S T A T E O F N E W Y O R K

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I N A S S E M B L Y

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Introduced by M. of A. SCHIMMINGER, DelMONTE -- Multi-Sponsored by -- M. of A. ABBATE, ALFANO, BARRA, CLARK, COOK, DESTITO, GALEF, GREENE, HOOPER, JOHN, KOLB, KOON, MAGEE, McENENY, ORTIZ, SWEENEY -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry

AN ACT to amend the economic development law and the New York state urban development corporation act, in relation to establishing a strategic network partnerships program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 190 of the economic development law is amended by adding three new subdivisions 7, 8 and 9 to read as follows:

7. "STRATEGIC INDUSTRY" SHALL MEAN A REGIONAL OR STATEWIDE INDUSTRY GROUP ENGAGED IN MANUFACTURING OR OTHER PRODUCTION OF GOODS OR SERVICES, INCLUDING RESEARCH AND DEVELOPMENT ACTIVITIES, THAT IS CONSIDERED TO BE CRITICAL TO THE ECONOMY OF THE STATE IN TERMS OF EMPLOYMENT, AND/OR IN WHICH THE STATE APPEARS TO HAVE A COMPARATIVE ADVANTAGE WHICH WOULD ENABLE SUCH AN INDUSTRY GROUP TO CONTINUE TO MAKE A SIGNIFICANT CONTRIBUTION TO THE ECONOMIC HEALTH OF THE STATE OR A REGION OF THE STATE, AND WHICH IS DESIGNATED BY THE COMMISSIONER AS A STRATEGIC INDUSTRY PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-B OF THIS ARTICLE.

8. "SUPPLIER NETWORK" SHALL MEAN A STATEWIDE OR REGIONAL GROUP OF SMALL AND MEDIUM-SIZED MANUFACTURING FIRMS OR OTHER PRODUCERS OF GOODS OR SERVICES, INCLUDING RESEARCH AND DEVELOPMENT ACTIVITIES, IN DIFFERENT INDUSTRY GROUPS WHICH SUPPLY THE SAME MANUFACTURING COMPANY OR GROUP OF SIMILAR MANUFACTURING COMPANIES WITH PRODUCTS USED IN THE MANUFACTURE, PRODUCTION, OR ASSEMBLING OF FINAL PRODUCTS.

9. "STRATEGIC ALLIANCES" SHALL MEAN AN INFORMAL OR FORMAL ASSOCIATION OF BUSINESSES IN A STRATEGIC INDUSTRY FOR THE PURPOSE OF SOLVING COMMON PROBLEMS AND ENGAGING IN COOPERATIVE ACTIVITIES.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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S 2. The economic development law is amended by adding three new sections 192-a, 192-b and l92-c to read as follows:

S 192-A. STRATEGIC NETWORK PARTNERSHIPS PROGRAM. 1. THE DEPARTMENT SHALL ENTER INTO AN AGREEMENT WITH THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION, THE NEW YORK STATE JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH, THE STATE UNIVERSITY OF NEW YORK, THE STATE EDUCATION DEPARTMENT, THE DEPARTMENT OF LABOR AND OTHER STATE AGENCIES TO CREATE A STRATEGIC NETWORK PARTNERSHIPS PROGRAM WHICH SHALL BE COORDINATED BY THE DEPARTMENT.

2. IN ORDER TO EFFECT SUCH COORDINATION, THE COMMISSIONER SHALL ESTABLISH THROUGH THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM AN INTER-AGENCY COMMITTEE COMPOSED OF REPRESENTATIVES OF EACH OF THE STATE AGENCIES SET FORTH IN SUBDIVISION ONE OF THIS SECTION, WHICH SHALL PROVIDE INTEGRATED PLANNING OF STATE-SUPPORTED INDUSTRIAL MODERNIZATION ACTIVITIES, INCLUDING DEVELOPMENT OF CRITERIA AND PROCESSES FOR THE IDENTIFICATION OF STRATEGIC INDUSTRIES IN COOPERATION WITH THE STRATEGIC INDUSTRY GROUP AND SUPPLIER NETWORK ADVISORY PANEL ESTABLISHED PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-B OF THIS ARTICLE.

