



Testimony Before the **Senate Labor Committee**  
**S-2850** (Madden/Sweeney)

November 23, 2009

By

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Good afternoon Chairman Sarlo and members of the Senate Labor Committee. Thank you for the opportunity to speak before you today to voice the New Jersey Chamber's opposition to S-2850, which extends prevailing wage requirements to food service contracts and to local units and State authorities.

The Chamber opposes mandates that expand prevailing wage requirements because of the increased financial burden such mandates have on the employer community. These artificially-inflated wages increase labor costs without a corresponding increase in productivity. S-2850 would expand prevailing wage rates and detrimentally impact a number of our members including universities, colleges and county colleges. Increased labor costs would be onerous to higher education institutions that are struggling with decreased state aid and lower endowments. This legislation would make it harder for them to provide the same level of educational services without raising tuition.

This expansion of prevailing wage rates would also apply to any of our members who lease buildings to the state or a state entity if they provide food services to the tenant, forcing them to increase rents to their tenants. Increasing the cost of higher education and imposing another challenge on companies that do business with the government is the last thing we should be doing.

This time of economic difficulty is a particularly poor time to mandate higher labor costs, which puts our New Jersey employers at a competitive disadvantage with neighboring states such as Pennsylvania, and other competitor states, such as North Carolina, which has no prevailing wage requirement. Earlier this year, Pennsylvania state senators introduced legislation to place a three year moratorium on prevailing wage requirements for municipal and school construction projects while the state recovers from the recession. S-2850 does the polar opposite for New Jersey and stands as a strong example of how difficult it is to compete for jobs with our neighbor to the west.

The State Chamber respectfully requests that you not release this bill today. Thank you for your consideration of our views on this important issue.