Economic Development

New York is a state blessed with tremendous resources. From the spectacular Niagara Falls, one the United States' most frequented tourist attractions and a source of water generated power, to the beautiful beaches and waterfront attractions along the shores of Long Island, to the high tech initiatives breathing life back into our military bases, to the North Country's rich expansive wilderness, New York State has it all. The combination of our natural resources with our highly educated and skilled labor force is a recipe for remarkable and unhindered success for New York State.

New York is home to some of the most highly educated, highly skilled people in the world. The Assembly believes that the development and retention of a skilled workforce equates to long-term benefits for both the individual resident and the State. Assembly initiatives continually emphasize the importance of school to work and vocational programs along with our unique network of community colleges effectively interwoven to embrace the cultivation of a skilled workforce.

No other State can boast the collection of economic assets that New York State possesses. Unfortunately, with every corporate departure, downsizing or outsourcing, opportunities for our skilled workforce are also lost. New York State must not continue to allow the contributions of our highly skilled workforce to accrue to other states due largely to the fact that a lack of opportunity has forced many to relocate elsewhere.

Losing Ground: New York Economic Development during the Pataki Era

Sadly, during the Pataki Era, New Yorkers have not experienced the success expected with a population possessing high levels of skill and intellect. The lack of success has lead to a steep decline in the New York State economy under the Governor's leadership.

A recent research study conducted by Syracuse University's S.I. Newhouse School of Public Communications, indicated that "41 percent of all college seniors plan on leaving the state". The project named, KEEP US, (Knowledge Enabling Efforts to Preserve University Students) surveyed 2,299 full and part time students in the 12 county Central Upstate area. Of these 2,299 students 87 percent stated the importance of immediately securing a job as a strong motivating factor when choosing where to live.

Upstate New York State does not compete well with other states in regard to job security and salary. According to data released by the NYS Department of Labor, in 2003 the wage per employee (the "average wage") was $39,300 in the U.S., and $33,600 in Upstate NY. Wage per employee trailed the U.S. average by over 14.3 percent. Upstate's workers earn lower wages on average than their counterparts across the country.

In addition to Upstate's lower than average yearly income a growing number of residents are receiving much of their income growth through State and/or Federally issued payments, "over half—53 percent—of the growth in Upstate's Per Capita Personal Income during the 1990s came from growing transfer payments, including such sources as Social Security, government and private-sector pensions, Medicare and Medicaid". To further highlight the negative economic condition in the Upstate region, The Brookings Institution report, "Upstate New York's Populations Plateau" continued their critical analysis of the New York financial situation and reported that "NY's populations grew by a mere 1.1 percent in the 1990s, slower than the growth rate of every state but West Virginia and North Dakota"

The same report also states that "30 percent of the upstate's population growth in the 1990s can be attributed to the increase of prison population", this increase accounts approximately 21,000 new Upstate residents. This statistic underlies the fact that Upstate New York has a 57 percent larger share of prisoners than the Nation as a whole. In 2000, 1.1 percent of Upstate's population was under incarceration compared to just .7 percent of the Nation as whole.

