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Unshackle Upstate wants New York to limit spending on schools, Medicaid

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Unshackle Upstate, a pro-business group, wants the state to keep spending in check for schools and Medicaid.

Officials of the group unveiled those goals Wednesday as part of their 2009 agenda. The organization, a coalition of interests from western and central New York aiming to make the state more business-friendly, said the state needs to reduce overall spending and can save more than \$5 billion by sticking to current spending levels for school aid and Medicaid, the health care program for low-income people.

"We've needed to control state spending for years. We've had an unsustainable level of spending and we need to stop that," said Brian Sampson, executive director of Unshackle Upstate.

The agenda also includes lobbying for a property tax cap and relief from high energy costs.

The group said it will continue to pursue changes in laws that place financial burdens on businesses. All of the efforts would reduce the cost of doing business in New York, encouraging companies to stay in the state and ultimately hire.

Unshackle officials spoke at Klein Steel Service Inc.'s cavernous warehouse on the city's west side. Klein's president, John Batiste, said his company has researched peers in other states and found their overall expenses to be about 15 percent lower. He said Klein spends millions more annually just because it's in New York, where factors such as taxes and an expensive and inefficient workers' compensation program drive up costs.

The company has four facilities in the state, but Batiste said: "The next warehouse we open won't be in New York." He endorsed Unshackle Upstate's work.

Sandy Parker, chief executive of the Rochester Business Alliance and a leading force behind the Unshackle movement, also was critical of steps taken by Gov. David Paterson and legislative leaders to close a \$1.6 billion budget gap in the current fiscal year. They plan to use unspent money from state agencies, raise taxes on health insurers and cut aid to municipalities.

Parker characterized portions of the plan as "cost shifting" and said the one-time fix doesn't get to the root of Albany's ever-growing spending. She particularly took issue with the increased taxes on health insurers, saying they will directly affect businesses, although Paterson has said the companies can handle the higher costs from their reserves without raising premiums.

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