

REBUTTAL TESTIMONY
OF
JOHN P. GLUSKO

CASES 08-E-0887 & 08-G-0888

1 Q. What is the purpose of your rebuttal testimony?

2 A. The purpose of my rebuttal testimony is to provide updated information
3 regarding the status of New York State Funding for the Hudson Valley
4 Economic Development Corporation (HVEDC) and to provide additional
5 documentation regarding the Shovel Ready Development Program.

6

7 Q. What is the current status of the \$500,000 New York State budget
8 allotment to support the HVEDC?

9 A. As stated in staffs accounting panel's testimony, the budget allotment was
10 reduced by 6% from \$500,000 to \$470,000. However, subsequently, the
11 Governor introduced budget balancing legislation, which included a large
12 reduction in the budget allotment from \$470,000 to \$250,000.

13

14 Q. Did the New York State Legislature pass the Governors budget-balancing
15 budget?

16 A. No, both houses of the Legislation took no action on the bill.

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18 Q. Has the budget deficit problem, which was addressed by the Governor bill,
19 improved?

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1 A. No, the budget deficit continues to worsen due to the short fall of tax
2 revenue due to the financial crisis and a deeping recession in New York
3 State and in the United States.

4

5 Q. Does this growing budget deficit improve the likelihood of HVEDC budget
6 allocation will remain at \$470,000?

7 A. This will make further budget allocation reductions for HVEDC more likely.

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9 Q. Why do you believe that the \$250,000 included in your original testimony
10 to fund HVEDC should remain in the rate year expenses?

11 A. The HVEDC is embarking on a new initiative of facilitating the
12 development of Shovel Ready Sites in the Hudson Valley. This new
13 initiative will take between 3 and 5 years to complete. If the State budget
14 allocation is further reduced or eliminated and the \$250,000 is the rate
15 year expenses the support HVEDC is not approved the customer benefit
16 fund allocation to support HVEDC will run out prior to the completion of the
17 Shovel Ready Program.

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19 Q. Why is it critical that the HVEDC remain fully funded in order to complete
20 the Shovel Ready Program?

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1 A. The Hudson Valley is currently lacking Shovel Ready Sites, which are
2 needed to attract High Tech Industries to the region. These new High
3 Tech Industries, including Semi Conductor Manufacturing, Solar Cell
4 Manufacturing and Bio Tech and Research and Development Companies
5 require new state of the art facilities. These new companies will generate
6 significant amounts of capital investment, property tax revenue, sales tax
7 revenue and payroll taxes. In addition, it has the potential to create
8 thousands of high paying, quality jobs, which will partially offset the jobs
9 being lost in New York State due to the financial crisis in New York City.
10 The HVEDC Shovel Ready program will facilitate the development of
11 Shovel Ready Sites, which will accommodate these High Tech firms. The
12 benefit of this program will not materialize until the end of this 3 to 5 year
13 period. We believe to under fund such a critical Economic Development
14 Program in New York State during this major recession would be a tactical
15 mistake.

16

17 Q. Does this conclude your testimony?

18 A. Yes, it does.

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