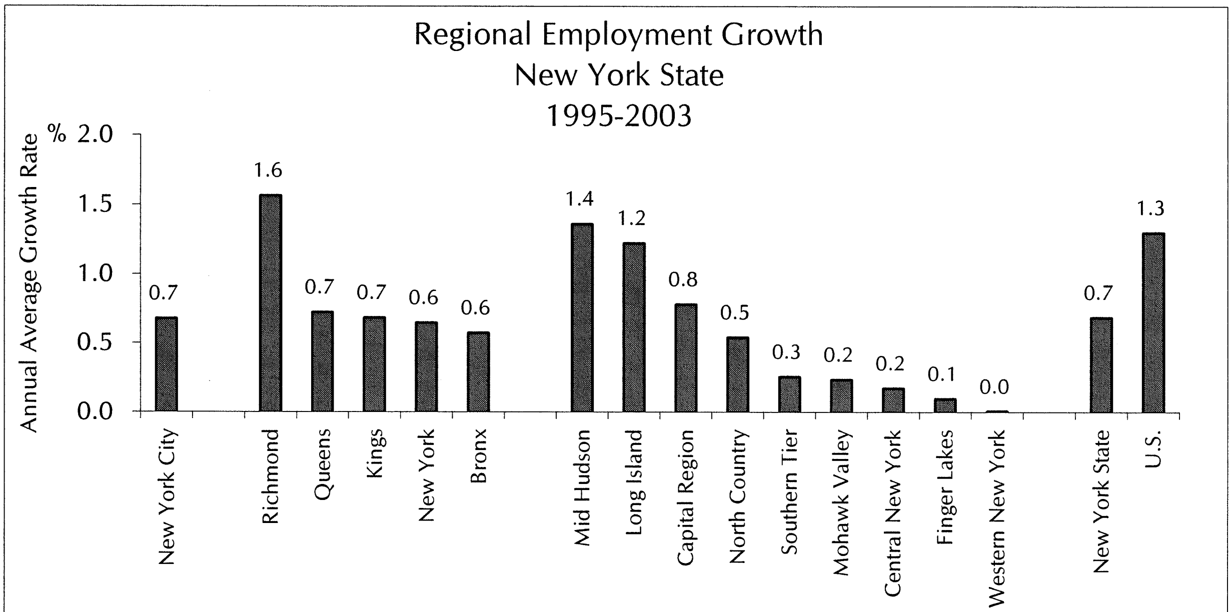
The results of the lack of leadership, vision and foresight from this administration are startling. Despite the fact that much of the Governor's tenure coincided with the largest economic expansion in the nation's history, New York was unable to harness the prevailing economic winds that allowed state after state to grow and expand. In fact, while the nation's employment grew by 10.8 percent between 1995 and 2003, New York's only grew by 5.5 percent. Had New York created jobs at the same rate as the rest of the nation between January 1995 and November 2004, we would have created 488,200 more jobs. New York's job growth continues to lag, with our State now ranking 37th in employment growth when compared to other states. In 2003, the number of jobs actually fell by 0.5 percent.

STATES RANKED BY EMPLOYMENT GROWTH FOR 2004[1]

State	Total Growth (%)	Rank[2]
Nevada	4.5	1
Hawaii	2.5	2
Arizona	2.4	3
Idaho	2.3	4
Virginia	2.3	5
Florida	2.1	6
Utah	2.1	7
Wyoming	1.9	8
New Mexico	1.9	9
Washington	1.8	10
Oregon	1.8	11
Wisconsin	1.6	12
Maryland	1.5	13
Delaware	1.5	14
New Jersey	1.5	15
New Hampshire	1.5	16
Montana	1.4	17
Alaska	1.2	18
South Carolina	1.1	19
North Carolina	1.0	20
Missouri	1.0	21
Rhode Island	1.0	22
District Of Columbia	0.9	23
South Dakota	0.9	24
Georgia	0.9	25
Kansas	0.8	26
Tennessee	0.8	27
Texas	0.8	28
Maine	0.8	29
Minnesota	0.8	30
Vermont	0.7	31
California	0.7	32
Mississippi	0.7	33
Iowa	0.6	34
Kentucky	0.6	35
Arkansas	0.6	36
New York	0.5	37
Colorado	0.5	38
Indiana	0.5	39
North Dakota	0.5	40
Oklahoma	0.5	41
Alabama	0.4	42
West Virginia	0.4	43
Pennsylvania	0.4	44
Nebraska	0.2	45
Louisiana	0.2	46
Illinois	(0.1)	47
Connecticut	(0.1)	48
Ohio	(0.4)	49
Massachusetts	(0.6)	50
Michigan	(1.0)	51

1. Data is for first 11 months of 2004; Data may be revised
2. Rankings are based on 2 decimal places.
Data Source: Bureau of Labor Statistics (Form 790)

Upstate New York has experienced negative job growth of -1.2 percent in 2002 and –0.3 percent growth in 2003. If Upstate New York is compared to the growth rate of other states, it has a slower growth rate than almost every state in the country. Furthermore, since the mid-1990s, most of the regions in Upstate New York lagged the State in annual employment growth, with five of the regions growing at less than one-half the rate of the State as a whole. Upstate also lagged the State as a whole for wage growth since the mid-1990s. The Mid-Hudson, Long Island and the Capital Region, were the regions in the State that outpaced the State as a whole (see Figure 13 and Figure 14).



