

GOVERNMENT RELATIONS

FY2021 Enacted State Budget

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The New York State FY2021 Enacted State Budget was passed by the Legislature on April 2nd. Authorizing billions in spending cuts to address the COVID-19 outbreak, the \$177B budget also includes several measures that could impact your business.

Here is an overview of some of the main budget bills that MACNY and our Manufacturers Alliance Partners had been monitoring since the beginning of the year.

MIAP Funding: The FY2021 Enacted State Budget includes \$750,000 for the Manufacturers Intermediary Apprenticeship Program (MIAP) to ensure the viability and growth of this important program in partnership with our Manufacturers Alliance Partners. We appreciate our Alliance Partners and member companies whose tireless advocacy with us led to continuing MIAP funding. Thanks also to State Senators and Assembly Members who recognized the value of MIAP and labored to ensure that program funding was included in the final state budget agreement.

Employee Voting: From the start of the 2020 Legislative Session, MACNY and many of our members fought to change provisions in the last state budget that provided employees with three hours of paid time off to vote on any election day. Changes in the FY2021 Enacted State Budget reduce that provision from three hours back to two hours. The new law also states that if an employee has four consecutive hours between the opening and closing of the polls and the beginning and end of his/her shift, then that is enough time outside of working hours to vote. If the employee has fewer than the four consecutive hours, he or she may take no more than two hours during work to vote.

Paid Sick Leave: MACNY and many of our member companies had reached out to state legislators to express concern over the paid sick leave program that was proposed in the Executive Budget. The bill that passed as part of the FY2021 Enacted State Budget includes a modified paid sick leave program. An employer that already provides a sick leave policy will not have to provide additional sick time, and an employer can cap the amount of paid sick leave per calendar year.

Here is a breakdown: Beginning January 2021, an employer with four or fewer employees, and a net income of less than \$1M, would have to provide 40 hours **unpaid** sick leave per year. For an employer with four or fewer employees with a net income of \$1M or more: 40 hours paid sick leave. For an

employer with 5-99 employees: 40 hours of paid sick leave. For an employer with 100 or more employees: 56 hours of paid sick leave

Accrual Details: Employees will accrue sick leave at a rate of at least one hour for every 30 hours worked. Unused sick leave shall be carried over to the following calendar year. However, employers with fewer than 100 employees may limit such use to 40 hours per year, and employers with 100 or more employees may limit use to 56 hours per year.

Use of Sick Leave: Employees may make oral or written leave requests for:

- Mental or physical illness, injury or condition diagnosed or requiring medical care
- When the employee or their family is victim to domestic violence, a sexual offense, stalking or human trafficking, and to complete tasks related to such incidents

Definition of a Family Member: An employee's child, spouse, domestic partner, parent, sibling, grandchild, or grandparent; A child or parent of the employee's spouse or domestic partner; "Parent" means biological, foster, step, adoptive or legal guardian, or anyone in loco parentis.

In addition, the final state budget:

- Creates a refundable, discretionary Green Jobs Tax Credit totaling up to 7.5% of wages for each net new job created fostering the expansion of green economy businesses. The State will also create a refundable, discretionary Green Investment Tax Credit totaling up to 5% of qualifying new capital investments in connection with qualifying green economy projects and increasing to up to 8% of eligible investment for research and development.
- Supports the creation of the State's first regional Comprehensive Education and Workforce Training Center in Central New York. The Center will provide specialized educational opportunities and workforce training programs in advanced technologies to students and residents throughout the region. The State will reimburse 98%, or \$71.4 million, of the cost to renovate the building, located in Syracuse.
- Makes the Buy American Act permanent in NY. The Act requires all structural steel and iron used in state road and bridge construction projects, with contracts worth more than \$1 million, be made in America.