3. THROUGH THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM THE DEPARTMENT SHALL:

(A) ORGANIZE, INTEGRATE AND COORDINATE STATE PROGRAMS DESIGNED TO ASSIST MANUFACTURING INDUSTRIES AND OTHER PRODUCERS OF GOODS OR SERVICES TO BECOME MORE COMPETITIVE AND PRODUCTIVE.

(B) ANALYZE THE MODERNIZATION NEEDS OF SMALL AND MEDIUM-SIZED MANUFACTURERS AND OTHER PRODUCERS OF GOODS OR SERVICES, INCLUDING SELECTED BRANCH PLANTS OF LARGER FIRMS, AT BOTH THE INDIVIDUAL FIRM AND OVERALL INDUSTRY LEVELS, FOR THE PURPOSE OF TARGETING APPROPRIATE AND NECESSARY RESOURCES TO IMPROVE PRODUCTIVITY AND COMPETITIVENESS.

(C) STIMULATE SELF-HELP ACTIVITIES THAT ARE DEVELOPED THROUGH COOPERATIVE EFFORTS BY FIRMS OR GROUPS OF FIRMS AT THE STATE AND REGIONAL LEVELS, WHICH ARE DESIGNED TO DEVELOP SOLUTIONS TO FUNDAMENTAL PROBLEMS FACING INDUSTRY GROUPS.

(D) ENCOURAGE, WHERE APPROPRIATE, THE FORMATION OF FLEXIBLE MANUFACTURING NETWORKS AMONG SMALLER FIRMS.

(E) CREATE A COMPUTER NETWORK AMONG MANUFACTURING FIRMS IN THE STATE OR REGION.

(F) ESTABLISH A STRATEGIC INDUSTRIES GROUP SERVICES PROGRAM PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-B OF THIS ARTICLE.

(G) ESTABLISH A SUPPLIER NETWORK GROUP SERVICES PROGRAM PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-C OF THIS ARTICLE.

4. THE FOLLOWING PROGRAMS WITHIN THE DEPARTMENT AND THE AGENCIES AND AUTHORITIES SET FORTH IN SUBDIVISION ONE OF THIS SECTION SHALL BE COORDINATED WITH THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM: INDUSTRIAL EFFECTIVENESS PROGRAM, PROCUREMENT ASSISTANCE PROGRAMS, EXPORT ASSISTANCE PROGRAMS, EXCELSIOR LINKED DEPOSIT PROGRAM, THE URBAN AND COMMUNITY DEVELOPMENT PROGRAM, THE EMPIRE STATE ECONOMIC DEVELOPMENT FUND, THE STRATEGIC TRAINING ALLIANCE PROGRAM AND OTHER PROGRAMS AS DETERMINED BY THE COMMISSIONER.

5. THE COMMISSIONER SHALL ESTABLISH, WITHIN THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM, A QUALITY COUNCIL PROGRAM DESIGNED TO COORDINATE EDUCATIONAL AND ECONOMIC DEVELOPMENT ASSISTANCE ACTIVITIES RELATED TO FURTHERING THE IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT PRINCIPLES WITHIN MANUFACTURING FIRMS AND INDUSTRIES AND OTHER PRODUCERS OF GOODS OR SERVICES. THE QUALITY COUNCIL PROGRAM SHALL INCLUDE COMMUNICATION ON INFORMATION CONCERNING QUALITY PRINCIPLES AND BEST QUALITY PRACTICES,

SPONSORSHIP OF QUALITY CONFERENCES, SEMINARS AND WORKSHOPS, AND SHALL SERVE AS A QUALITY INFORMATION CLEARINGHOUSE FOR MANUFACTURERS.

S 192-B. STRATEGIC INDUSTRIES GROUP SERVICES PROGRAM. 1. THE DEPARTMENT SHALL:

(A) ESTABLISH WITHIN THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM A STRATEGIC INDUSTRIES GROUP SERVICES PROGRAM AND CREATE A PROCESS, PURSUANT TO SUBDIVISION TWO OF THIS SECTION, TO DESIGNATE CERTAIN INDUSTRIAL GROUPS ENGAGED IN MANUFACTURING OR THE PRODUCTION OF OTHER GOODS OR SERVICES AS STRATEGIC INDUSTRIES.