Source: NYS Department of Labor, QCEW.

Figure 13

Source: NYS Department of Labor, QCEW.

Figure 14

We need a strategic development plan that recognizes and celebrates the innovation, creativity, resources, work ethic and motivation that earned New York State the title "The Empire State". New York needs to adopt policies that will stem the departure of well-educated workers for other states. We need to provide an environment of opportunity where our educated, skilled, young people will stay and prosper.

Developing A Strategic Approach To Economic Development

New York State's full potential cannot be adequately recognized without a strategic plan aimed at reform and accountability. The Assembly has long recognized that New York's economy is a collection of diverse regional economies and industry clusters. The Executive's cumbersome, top-down, project-by-project approach to economic development is the wrong choice. It has been slow to respond to differing needs across the State. The administration has not provided coordinated guidance to help different sectors benefit from synergistic growth, thus preventing the State's economy from reaching its full potential. New York has added new programs and organizations for economic development, but without an apparent overall economic development strategy. The development of a rapidly changing, technology-based "new economy" only further highlights the need for flexibility, creativity and responsiveness to increase the State's competitiveness in national and global markets.

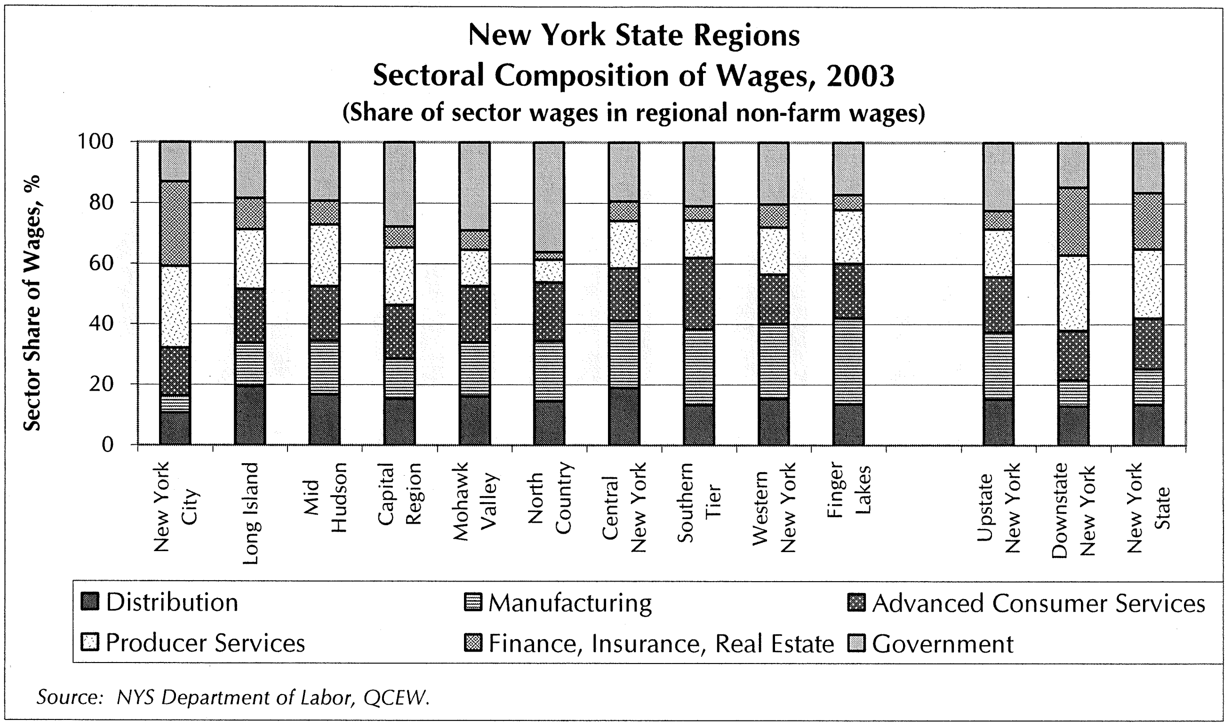


Figure 15

New York State needs to adopt a more comprehensive strategic policy for economic growth beyond the requirements of individual projects and companies. The Assembly has put forward this strategy to capitalize on industries in which the State has a competitive advantage and recognize the economic diversity of the State's regions. This strategic approach should emphasize programs that link research and development funding to jobs for New Yorkers in new industries as well as modernize traditional industries to increase their competitiveness. Figure 15 emphasizes the myriad of industries composing the economic landscape of New York State. It is crucial to the state's economy that these industries remain and prosper. The State's economic development policy should identify the needs of regional economies and make available assistance to revitalize urban centers and main streets, assist small business, promote tourism and maintain a skilled workforce.

New Jersey, Michigan and Florida have adopted more corporate-like structures for economic development program governance that emulate good business practices, inject private sector perspective, and provide insulation from the political process. These new public/private approaches also assure representation from different parts of the State and different sectors of the economy.

Reforming the Empire Zones Program

In 2000, the Assembly was successful in transforming the Economic Development Zones Program, creating the Empire Zones Program, and instilling in the new zones even greater array of tax benefits. In fact, if enough jobs were created, a company could operate virtually tax-free. The immediate impact on the economy was dramatic. Local governments, business leaders and economic developers lauded the Program.

