

FY 2021 NEW YORK STATE BUDGET SUMMARY

On April 2, 2020, Governor Andrew Cuomo and the state legislature agreed upon the FY 2021 New York State budget, totaling over \$177 billion. The budget authorizes a reduction in spending by \$10 billion to account for the economic impact of the COVID-19 pandemic. Due to the ongoing pandemic, the budget also put in place the ability of the Budget Director to review the state finances at various times throughout the year to ensure that revenues match expenditures. Highlights of policy adopted as part of the budget can be found below.

LABOR & CONSTRUCTION:

- **Prevailing Wage Changes** – Requires payment of prevailing wage on “covered projects,” defined as valued at \$5 million or more and receiving state and/or local benefits of at least 30 percent of project costs. Exempts brownfields, historic preservation, downtown revitalization, affordable housing and certain other projects in New York City. MWBE participation requirements apply, but other “public works” mandates (e.g., Wicks) do not. Creates a “subsidy board,” that can make recommendations on, but cannot change, applicability thresholds; it is given authority to delay implementation on a regional or statewide project based on potential for significant economic impacts.
- **New York Buy American Act** – Makes permanent the New York Buy American Act governing use of U.S. steel and iron in projects.
- **Establishes Paid Sick Leave for Working New Yorkers** – Businesses with five to 99 employees will provide their employees with at least five days of job-protected paid sick leave per year, and businesses with 100 employees or more will provide at least seven days of paid sick leave per year.
- **Infrastructure Investment Act** – Extended for two years, expands design-build authorization to other alternative project delivery methods, and expands the current list of authorized entities that may utilize design-build contracts to include the Dormitory Authority of the State of New York, the New York State Urban Development Corporation, the New York State Office of General Services, the State University Construction Fund, the Battery Park City Authority and the New York State Olympic Regional Development Authority.

ENERGY & ENVIRONMENT:

- **Restore Mother Nature Bond Act** – Establishes the \$3 billion bond to be submitted to voters in November 2020. If approved by the voters, the bond will fund key projects in local infrastructure and ecosystem restoration that will help communities across New York prepare for flooding, rising seas and dangerous extreme heat.
- **Accelerates Renewable Energy Projects** – Reforms the way we site renewable energy generation and transmission projects.

INFRASTRUCTURE:

- **High-Speed Rail** – Develops an innovative strategy to plan and build faster, greener, more reliable high-speed rail in New York.
- **Water and Environment** – Supports \$7 billion for the Department of Environmental Conservation capital plan in FY 2021.
- **Roads and Bridges** – Supports \$6 billion for the Department of Transportation capital plan in FY 2021.

TAXATION:

- **Tax Incentive Programs** – The Industrial and Commercial Abatement Program, Relocation and Employment Assistance Program and Lower Manhattan Relocation Assistance Program were extended until 2025.
- **Film Tax Credit** – Extended an additional year and is funded through 2025. However, the reimbursement rate for New York City production has been dropped from 30 percent to 25 percent.
- **Excelsior Tax Credit** – Extended five more years, through 2029. The credit will be expanded with a new Green Economy tax credit of up to 7.5 percent for companies that create jobs in fields deemed positive for the environment.