(B) ACTIVELY PROMOTE COOPERATION AMONG FIRMS IN A STRATEGIC INDUSTRY TO IDENTIFY NEEDS, SOLVE COMMON PROBLEMS, AND ENCOURAGE AND BUILD COOPERATIVE PROGRAMS AMONG MEMBER COMPANIES OF STRATEGIC NETWORKS OR ALLIANCES IN AREAS CRITICAL TO THEIR SURVIVAL AND GROWTH, SUCH AS WORKFORCE DEVELOPMENT, MARKET DEVELOPMENT AND EXPANSION, EXPORT TRADE, COMPETITIVENESS IMPROVEMENT, PRODUCT QUALITY IMPROVEMENT, TOTAL QUALITY MANAGEMENT, PRODUCT DIVERSIFICATION, AND HIGH PERFORMANCE WORK ORGANIZATIONS.

(C) OFFER COMPANIES WITHIN A STRATEGIC INDUSTRY VARIOUS FORMS OF TECHNICAL AND FINANCIAL ASSISTANCE, IN COOPERATION WITH THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION, THE NEW YORK STATE JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH, AND OTHER STATE AGENCIES, AS INCENTIVES FOR THE FORMATION OF STRATEGIC ALLIANCES AMONG FIRMS IN A DESIGNATED STRATEGIC INDUSTRY AND DIRECT SUCH ASSISTANCE TOWARD ADDRESSING THE PROBLEMS OF STRATEGIC INDUSTRIES PURSUANT TO AGREEMENTS ENTERED INTO WITH STATE AGENCIES AND AUTHORITIES PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-A OF THIS ARTICLE.

(D) PROVIDE IN-DEPTH ASSISTANCE FOR ACTIVITIES SPONSORED BY INDUSTRY ASSOCIATIONS AND STRATEGIC ALLIANCES IN STRATEGIC INDUSTRIES TO STIMULATE INDUSTRIAL MODERNIZATION AND MARKET EXPANSION ACTIVITY.

(E) IN COOPERATION WITH THE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH, ASSIST AND SUPPORT STRATEGIC INDUSTRIES IN ACCESSING MANUFACTURING TECHNOLOGY SERVICE AND OUTREACH CENTERS CREATED PURSUANT TO THE FEDERAL DEFENSE CONVERSION REINVESTMENT AND TRANSITION ASSISTANCE ACT OF 1992 (P.L. 102-484) AND OTHER SOURCES OF STATE AND LOCAL MODERNIZATION ASSISTANCE DESIGNED TO:

(I) COLLECT AND DISSEMINATE THE MOST CURRENT INFORMATION ON MANUFACTURING AND PRODUCTION METHODS, PROCEDURES, PROCESS AND TECHNOLOGIES RELEVANT TO MEMBERS OF THE STRATEGIC INDUSTRY SERVED BY THE CENTER AND CREATE AN INFORMATION RETRIEVAL SYSTEM FOR USE BY MEMBERS OF A STRATEGIC INDUSTRY.

(II) CONDUCT DEMONSTRATIONS OF THE MOST CURRENT MANUFACTURING AND PRODUCTION METHODS, PROCEDURES, PROCESSES AND TECHNOLOGIES FOR MEMBERS OF THE STRATEGIC INDUSTRY AND UNDERTAKE TECHNOLOGY TRANSFER ACTIVITIES.

(III) PROVIDE TECHNICAL ASSISTANCE TO STRATEGIC INDUSTRY GROUP MEMBERS TO ASSIST THEM IN ANALYZING PRODUCTION PROBLEMS AND IN IMPLEMENTING NEW MANUFACTURING AND PRODUCTION PRACTICES, PROCESSES, PROCEDURES AND TECHNOLOGIES.