Since their inception, Empire Zones have been an important tool in spurring economic activity in our aging inner cities and run-down commercial strips. Abandoned factories have been reclaimed, blighted communities have been improved and jobs have been created.

Despite the considerable successes of the Program, serious problems have also come to light. In fact, abuses started to arise in 2000 with a series of new rules and regulations from the Empire State Development Corporation (ESDC), which among other things, created the concept of "multiple sub-zones." In one case, a business simply changed its name in order to get a full refund on its real property taxes. In another, a developer hired a single janitor and got a complete exemption from State and local taxes. In 2002, the Assembly was able to close several of the most egregious statutory loopholes; however, the regulatory changes remain. As a result, businesses no longer need to reside in a distressed community to receive the tax benefits. Instead, they are free to move to the suburbs with their zone status intact or stay in the suburbs and get annexed by the zone, in some instances without creating any new jobs.

It is apparent that ESDC has failed to exercise appropriate oversight and management of the Program. Not only have they failed to provide the Legislature with accurate and useful reports, they have been unable to quantify the true cost of the program. As an indication of its growing frustration with the administration of the Empire Zones Program, the Assembly called for an audit by the Office of the State Comptroller in late 2003. The results of this audit indicated significant abuse of the program. Examples include an improper application review processes lacking standard job creation an investment criteria, along with the absence of cost-benefit analyses, and reporting mechanisms of the Program, individual zones and the businesses with in the zones. The Comptroller's audit also found that insufficient reporting systems resulted in a lack of oversight of zone activity and hindered the proper administration of the program. Without proper data collection it is impossible to monitor the successes or deficiencies of the Program, therefore all but ensuring mismanagement of taxpayer dollars.

Meanwhile, evidence of program abuses continue to mount. Some of these abuses were chronicled in a series of articles appearing in newspapers throughout the State. Many have examined how the administration of the Empire Zone Program seems to have diverged from its focus on spurring growth in distressed communities and has recently been overcome by a focus on assisting the well connected. In response, the Assembly conducted a series of public hearings to address the lack of appropriate oversight of the Program, both on the State and local levels. Among the abuses identified by the Assembly were the charging of fees by a zone for participation in the program and boundary revisions in which the zone annexed vacant suburban buildings without any jobs being created.

Executive Proposal for Empire Zones

The 2005-06 Executive budget proposal includes provisions that would extend the Empire Zone Program for five years to March 31, 2010. The Program is currently set to expire on March 31, 2005. In addition, the Executive Proposal would make amendments to alter the purpose and administration, as well as the benefits offered under the Program.

