



RESOLUTION NO. 2 – PUBLIC INVESTMENT AND COMMUNITY WEALTH

Good wages and benefits go hand in hand with thriving local communities. This has been a fundamental principal of our Long Island labor movement. It is the key component leading to greater personal wealth, home ownership, better health care and educational opportunities; and it provides a buffer against unexpected events which can lead to financial hardship. As collective incomes rise it creates the virtuous cycle of a growing middle class, greater consumption and more revenues for public services in our communities.

In the fall of 2018 the Long Island labor movement was at the center of the fight to change the leadership of the New York State Senate. We took on that fight because too many policy proposals which were essential to our members' jobs and community wealth were stalled in Albany's previous legislative processes.

One of those policies would restore the definition of New York State's Public Works Law which requires the payment of prevailing wages on construction projects funded by public dollars. Restoring the definition of public works became necessary because the kinds of assistance leveraged to foster economic development had changed over time. Public funding for these projects was no longer limited to direct government investment and ownership.

Private developers have been receiving different kinds of taxpayer assistance, beyond direct grants and bonding assistance which require prevailing wages. Local Industrial Development Agencies provide Payment In Lieu Of Taxes (PILOT) benefits and forgiveness on recording fees and sales taxes. Local communities offer favorable lease arrangements for development of public properties. Various public agencies such as the New York State Dormitory Authority provide assistance considered to be outside of the definition of public works.

A study by Cornell University points out that "the commingling of the various forms of public support with private funding has blurred the definition or boundaries of public work." New York is among only ten other states that allow private developers to accept public money without paying prevailing wages and benefits. The study found that prevailing wage policies protect communities from lower-paying out of state competition; it raises incomes and state tax revenues; it promotes apprenticeship and career opportunities; and ensures a safer workplace.

The definition of public works legislation encountered fierce resistance from private developers and various civil rights organizations aligned with them, and the legislature failed to adopt it this year. This outcome challenges our labor movement to re-think our strategies and deepen our relationships with community allies who share with us a common goal of broadly shared prosperity through high road economic development.

Therefore, Be It Resolved that the Long Island Federation of Labor establish a coalition to pass this legislation which is broad-based, both inside and outside the labor movement. The campaign to restore the definition of public works must be centered on our members and include elected officials, members of the community and religious leaders. It must emphasize that circumventing prevailing wages is a race to the bottom, one which undermines public services, education, and working peoples' wages and benefits. It should bring forward graduates of Opportunities Long Island who can speak first-hand about the impact and-value of union apprenticeship opportunities. It must bring many new voices to the campaign for rising incomes and community wealth.

Submitted By: Resolutions Committee

June 26, 2019

Action Taken Adopted on 7-11-2019