Testimony of Subcontractors Trade Association

Concerns about the Community Hiring Rule as Drafted

November 13, 2024

About STA: Subcontractors Trade Association represents 350 union specialty trade contractors in the New York metropolitan area. Our members represent every specialty trade that builds New York's public works projects.

Concerns Regarding Community Hire Program Proposed Rules: STA supports efforts to create economic opportunities for New Yorkers. Our members are unionized subcontractors who hire directly from the union hall and operate under union collective bargaining agreements. Construction work is a skilled trade, and many subcontractors rely on a core group of experienced workers who move between projects. This continuity helps ensure operational efficiency and productivity, which are critical for maintaining competitiveness in the industry

Our feedback on the draft rules for the Community Hire program is aimed at ensuring the program meets its goals without imposing undue administrative burdens on subcontractors, particularly small, family-owned businesses. To achieve this balance, we offer the following comments and recommendations:

- **Compliance Reporting:**
  Compliance with the Community Hire program should be based on existing reporting requirements, such as certified payroll reports, and in the same format as currently required. Introducing a new report with a different format would create unnecessary administrative burdens and costs for subcontractors.

- **Integrated Reporting Systems:**
  The electronic system used to track compliance with the Community Hire program should be the same system used for filing certified payroll reports. Multiple platforms in different formats increase the potential for errors and create administrative inefficiencies and additional expenses. Moreover, the platform should automatically calculate the percentage of labor hours from workers in economically disadvantaged zip codes rather than requiring each contractor or construction manager to develop a program to calculate the hours.

- **Apprenticeship Utilization:**
  While the goal of utilizing apprentices is important, it should remain a target rather than a rigid mandate with specific apprentice-to-journey-level worker ratios. Limited

availability of apprentices and the operational realities faced by small subcontractors may impact their ability to meet such requirements and drive-up project costs.

- **Self-Certification from Referral Sources:**
  Requiring subcontractors to obtain a self-certification statement from a referral source creates a significant record-keeping burden. Workers are already required to provide documentation proving their identity and employment authorization. Adding another layer of paperwork from referral sources would complicate the process unnecessarily, adding unnecessary administrative burdens and expenses, and potentially impact the ability to bring a union-worker onboard.

- **Recordkeeping Requirements:**
  Subcontractors are already required to maintain certified payroll records for six years. These records should suffice for meeting the Community Hire program's recordkeeping requirements. Additional documentation should not be necessary.

- **Updating Economically Disadvantaged Zip Codes:**
  The list of economically disadvantaged zip codes should clearly indicate the date of the last update, and highlight any zip codes that have been added or removed from the program.

- **Clear Contract Language:**
  City-let contracts that require compliance with the Community Hire program should clearly outline the specific requirements in the contract documents and provide this information to all subcontractors.

By addressing these concerns, we can ensure that the Community Hire program is effective, efficient, and achievable without placing undue burdens on small businesses or driving up construction costs in New York.