In a moment when real leadership could be displayed, the Governor has chosen to simply re-introduce his failed proposal of the past. As part of his Empire Zone proposal, the Governor would vest ESDC, the very agency responsible for administering the currently troubled Program, with increased oversight responsibility.

Specifically, the Executive proposal would require that zones designated pursuant to eligible census tracts designate acreage within up to three non-contiguous areas within a four square mile "superboundary". Countywide Empire Zones would be required to place at least 60 percent of its total Empire Zone acreage in up to six "targeted areas", which must be located within census tracts that have rates of unemployment and poverty that exceed the countywide unemployment and poverty rates according to the most recent census data available. The Executive proposal would also allow for the annual designation of up to one square- mile of non-contiguous areas as "flex-zones" focusing on large projects involving significant job creation potential. This designation would be made at the sole discretion of the Commissioner of Economic Development.

Ironically, given ESDC's failure to comply with current reporting requirements the Executive proposal would establish increased reporting requirements and performance measures for the Program and would require the submission of a local zone development plan to the Commissioner of Economic Development. Given the ignominious record of oversight that ESDC has provided the Governors proposal appears to focus on perpetuating the status quo rather than improving the program.

Finally, the Executive proposal includes significant amendments to the Tax Law to alter the manner in which benefits are calculated under the Program. Highlights of the proposed Tax Law revisions include: the lowering of the tax benefit period for certain business tax credits from 15 years to 10 years; the altering of the employment test used to determine eligibility for certain tax credits, and; the expansion of the definition of real property taxes for the Program to provide eligibility to certain businesses that make direct payments of certified eligible Real Property Taxes or PILOTs as part of a lease agreement.

Making Empire Zones Accountable

In an effort to address some of the concerns that have surfaced, the Assembly passed legislation in June of 2003 seeking to reform the State's Empire Zones Program and refocus the Program on one of its original goals of job creation in economically distressed areas. Specifically, the Assembly proposal would replace the current Empire Zone Development Board with a new, three member Economic Development Control Board - providing one appointment each to the Governor, the Assembly Speaker and the Senate Majority Leader. In addition, this plan would require zones to reconfigure themselves into three, distinct, contiguous areas; would de-certify businesses that simply reincorporated, without adding new jobs, in order to obtain benefits; would enhance the role of the State Department of Taxation and Finance to include the certification and, when appropriate, the decertification of businesses; and would require comprehensive reports by both ESDC and the State Department of Taxation and Finance to make public the number of jobs created and the true cost of the Program.

If the Empire Zone Program is to continue to serve as an instrument for creating jobs and spurring economic activity, it must be reformed so that each zone is able to realize its maximum economic potential so that taxpayers realize a good return on their investment.

Increasing Industry-University Collaboration

New York possesses a strong network of public and private institutions of higher learning. The promotion of increased industry-university partnerships should serve as a mechanism to allow the State to tap into one of its greatest assets, its highly skilled workforce. It is imperative that the unsurpassed research and development efforts of the many universities of the Empire State are supported and encouraged to prosper.

The Empire State's colleges and universities have become powerhouses in the State's economy. Not only are these colleges and universities home to cutting edge research and development, but are rapidly emerging as important employers of New Yorkers. According to data from the State Department of Labor, the employment at New York's public and private colleges and universities grew at 21.6 percent from 1995 through 2003. In fact, the State's colleges and universities are providing quality jobs to New Yorker's when many industries are downsizing. In addition, many Upstate rural comminutes have a high proportion of their employment concentrated in colleges and universities.

The Assembly has historically supported increased collaboration between industry and universities. The Assembly successfully fought for the creation of the RESTORE New York Program as part of the 2002-03 enacted State budget, which, in part, focuses on the development and improvement of facilities promoting the growth and advancement of high technology research and commercialization efforts in New York State.

Revitalizing New York's Manufacturing Sector

Manufacturing remains an essential element of the State's economy, especially Upstate, where half of all jobs depend on manufacturing. The Executive has failed to develop a comprehensive strategy needed to stabilize and grow this critical sector. As a result, New York's manufacturing industry has been steadily losing jobs. From 1995 through 2003, the manufacturing sector lost over 189,000 jobs statewide.

