



March 23, 2020

Executive Budget Proposal Article VII, TED Part FFF,
Require Prevailing Wage to be Paid on Certain Private Construction Projects

MEMORANDUM IN OPPOSITION

Unshackle Upstate, a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from all parts of Upstate New York strongly opposes the inclusion of this proposal in the enacted FY 2021 New York State Budget.

As you know, the COVID-19 crisis is going to have an unprecedented impact on the New York State economy. The negative effects on businesses and employees will be significant and long-lasting. Including this proposal in the enacted state budget will make a bad situation far worse.

This proposal would expand costly prevailing wage mandates to certain private construction projects that receive a limited amount of public support. Imposing prevailing wage and benefit mandates on private construction projects will dramatically increase the costs of construction, resulting in fewer development projects taking place and less jobs being created. Given the economic challenges our state is going to experience, these outcomes would be devastating.

Additionally, several of the proposals being considered disproportionately impact Upstate communities. The Executive Budget proposal includes several exemptions for New York City economic development programs, while including IDAs and PILOTS which many Upstate communities rely on to control their economic futures. Certain legislative proposals include regional thresholds that will focus the most burdensome aspects of this proposal in Upstate New York.

As we have stated before, Upstate New York is the most economically stressed region of the state. Advancing mandates that have a greater negative impact on upstate, while protecting certain development in the five-boroughs would widen the economic divide between upstate and downstate.

Coming out of this crisis, we need the state to work with the private sector to help rebuild our economy. The state will be facing unprecedented budget challenges, many businesses will be hurting, and local economies will be under tremendous strain. Enacting these mandates would exacerbate all these issues.

Unshackle Upstate has consistently advocated for policies that will make New York a better place to do business. In the wake of the COVID-19 outbreak, this is even more important. If enacted, this legislation would devastate development in Upstate and throughout New York,

cost us jobs, and halt any economic recovery. Rushing this through without stakeholder input would be irresponsible.

For these reasons, Unshackle Upstate strongly opposes the inclusion of this proposal in any accelerated state budget agreement.

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