



NEW YORK STATE SENATOR

Shelley B. Mayer

## Empire Center: Construction Unions Beg to Get into SUNY

KEN GIRARDIN January 31, 2024

Weeks after state university officials [warned about looming deficits](#), state legislators and construction unions are pushing to make SUNY's financial picture worse.

Lawmakers (including a [cadre of Republicans](#)) [joined](#) with construction union activists to announce their push for legislation ([S6050](#)) that would force would-be bidders on SUNY construction jobs to sign a project labor agreement (PLA). PLAs are pre-bid agreements with multiple construction unions that among other things align worksite hours, holidays and other provisions that differ between union contracts.

PLAs also commit contractors to getting most, if not nearly all their workers through the unions' hiring halls.

Requiring a PLA on a public works job boxes out (the more numerous) non-union contractors who have their own employees, leaving state agencies with fewer eligible bidders, which leaves taxpayers with higher costs.

Bill sponsor Senator Shelley Mayer (D-Westchester) argues the opposite. "Data shows [sic] PLAs also lead to cost savings and more efficient development," according to her bill memo, and mandatory PLAs would ensure SUNY "uses taxpayer dollars in a responsible manner."

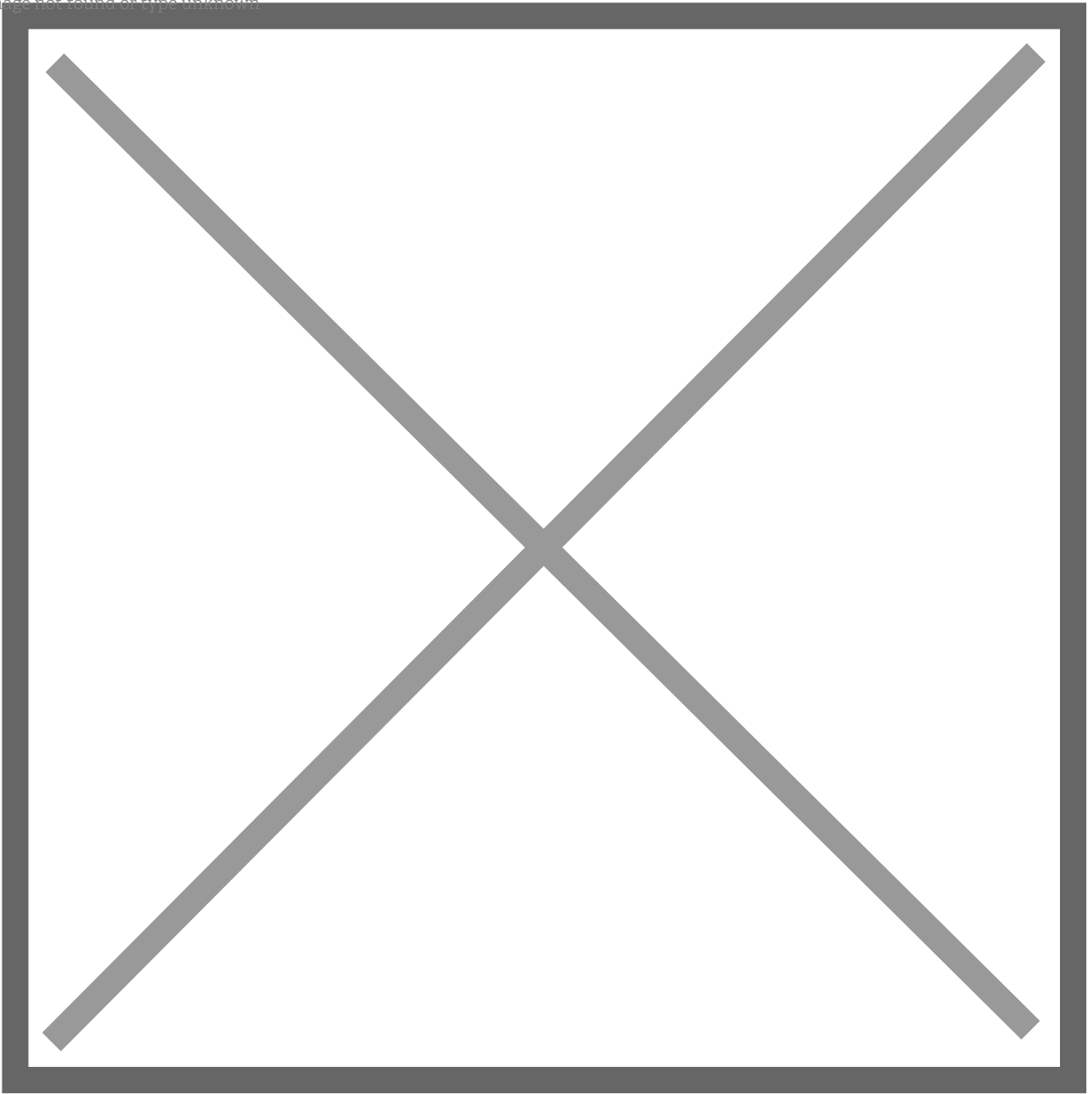
If PLAs led to cost savings, why would New York have to require them?