Major components to sustaining a viable manufacturing economy in this country include research and development, innovation, education, and flexibility. In the 21st century environment for manufacturing, those industries that apply new technologies, generate new products, have access to educated workers will succeed. Future success in manufacturing in the U.S. will depend on the production of high-margin, high-value goods by skilled and well-paid workers.

Small, high-technology firms, especially, provide positive opportunities for renewed growth. Moreover, among older, more traditional firms, increased productivity, the application of new technologies, and creative partnerships among firms can also create synergies leading to renewed vitality. Finally, existing clusters of viable manufacturing industries continue to operate in the State and must be identified and encouraged.

Capitalizing On Regional, Community Strengths

Community-based economic development is an important factor in economic empowerment. It is a process by which urban, suburban and rural communities seek to enhance their competitiveness by recognizing regional strengths, identifying barriers to development, developing a plan to overcome the barriers, and implementing the plan throughout the community. With the active involvement of key public, private and community- based leaders, such a process leads to a consensus for a community-based economic development strategy that both complements and facilitates a broader regional strategy.

Because of that, the Assembly has long supported regional development programs. In the 2003-04 enacted budget, the Assembly was able to secure continued support for the Minority and Women-Owned Business Development Lending Program, which works in cooperation with community-based groups to decentralize lending for small and micro-loans and loans to start up minority- or women-owned businesses.

Another Assembly initiative, the Urban and Community Development Program, works within challenged communities to help build and improve distressed areas. In essence, the program provides funding for commercial revitalization in central business districts or commercial strips, and for the acquisition, renovation, or construction of commercial, industrial and mixed-use facilities.

The Assembly remains committed to promoting the Rural Revitalization Program as well, created in recognition of New York's rural communities' need for immediate help in developing the capacity to plan and organize economic development strategies to provide rural residents with economic opportunities. It's designed to catalyze rural economic development initiatives by providing financial and technical assistance for growth of agribusinesses, expansion of farmers' markets, establishment of business incubators, and support of agricultural industry job training programs.

Skills for Workers in a Technology Economy

The Executive's approach to economic development has neglected the skill training needs of the State's workforce. The effort to create a technology economy in New York can not ignore the workers that will make that economy grow. The Assembly Majority's strategy to increase job opportunities for working families in the State includes a significant commitment to the training needs of those workers.

New York's workforce has been one economic resource that has set the State apart from the rest of the Nation. Well educated, committed, innovative, and motivated, New York's workers have been as responsible for the growth and development that characterized the State's economy through the early 1990's as any other factor. As investments in our workers' began to decline with the current administration, the State's economy began its decline as well. The demands of a dynamic, technology driven economy made the need for education and job training more critical for the State just as the current administration began to pull resources from those activities. Although improving the skills of the State's workforce should be a key component of any development strategy, funding reductions at the State level, uncertainty over federal funding, and a lack of leadership by the Executive has led to a significant decline in the amount of job training in the State. More importantly however, the funding reductions have persisted over several years and their cumulative effect has now begun to erode the workforce preparation infrastructure.

At the Federal level, the reauthorization of the Workforce Investment Act (WIA) of 1998 has continued to lag in Congress. The current Administration has not provided leadership on the issue and funding has remained level for the last two years. H.R. 27 is essentially the same as legislation which passed the House in 2004. The bill would improve access to job training for participants by eliminating barriers that prevent individuals from getting training services immediately after establishing eligibility in the program and make other modifications to improve accountability in the program. The Administration's proposal to fund a new community college initiative included in the President's budget address has not been incorporated into the bill at this point.

