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Testimony for the Environmental Conservation Joint Budget Hearing Feb 1, 2022

Re: Brownfield Remediation Tax Credit and NYS Environmental Bond Act

Thank you to Chairs Krueger and Weinstein, Kaminsky and Englebright and all the members present for the opportunity to provide written testimony on the Executive Budget proposals relating to environmental conservation.

Most importantly, I want to note two major provisions in the proposed budget that, while valid on their merits, should be defined as Public Work and to have labor standards attached. As you all know, the best way to ensure fairness-- and an even playing field for good and local contractors and workers--is to define those provisions as Public Work. Doing so also adds a needed level of transparency that private work does not.

Provision number 1: the brownfield remediation tax credit. It expires this year and the Governor included an extension of the program in her proposed budget with some changes, but her proposal did not include defining brownfields remediation that qualifies for the tax credit as Public Work nor did her proposal call for any labor standards on the work. This is a mistake and one we trust the Legislature will remedy. The brownfields tax credit program provides massive economic benefits for developers, but those benefits have not been shared by workers, the men and women who should be a key part of any economic development incentives. By attaching labor standards (defining the program as Public Work), it will better support New Yorkers and New York State's long-term goals. Raising wage standards gives responsible local contractors a fair playing field to compete for that work. Without this change, wages will stay low, and out of state contractors and workers will continue to have an advantage when bidding remediation work. If the state is giving out an economic development tax credit, worth millions of dollars to these private developers, New York should *at the very least* create a level playing field for New York State contractors and workers.

Adding Public Work to the tax credit would also add transparency to every brownfield project. Proper documentation would be required regarding how the remediation was done and at what level as well as the dates of completion for each part of the remediation. This would also allow for the visibility of payroll records through FOIA, ensuring that workers were not cheated

out of pay while ending the secrecy that gives bad actor contractors a leg up on the bidding process. Also, subjecting brownfields work to competitive bidding would ensure that bid rigging and bid shopping would not take place. Finally, this transparency helps ensure that the lowest responsible bidder wins the bid.

The brownfield remediation tax credit was explicitly excluded from the Public Work expansion in the budget last year. Therefore the only way to address this issue is in this year's renewal of the tax credit. *New York can't afford not to protect their workers.*

Provision number 2: the Environmental Bond Act does not take workers into account. The Governor's proposed increasing this to \$4 billion, which is another billion reasons why this should include worker protections. This major expenditure of tax dollars demands protections for workers, protections that ensure transparency, fairness, and labor standards to these projects.

Thank you for your consideration, to these important labor and environmental issues in the Governor's Budget proposal. If you have any questions or concerns, please contact Marina O'Donnell at modonnell@iuoe.org.