(IV) PROVIDE THE OPPORTUNITY FOR SHARED MANUFACTURING AND PRODUCTION SPACE AND THE USE OF SPECIALIZED DEMONSTRATION EQUIPMENT FOR USE BY INDIVIDUAL FIRMS OR GROUPS OF FIRMS IN A STRATEGIC INDUSTRY GROUP.

(V) ESTABLISH TIES WITH UNIVERSITIES AND CONDUCT JOINT RESEARCH INTO THE PROBLEMS AFFECTING A STRATEGIC INDUSTRY GROUP.

(VI) OFFER MANAGEMENT AND TECHNICAL COURSES TO MEMBERS OF A STRATEGIC INDUSTRY GROUP.

(VII) ARRANGE FOR AND CONDUCT WORKER PARTICIPATION AND TRAINING FOR STRATEGIC INDUSTRY GROUP MEMBERS.

(VIII) ARRANGE FOR AND PROVIDE EXPORT INFORMATION, ASSISTANCE AND REPRESENTATION AT TRADE SHOWS.

(IX) ACT AS PACKAGERS, WHERE APPROPRIATE, OF GROUP INSURANCE FOR STRATEGIC INDUSTRY GROUP MEMBERS.

(F) GRADUALLY REDUCE ASSISTANCE TO STRATEGIC INDUSTRY GROUPS OVER TIME TO ALLOW INDUSTRY GROUPS TO BECOME USER-FUNDED AND SELF-SUPPORTING.

2. (A) THE COMMISSIONER SHALL DESIGNATE A STRATEGIC INDUSTRY GROUP AND SUPPLIER NETWORK ADVISORY PANEL.

(I) SUCH ADVISORY PANEL SHALL BE COMPOSED OF LEADING UNIVERSITY AND PRIVATE SECTOR ECONOMISTS, REPRESENTATIVES OF LABOR GROUPS, REPRESENTATIVES FROM THE PRIVATE BUSINESS SECTOR, SELECTED MEMBERS OF THE BOARD OF DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION, THE NEW YORK STATE JOB DEVELOPMENT AUTHORITY, AND THE NEW YORK STATE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH AND OTHER SUCH REPRESENTATIVES AS THE COMMISSIONER DEEMS APPROPRIATE.

(II) THE MEMBERS OF THE ADVISORY BOARD SHALL RECEIVE NO COMPENSATION FOR THEIR SERVICES BUT SHALL BE ALLOWED THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

(B) THE STRATEGIC INDUSTRY GROUP AND SUPPLIER NETWORK ADVISORY PANEL SHALL:

(I) ASSIST THE COMMISSIONER IN DEVELOPING CRITERIA FOR DESIGNATING A STRATEGIC INDUSTRY GROUP, SUCH CRITERIA TO BE PUBLISHED BY THE COMMISSIONER.

(II) USE SUCH CRITERIA TO PERIODICALLY REVIEW THE CONDITION OF MANUFACTURING INDUSTRIES IN THE STATE AND RECOMMEND TO THE COMMISSIONER INDUSTRY GROUPS FOR DESIGNATION AS STRATEGIC INDUSTRIES.

(III) ASSIST A STRATEGIC INDUSTRY DESIGNATED BY THE COMMISSIONER PURSUANT TO PARAGRAPH (C) OF THIS SUBDIVISION TO DEVELOP A COMPACT AMONG ITS MEMBER INDUSTRIES AND BETWEEN ITS MEMBER INDUSTRIES AND THE STATE SETTING FORTH AN AGREEMENT OF COOPERATION CONSISTENT WITH THE APPROPRIATE AND RELEVANT ELEMENTS OF COOPERATION SET FORTH IN SECTION ONE HUNDRED NINETY-TWO-A OF THIS ARTICLE AND THIS SECTION, SUCH COMPACT TO BE SIGNED BY THE MEMBER INDUSTRIES OF A STRATEGIC INDUSTRY, THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE ASSEMBLY.

(C) THE COMMISSIONER SHALL, FROM AMONG THE INDUSTRY GROUPS RECOMMENDED BY THE ADVISORY PANEL FOR DESIGNATION AS STRATEGIC INDUSTRY GROUPS, DESIGNATE STRATEGIC INDUSTRIES, SUCH DESIGNATION TO BE FINAL UPON THE SIGNING OF THE COMPACT AS SET FORTH IN PARAGRAPH (B) OF THIS SUBDIVISION.