The experience of WIA in New York has not been an unqualified success. The initial implementation of the program in the State was marked by difficulties getting the local workforce area plans approved and operational. This slowed initial spending for the program and resulted in services not being provided to individuals in need of job training and other employment related activities. Although spending is now on target with annual federal allocations, the success of WIA funded programs has been difficult to evaluate. While performance indicators rank New York favorably in comparison with other similar and neighboring states, the variations in performance among the local workforce areas result in a program that can under serve individuals and employers. New York ranks last nationally on one indicator: the percentage of unemployed WIA adult participants who receive training. While WIA funds can be used to support several job related activities, including job search assistance, referral services, and counseling, the State's policy of emphasizing the placement of individuals in jobs that match their skill rather than training participants for higher skilled positions means that participants are not finding opportunities to grow along with the economy. This might also be the reason that New York ranks lower than all but six other states in job retention after six months.

New York trains a lower percentage of WIA participants than any other state in the nation. At the same time, the Executive has reduced State funding for job training, eliminating support for programs such as the Strategic Training Alliance Program. Funding for training and educational programs supported through the federal Temporary Assistance to Needy Families (TANF) Program were also vetoed in the State Fiscal Year 2004-05 budget passed by the Legislature. These three factors – lack of WIA support for training, the Executive's elimination of State funded programs, and his veto of TANF funding for designated for training – has resulted in a significant reduction of support for workforce development activities. This comes at a time when the State needs to shift the skill set of New York workers to accommodate the requirements of a technology economy.

While New York is gaining technology jobs, it is doing so at a rate that is below that of other states. At a recent Department of Labor forum on information technology jobs, the Public Policy Institute reported that New York added about 1,800 jobs in the technology sector in the year ending in November 2004. The rate of growth of only 2.9 percent for the State was far below the national rate of growth in that sector (4.5 percent). Although several reasons might account for this lower rate of growth, one factor – a skilled workforce and resources needed to maintain and increase the skill level of those workers – is identified through national surveys as critical to promote economic growth. According to a recent US Chamber of Commerce report (Rising to the Challenge, Center for Workforce Preparation, U.S. Chamber of Commerce), 40 percent of responding businesses think that skills training is an economic development activity. Businesses also report that finding qualified workers is not the only workforce challenge they face; maintaining skill level is also a concern

The Assembly Democratic Majority took the lead during the last session of the Legislature to establish a new minimum wage rate for the State. Legislation, enacting an increase to $6.00 per hour effective January 1, 2005, was passed by both the Assembly and Senate and was subsequently vetoed by the Executive. The Assembly moved to override the veto in August but the Senate did not act until December 6th. The new minimum wage rate, which will increase to $7.15 per hour by 2007, will improve the lives of low income working families across the State. Without job training, however, these workers will not have the opportunity to develop the skills that will enable them to move from minimum wage jobs to the jobs of the future.

Tourism Promotion Promotes own Interests

Loyalty, dedication and a true sense of community are qualities reflective of New York State residents. These enduring traits along with our natural resources inspire people from all over the world to visit our wonderfully unique state, making tourism one of our most profitable and sustainable industries.

The "I Love NY" tourism promotion program has expended taxpayers dollars to successfully promote the state as a desirable vacation destination. Unfortunately, it all too often seems as the Governor has used the "I LOVE NY" commercials to promote himself instead of New York's attractions. During his first election campaign in 1994, Pataki pledged not to appear in advertisements paid for by the State. However, recent press reports (ABC television news show "20/20") concluded that "no one uses tax money for self-promotion more than Pataki".

While other states spend the majority of their tourism budget to actively draw residents from other locations to vacation in their state, ESDC has indicated that New York State spends 60 percent of its "I LOVE NY" funding promoting the merits of vacationing in New York State to individuals who already reside in the Empire State.

Tourism is another critical area economically for our State, and the Assembly has been fighting to promote it as well. The State must focus its efforts on attracting more visitors, thereby bringing new money into New York's economy. Finding ways to stimulate international travel as well as developing a tourism strategy that allows localities to share in the State's successes remain important. The Assembly has long supported partnerships between local governments and tourism promotion agencies to market their tourist destinations throughout the State. Further, local investment in tourism catalyzes regional job growth sustained by traveler demand. The State should have a strategic tourism promotion plan that incorporates the needs of localities with the clear and achievable goals of promoting New York State worldwide.

