



5/21/2018 (Updated)

Hon. John Flanagan
 Majority Leader – New York State
 Rm. 330, NYS Capitol
 Albany, NY 12247

Re: Redefining public works projects as a way to expand prevailing wage

We the undersigned, the state’s leading business and industry groups representing tens of thousands of New York State employers, want to restate our united and universal opposition to S.2975-A (Murphy) / A.5498-A (Bronson) or any expansion, extension or application of New York State’s prevailing wage mandate to include private development projects that receive some degree of public support. We also oppose any redefinition of public work to include private projects that receive economic development support.

According to the Empire Center’s seminal report on the topic, “[Prevailing Wage: New York’s Costly Public Works Pay Mandate](#)”, prevailing wage increases the costs of construction jobs by as much as 25 percent.

The report detailed prevailing wage cost increases by area:

- Albany-Schenectady-Troy area: 13 percent
- Rochester and Syracuse Metro areas: 14 percent
- Dutchess-Putnam County area: 15 percent
- Long Island and Buffalo Metro area: 20 percent
- New York City Region: 25 percent

New York State’s existing prevailing wage mandate is already flawed and miscalculated, in no way representing the actual prevailing or median regional wage for a given construction trade. In light of the

state's budget multi-billion dollar deficit, extending this wildly expensive mandate to private sector economic development projects will further strain state finances, result in less economic development across New York State and needlessly waste taxpayer dollars.

Further, the negative economic effects of expanding prevailing wage will be more acutely experienced Upstate, which by every metric continues to economically lag downstate and the majority of the nation.

Broadening and expanding the definition of public works projects to include private development that receives public support essentially targets smaller, community based projects that receive a fraction of public funding and are driven by local private dollars. For most projects, such a drastic increase in total project cost dwarfs the incentives and economic benefits bestowed. These are break-even projects at current wage and benefit rates in their communities; any additional mandated increase in cost placed on these projects will make many of them financially unfeasible.

We ask that you join us in opposing the expansion of prevailing wage to public work and focus on the advancement of responsible policies that will attract investment, revitalize communities and respect taxpayer dollars.

Your time and attention to this matter is appreciated and we look forward to working with you to build a strong and growing New York State economy.

Respectfully,

Association for a Better Long Island, Inc.

Buffalo Niagara Partnership

Capital Region Chamber

**Dutchess County Regional Chamber of
Commerce**

**Empire State Chapter of Associated Builders
and Contractors**

Greater Binghamton Chamber of Commerce

Greater Rochester Chamber of Commerce

Long Island Builders Institute

Manufacturers Association of New York

NFIB of New York

**New York Construction Materials
Association, Inc.**

New York State Builders Association

NYS Economic Development Council

North Country Chamber of Commerce

Rome Area Chamber of Commerce

Seneca County Chamber of Commerce

**The Business Council of New York State,
Inc.**

**Ulster County Regional Chamber of
Commerce**

Unshackle Upstate

Cc: New York State Senate
New York State Assembly