



First, I would like to thank Senator Cooney and Assemblymember Magnarelli, the honorable chairs of the Transportation Committees in both houses, for the opportunity to submit our testimony.

My name is Brian Sampson, and I represent the Associated Builders & Contractors, Empire State Chapter (ABC). ABC is a construction trade association representing more than 450 open-shop contractors who collectively employ tens of thousands of workers across New York State. Our organization promotes fair and open competition and provides advocacy, education, and world-class safety services for our members. We are also proud to operate one of the state's largest multiple-employer apprenticeship programs, offering training in ten different trades.

New York is one of the most expensive and challenging places to build in the country. Due in large part to burdensome regulations, the state ranks second to last in the nation for competitiveness and a healthy construction environment, with a job growth rate of -2.1%, according to the 2024 Construction Scorecard. At the same time, construction costs in New York City have risen to among the highest in the world, making development increasingly unaffordable. If policymakers fail to act, costs will continue to rise, further stifling growth and driving away businesses and residents alike.

The construction industry is already grappling with record-high material prices, which have increased by 20% since February 2022, rising labor costs, and continued uncertainty surrounding federal tariff policies that could further increase the cost of essential building materials. Rather than compounding these challenges, the state should focus on lowering construction costs and maximizing the impact of its investments.

Unfortunately, state policies continue to increase costs by imposing Project Labor Agreements (PLAs) and prevailing wage mandates on state-funded economic development projects.

PLAs are pre-hire agreements that require contractors to hire the majority of their workforce through union halls. This effectively excludes many local, qualified open-shop contractors who already employ trained and experienced workers. As a result, these businesses must either replace their existing workforce or forgo bidding on projects altogether. No business in any industry would willingly accept a policy that requires it to replace its employees with an unfamiliar labor pool.

Such restrictions reduce competition, drive up costs, and limit opportunities for local workers. According to data from the Bureau of Labor Statistics and the Current Population Survey, more than 80% of New York's construction workforce chooses not to join a union. Mandating PLAs effectively shuts out the vast majority of the state's construction workers from public projects and may force reliance on out-of-state labor.



New York already has a highly skilled local workforce; there is no justification for policies that make construction more expensive, less efficient, and sideline 80% of New York-based construction workers.

Research consistently shows that limiting competition through PLAs increases costs. A study by Dr. Paul G. Carr, P.E., of Cornell University examined 125 public works projects in New York and found that as the number of bidders decreased, construction costs increased. Specifically, removing just two bidders from the process resulted in bid costs rising by more than 4%. These are avoidable expenses at a time when New Yorkers are already facing an affordability crisis.

Prevailing wage mandates are another significant cost driver. While originally intended to ensure fair compensation, New York's prevailing wage system often reflects the highest union-negotiated rates rather than actual market wages. This inflates construction costs by an estimated 13% to 25%, depending on the county.

A study by the Empire Center found that prevailing wage laws increase construction costs in New York by 13% to 25%, depending on the region and trade. Similarly, research from the Beacon Hill Institute estimated that prevailing wage requirements add an average of 25% to the labor portion of a project, resulting in a 10% to 15% increase in total project costs. These increased costs mean fewer projects are completed, fewer jobs are created, and fewer New Yorkers benefit from public investment.

To ensure the success of New York's economic development initiatives, the Governor and Legislature must take meaningful steps to reduce construction costs. Without action, rising expenses will force critical projects to be delayed, scaled back, or abandoned altogether. That outcome would undermine the state's long-term growth and competitiveness.

New York has a unique opportunity to make transformative investments in its economy. However, that will only be possible if state leaders prioritize fair competition and merit-based contracting, rather than continuing policies that restrict competition and drive up costs.

Thank you again for the opportunity to testify today.

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