Under state law, public officials must demonstrate a PLA requirement will help in “obtaining the best work at the lowest possible price” which has created a cottage industry of consultants who conduct studies that show “savings” would result. But PLA studies—presumably the source of Mayer’s data—are almost universally written on the premise that union contracts would otherwise control the terms and conditions of employment on a job, which is not true. That is to say, “savings” come from assuming a higher-than-actual starting point and reducing costs from there, but not below where you started.

It’s worth noting PLA study consultants are also generally selected by officials who themselves already want to require a project labor agreement. (One notable exception: the Kingston school board—which had initially voted down a PLA requirement—went outside the box and hired Cornell professor Paul Carr, who found such a mandate would have added \$5 million to \$11 million in costs to a planned \$138 million project).

The state has also seen some controlled experiments in recent years of what happens when bids come in both with and without PLA requirements: in 2011, the state Department of Transportation added a PLA midway into bidding on a highway exchange in Orange County. A nonunion contractor came in \$4.5 million (6 percent) below the next-lowest bidder, who would have used a PLA. The Cuomo Administration spent a year in court fighting successfully to prevent the low bidder from getting the job.

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*Source: NYS DOT*

A similar story played out more recently [in and around Syracuse](#) as the state took bids for a section of the Empire State Trail. In this case, a nonunion shop made the lowest bid, but DOT did not award the contract, saying bids were “considerably more than the Department’s estimate.” The job was rebid soon after with virtually identical specs—and a mandatory

project labor agreement. The contract ultimately went to a company that signed a PLA—and bid 10 percent more than the initial low offer.

Specious cost claims aside, PLA supporters also argue mandates are necessary to ensure state contracts go to “local workers”—even though PLAs themselves don’t regulate workers’ residencies. In some cases, requiring a PLA could *necessitate* bringing workers in from out-of-state if the union signatories don’t have enough members available, especially in smaller, more specialized trades.

The only reason to force contractors to use PLAs, instead of giving them the option to, is to steer more work to construction unions. Federal data indicate less than 20 percent of New York construction workers belong to a union, meaning more than 80 percent get excluded when government requires a project labor agreement on public works projects.

Construction unions have struggled in recent years. Some of their business practices—such as insisting that certain work on job sites can only be done by particular unions’ members—makes them less competitive and pushes up costs. Some unions are also carrying considerable pension and benefit fund debt, which they backfill by charging higher rates.

That’s left the unions turning to governors and state lawmakers for help. They’ve successfully pressed them to require PLAs (and block local non-union contractors) from a range of projects, including renewable energy installations built with private funds, and now they’re looking to do the same with SUNY buildings.

Some of the lawmakers looking to stick SUNY with project labor agreements have dropped the pretense about cost savings or local jobs: as Senator Jack Martins (R-Nassau) put it, the bill is designed “to make sure union labor is used for SUNY projects.”

Taxpayers correctly ask: why?

Read the article here: <https://www.empirecenter.org/publications/construction-unions-beg-to-get-into-suny/>