

# Coalition in Opposition to the Service Worker Prevailing Wage Expansion A.9375/S.7434



May 16, 2012

## Memorandum in Opposition

The undersigned businesses, business organizations and representatives of local governments from throughout the state **strongly oppose A.9375/S.7434.**

New York's economy is at a critical juncture, and it is imperative that legislation drive economic growth and create jobs in order to strengthen and improve the state's economy. This bill runs contrary to these goals. It is a job-killing mandate that would set a dangerous precedent by extending the coverage of the prevailing wage laws to private entities, while raising the cost of energy throughout the state. If enacted, it will increase the cost of doing business in New York State.

This legislation will expand the state's prevailing wage mandates to apply to privately employed service workers. Its effect would be to increase utility costs while also imposing expensive and unnecessary administrative monitoring and compliance burdens on the state's local governments. In short, this bill represents a job-killing mandate that New York cannot afford.

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Similar legislation was vetoed by then-Governor Paterson in 2010. The Governor cited a number of reasons for vetoing the bill, including higher utility costs, the “slippery slope” presented by imposing a prevailing wage mandate on some private business, and strong opposition from Business Improvement Districts (BIDs) (*see* Veto #6838 of 2010).

For similar reasons, we urge you to reject this legislation.

While it appears to impact only utilities, this bill goes far beyond them and sets a dangerous precedent that could be applied to many more businesses throughout the State. ***It is important to note that the service workers who would be affected by this bill are not utility workers, but are contractors for whom utilities contract for services.*** These additional wage costs have nothing to do with improving customer service, or ensuring the safe and reliable operation of the electric and gas distribution system. However, if enacted, this bill will increase costs for privately-owned utilities delivering electricity, gas or steam.

The State and its local governments are facing some of their greatest fiscal challenges ever. It is critical that the State Legislature do everything in its power to help local governments better manage their fiscal affairs. Imposing new unfunded mandates upon local governments while increasing their utility costs flies in the face of their need for relief from state-imposed costs and mandates.

For these reasons, we urge that no favorable action be taken on this bill. We instead urge a continued commitment to improving the State’s economy by avoiding imposing any new job-killing mandates such as the service worker prevailing wage mandate.

Associated Builders and Contractors, Empire State Chapter

Association of Towns of the State of New York

Greater Binghamton Chamber of Commerce

Manhattan Chamber of Commerce

Nat’l Federation of Independent Businesses (NFIB)

NYS Association for Affordable Housing (NYSFAFH)

Orange & Rockland

Rockland Business Association

Westchester County Assoc.

Central Hudson Gas & Electric

NYS Economic Development Council

New York City BID Association

Partnership for New York City

Albany-Colonie Regional Chamber of Commerce

Buffalo Niagara Partnership

Business Council of New York State

Consolidated Edison

National Fuel

New York Conference of Mayors (NYCOM)

NYSEG/RGE

Rochester Business Association

REBNY

Unshackle Upstate

Manufacturer’s Association of Central NY (MACNY)

Energy Coalition of New York

New York City BID Association

Associated General Contractors of America - NYS Chapter