



NEW YORK STATE SENATOR

Daniel L. Squadron

## Prepared Testimony Regarding Introduction 3758 To Expand Displaced Worker Protection

DANIEL L. SQUADRON November 23, 2015

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My name is Daniel Squadron, and I represent the 26th District in the New York State Senate. My district includes the Manhattan neighborhoods of Tribeca, Battery Park City, the Lower East Side, Chinatown, the Financial District, Greenwich Village, Little Italy, SoHo, the South Village, and the East Village and the Brooklyn neighborhoods of Greenpoint, Williamsburg,

Vinegar Hill, DUMBO, Fulton Ferry, Brooklyn Heights, Cobble Hill, and Carroll Gardens.

I would like to thank Committee on Civil Service and Labor Chair Councilmember Miller for convening this hearing, as well as Councilmember Cornegy, Jr. for sponsoring Intro. 3758. I would also like to thank 32BJ SEIU for their long leadership on good jobs, and ensuring workplace protections, particularly in building service worker professions.

Since 2002, the Displaced Building Service Workers Protection Act has had a positive impact in preserving existing jobs, establish rights to recourse for employees, and create better work-force transition parameters when ownership or management of buildings changes hands. As recent instances have highlighted, there is room to improve the Act, especially as the commercial office market and building worker contracting has changed.

We have seen examples, including in my district, where former building service employees were not used to fill positions. Situations such as companies employing workers within the company rather than contracting (in-sourcing) or contract provisions that prevent an owner from hiring a contractor's former employees have shown that many workers are inadequately covered by existing law. In addition, actions covered by existing law often prove to have insufficient enforcement provisions, mitigating their impacts as deterrents -- large companies may often view these penalties as simply a cost of doing business.

These examples have highlighted the ways in which the Displaced Building Service Workers Protection Act could be improved, which Intro. 3758 does.

Intro. 3758 would cover the increasing practice of commercial tenants directly contracting for building service workers. The bill ensures coverage is extended to commercial leases over 10,000 square feet, in order to ensure employee protections grow and adapt to a changing commercial market.

Additionally, Intro. 3758 would extend the Displaced Building Service Workers Protection Act to businesses that choose to switch from external contracting to employing workers within the company (in-sourcing).

This bill would also work to address concerns around enforcement of existing remedy provisions. This bill would clarify that courts can order reinstatement, and can award more than 90 days of backpay, and allows doubling of backpay to compensate workers for indirect harms pursuant to the federal Fair Labor Standards Act. These changes would ensure Building Service Workers Protection Act penalties better act as an accountability measure and deterrent.

In addition to those specific provisions, Intro. 3758 proposes a number of other important improvements to the Act that deserve consideration. We have seen real changes, growth, and evolution in the way commercial businesses operate, particularly around building service worker contracting. It is important that the worker protections evolve contemporaneously.

Again, thank you to Chair Miller for the opportunity to testify today, and thank you Councilmember Councilmember Cornegy, Jr . for sponsoring Intro. 3758.