



DON'T STALL ECONOMIC DEVELOPMENT AND ELIMINATE JOBS.

A6708 (BRONSON) / S6378 (RAMOS) WOULD WORSEN CONDITIONS BY FURTHER DESTABILIZING NEW YORK STATE'S ECONOMIC OUTLOOK

This proposed legislation would:

- Dramatically expand construction prevailing wage mandates, disrupting the State's carefully balanced system, jeopardizing critical development projects, and making it harder for MWBE and small businesses to compete for project opportunities.
- Remove the balance between government, labor, and business that is needed to ensure good wages and economic development go hand-in-hand by eliminating the Public Subsidy Board

What is the Public Subsidy Board?

- In 2021, New York expanded construction prevailing wage requirements and created a Public Subsidy Board to help administer the law. The Board is a thirteen-member body comprised of the public sector, organized labor, and private sector that issues determinations on whether private projects receiving public funding should pay construction prevailing wages.
- The Board has made determinations on 30 projects in the last two years. Of the projects that were not covered, 17 did not meet the threshold either because they were too small or did not receive 30% public funding; 2 were not-for-profits; 3 were affordable housing/supportive housing; and 2 were exempt as historic rehab and urban redevelopment.
- The Board is working as the Legislature intended by conducting fact-based analyses of the projects that are under consideration.

New York's Construction Industry is Already At Risk

- While 40 states added construction jobs in the last year, New York [lost](#) nearly 7,000 construction jobs – the largest drop in the country.
- Construction costs in New York are very high and construction insurance costs in New York are typically double other states .
- Newly proposed tariffs will [raise construction costs by 5 percent](#).
- According to the [RLB Construction Cost Calculator](#), New York City already has the highest construction cost in the country.

Construction Prevailing Wage Mandates Raise Costs

- Construction prevailing wages can be as much as double the market wage for each trade according to federal data
- A 2020 study from the [Business Council of Westchester](#) concluded that, on average, prevailing wage requirements increase the cost of construction projects in New York by 30%
- A 2012 report from [Columbia University's Center for Urban Real Estate](#) reached similar average conclusions and cited specific cost increases to be 23% upstate and 52% downstate
- A 2008 [study](#) from the Citizens Housing & Planning Council concluded that "imposing prevailing wages for affordable housing construction could increase the cost of labor, increasing total development costs by about 25% and a 2016 [analysis](#) from the New York City Independent Budget Office found that affordable housing with prevailing wage mandates cost 23 percent more than projects without such mandates

Expanding Construction Prevailing Wage Mandates Has Been Proven to Stop Development

- In 2009, [Ulster County](#) IDA suspended its construction prevailing wage requirements that had led to an 18-month construction standstill.
- When construction prevailing wage mandates were in place, the city of [Yonkers](#) experienced a year-long construction freeze, but once the policy expired, the city had its best construction year with \$851 million invested across 12 different projects.

The following organizations endorse this message

