access to higher education.



### PRIORITY 4

## Promote Strategic Investment in Infrastructure

*The efficient movement of goods, information and people is critical to a vibrant and dynamic economy. Modernization of aging infrastructure is required to accommodate the projected one million additional people and 750,000 jobs that New York City expects to add by 2030.*

### Promote Public-Private Partnerships

2012 will likely be the year when New York State government takes the legislative and administrative actions required to establish a vigorous program of public-private partnerships to maintain and upgrade New York's infrastructure. As part of the

special session in December 2011, the State enacted a broader design-build authority to allow expanded private sector participation in public infrastructure construction and financing. The Port Authority of New York and New Jersey and the MTA, as well as other State agencies with capital programs, all face significant shortfalls and will need new sources of funding to continue their programs. Public-private partnerships are the only solution. Their implementation will require a combination of reform of procurement and contracting laws and procedures, expansion of public pension fund alternative investment authority, and negotiation of new labor agreements. The Partnership will provide the State with both expertise and advocacy for these efforts.

### **MTA Capital Program**

The Partnership has consistently supported funding the MTA at levels required to maintain and improve the regional transportation system. The MTA faces a \$10 billion gap in its capital program over the next three years, despite enactment of a payroll tax in 2009 and recent administrative actions to reduce costs. The MTA proposes borrowing capital funds to continue work on capital projects through a low-cost federal program. The Partnership is prepared to support the MTA in these efforts, so long as they are coupled with reform of cumbersome procurement and contracting laws and procedures that reduce costs and enhance the MTA's ability to engage in public-private design and construction partnerships.

### **Energy**

A combination of increased energy conservation, diversified generation and upgraded distribution networks are priorities for continued economic

growth. The Partnership will promote reduction in energy taxes and fees that represent 27% of consumer energy bills in the state, resulting in energy costs that are nearly twice the national average. This includes support for the sunset of the Public Service Commission's 18a assessment on utilities. In addition, the Partnership will support continued operation of the Indian Point Nuclear Plant and exploration of alternative sources of energy, including waste to energy conversion and hydro-fracking.

### **Homeland Security**

New York City is the #1 U.S. target of international terrorism. Reductions in federal spending should not come at the expense of on-going investment in the infrastructure that has prevented over a dozen international terrorist attacks against the city since 9/11. The Partnership will continue to oppose federal cuts in homeland security funds for the city.

### **Air Traffic Congestion**

New York's metropolitan airports handle approximately one-third of the nation's flights and account for three-quarters of air traffic delays across the country. Air traffic congestion costs the New York region \$2.6 billion annually but could be substantially reduced by moving from a ground-based radar system to a satellite-based system. The Partnership will continue to work with transportation advocates and the Port Authority to support funding for the Next Generation of air traffic controls. The Partnership also recognizes the need to improve ground access to JFK Airport and will press for improvements to the road network and public transit system to achieve this objective.



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