Energy

New York's electric utility rates are consistently and significantly higher than the national average. In 2004, New York ranked second, only behind Hawaii, in the average retail price of electricity. New York's average retail price of electricity of 11.98 cents per kilowatt hour is nearly 73 percent higher than the median average retail price of 6.94 cents per kilowatt hour (Colorado), and more than two and a half times the lowest average retail price of 4.64 cents per kilowatt hour (Kentucky). Considering New York has consistently rated among the highest priced states for more than ten years, these statistics clearly show the Governor's failed leadership in planning and implementing his electricity deregulation strategy. The Governor's energy policies have delivered neither significant benefits to ratepayers nor the promised competition in the retail electric markets.

In September 2004, the New York Public Service Commission (PSC) instituted the Renewable Portfolio Standard (RPS), a program intended to increase to 25 percent the percentage of electricity purchased by New Yorkers that is generated from renewable resources by 2013. In order to provide incentives to potential suppliers of renewable energy, the PSC will institute a surcharge on the delivery portion of a customer's electric bill beginning in the fourth quarter of 2005. While the program's goals are laudable, the RPS is estimated to cost New York's already overburdened ratepayers an additional $762 million over an eight-year period. Assuming that the increase is distributed in a similar fashion to current spending, this would mean an additional $250 million on residential customers, who typically comprise about one-third of the overall spending on electricity in New York. The public would have been better served if the RPS had been established through the legislative process rather than by a PSC Order, and had been structured in a way that more appropriately balanced the environmental benefits with the program costs within a more comprehensive energy policy.

The Governor's deregulation policies have combined to create serious concerns over whether needed infrastructure investment has been made in the past and whether future projects will be forthcoming. Postmortems of the August 2003 blackouts have suggested that the state may require substantial investments in its energy infrastructure. Aging electric infrastructure not only poses a danger to the public, as demonstrated by the electrocution death of a New York City pedestrian in January 2004, but contributes to the continued poor overall condition of the power industry. Further investments in the state's energy infrastructure need to be seriously considered, and appropriate oversight of the costs of such investments is necessary to protect New York's energy consumers.

For the past several years, the Assembly has demonstrated leadership in the energy policy area. In 2001, to assist families and businesses, the Assembly approved the New York State Transitional Energy Plan (NYSTEP), a plan to help relieve consumer burdens and protect them from extreme price fluctuations and unfair selling practices. One component of this plan was signed into law in 2002 under the Consumer Protection Act. In 2003, to protect consumers, the Assembly passed legislation that prohibited automatic rate increases and required the PSC to review rate increases. That year, the Assembly also passed legislation to increase the transparency and accountability of the Long Island Power Authority's (LIPA) finances and require public hearings on proposals to increase rates.

The Assembly originated concepts that led to the establishment of the "Power for Jobs Program," which makes available low-cost electricity to New York businesses and non-profit institutions that commit to job retention and creation. The Assembly fought for the continuation of this Program and was responsible for its expansion in both 1998 and 2000. The Program was again expanded in 2002 and 2004 in order to extend contracts that were set to expire. Last year, program participants were given a choice of extending their existing contracts or receiving reimbursement payments, as long as they met the job retention and creation criteria. The Assembly fought to provide a three-year extension of the Power for Jobs program to provide some certainty to recipients so they could better plan their finances, but the Governor insisted on another short-term extension, through the end of calendar year 2005. The Governor proposes once again to do a short, one-year extension of the Power for Jobs program, through the end of calendar year 2006, leaving New York businesses with yet another year of uncertainty in their planning.

The centerpiece of recent Assembly energy efforts is legislation that reestablishes a power plant siting process while correcting problems in the expired law that led to abuses of the process. The legislation also renews and attempts to reinvigorate the State's energy planning process to help deal with concerns such as the reliability of the State's electric system as well as high unstable fuel prices.

The Assembly will continue to promote policies that provide rate relief and price stability, balance economic and environmental concerns, and provide mechanisms to guarantee market development that offers real customer choice for all New York State energy consumers. The Assembly has introduced comprehensive legislation that provided a cautious approach toward restructuring the energy industry. The Governor's "bold and sweeping" changes have resulted in an ad hoc energy policy that fails to link energy, environmental and economic development policies.