



Empire State

2026 Affordability Agenda

New York State is still in the midst of an affordability crisis, despite the calls of ABC, its members and others calling for reform and relief there are still glaring problems the remain unaddressed across the state. The widespread use of project labor agreements, the expansion of prevailing wage laws to private projects, and the outdated and absurdly expensive Scaffold Law have artificially inflated prices. These policies have driven up housing costs, increased energy expenses, and placed an enormous burden on taxpayers.

There are clear, practical solutions to this crisis. New York's prevailing wage laws, originally intended to ensure fair pay, have been manipulated to inflate wages beyond local market rates. Unlike the federal government and most states, which base wages on average local earnings, New York calculates them using the highest union-negotiated rates, driving construction costs up by 13% to 25%, depending on the county. This unnecessary spending wastes billions in taxpayer dollars every year. The state must reform its prevailing wage laws to reflect actual local wages.

Albany's leaders need to get serious about fixing this affordability crisis. The solutions are clear: eliminate PLAs, reform prevailing wage laws to reflect real local wages, crack down on staged construction accidents, and repeal the Scaffold Law. These reforms would save billions, allowing for more affordable housing, better schools, safer roads and bridges, and long-overdue investments in New York's energy infrastructure.



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Project Labor Agreements

Project labor agreements are another major driver of high construction costs, requiring contractors to hire most of their workforce through union halls. While that may sound reasonable on the surface, the reality is that about 80% of construction workers in New York are not union members, meaning they are effectively locked out of these projects. As a result, only a small fraction of contractors with union affiliations can bid on PLA projects, drastically reducing competition and driving up costs.

- Multiple studies have found that PLAs inflate project costs by as much as 20%, making it harder to build affordable housing and essential infrastructure.
- PLAs may serve the interests of union leadership, but they come at a massive cost to taxpayers. This is particularly clear with the recent efforts to attach PLAs to Long Island School construction projects; this would result in a mass exodus from the island as local merit-shop workers would be barred from working where they live. Albany must recognize that a large majority of construction workers in New York choose not to be in a union and eliminate these restrictive agreements.
- A study by Dr. Paul G Carr, P.E. determined that a PLA would raise project costs between 4.12 and 9.74 percent. [Read Study Here](#)
- Seeler Engineering claimed PLAs lower project costs through work-rule modifications, but Beacon Hill finds these projected savings speculative and unsupported, noting that PLAs typically reduce bidder participation and raise overall costs. [Read Here](#)

Ending Fraud That Inflates Costs for Every New Yorker

The state's affordability crisis is further compounded by rampant workers' compensation fraud, fueled by staged construction accidents. Corrupt trial attorneys and for-profit medical providers exploit non-English-speaking workers to fabricate injuries for financial gain. These fraudulent claims drive up workers' compensation costs, which ultimately get passed on to contractors, developers, and, in the end, every New Yorker. To stop this growing epidemic, the state must pass legislation making staged construction accidents a Class E felony.

The Case for Repealing New York's Outdated and Costly Scaffold Law

New York's workers' compensation system is also under relentless strain due to the Scaffold Law, which makes employers, property owners, and contractors automatically liable for "gravity-related" injuries, regardless of worker negligence. New York is the only state still enforcing this archaic law; every other state has repealed it due to its extreme cost burden. Studies show the Scaffold Law costs taxpayers over a billion dollars every year. Repealing it would provide immediate relief by reducing liability claims and insurance costs, lowering overall construction costs across the state.