(D) NO DESIGNATION OF AN INDUSTRY GROUP AS A STRATEGIC INDUSTRY SHALL BE MADE FOR A PERIOD OF LONGER THAN THREE YEARS FROM THE TIME OF DESIGNATION; PROVIDED, HOWEVER, THAT THE ADVISORY PANEL SHALL BE ABLE TO COMMEND AN INDUSTRY GROUP FOR REDESIGNATION UNDER THE PROCESS SET FORTH IN THIS SUBDIVISION, AND THE COMMISSIONER MAY REDESIGNATE AN INDUSTRY GROUP AS A STRATEGIC INDUSTRY.

3. INDUSTRIES DESIGNATED OR REDESIGNATED AS STRATEGIC INDUSTRIES SHALL HAVE PREFERENCE FOR ASSISTANCE UNDER THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM SET FORTH IN SECTION ONE HUNDRED NINETY-TWO-A OF THIS ARTICLE.

4. THE DEPARTMENT SHALL MONITOR AND PERIODICALLY REVIEW THE PERFORMANCE OF STRATEGIC INDUSTRY GROUPS TO DETERMINE WHETHER OR NOT CONTINUED PREFERENCE UNDER SUBDIVISION THREE OF THIS SECTION IS WARRANTED ACCORDING TO CRITERIA DEVELOPED BY THE DEPARTMENT, SUCH CRITERIA TO INCLUDE THE EXTENT TO WHICH THE INDUSTRY HAS UNDERTAKEN THE SELF-HELP MEASURES, THE FINANCIAL CONTRIBUTIONS TO THE PROGRAM BY THE INVOLVED FIRMS, PROGRESS TOWARD SELF-SUFFICIENCY, AND THE JOB RETENTION AND CREATION

EFFECTS OF THE PROGRAM ON A PARTICULAR STRATEGIC INDUSTRY, AND MAY DISCONTINUE SUCH PREFERENCE AT ANY TIME THAT IT DETERMINES THAT THE PERFORMANCE OF A STRATEGIC INDUSTRY GROUP IS NOT SATISFACTORY ACCORDING TO SUCH CRITERIA.

S 192-C. SUPPLIER NETWORK GROUP SERVICES PROGRAM. L. THE DEPARTMENT SHALL:

(A) ESTABLISH WITHIN THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM A SUPPLIER NETWORK GROUP SERVICES PROGRAM AND CREATE A PROCESS, PURSUANT TO SUBDIVISION TWO OF THIS SECTION, TO DESIGNATE AS SUPPLIER NETWORKS CERTAIN SMALL AND MEDIUM-SIZED MANUFACTURING FIRMS AND OTHER PRODUCERS OF GOODS OR SERVICES IN DIFFERENT INDUSTRY GROUPS WHICH SUPPLY THE SAME MANUFACTURING COMPANY OR GROUP OF SIMILAR MANUFACTURING COMPANIES WITH THE PRODUCTS USED IN THE MANUFACTURE, PRODUCTION, OR ASSEMBLING OF FINAL PRODUCTS.

(B) ACTIVELY PROMOTE COOPERATION AMONG FIRMS IN A SUPPLIER NETWORK TO IDENTIFY NEEDS AND SOLVE COMMON PROBLEMS.

(C) OFFER COMPANIES WITHIN A SUPPLIER NETWORK VARIOUS FORMS OF TECHNICAL AND FINANCIAL ASSISTANCE, IN COOPERATION WITH THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION, THE NEW YORK STATE JOB DEVELOPMENT AUTHORITY, THE NEW YORK STATE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH, AND OTHER STATE AGENCIES, AS INCENTIVES FOR THE FORMATION OF STRATEGIC ALLIANCES AMONG FIRMS IN A DESIGNATED SUPPLIER NETWORK AND DIRECT SUCH ASSISTANCE TOWARD ADDRESSING THE PROBLEMS OF THE FIRMS IN A SUPPLIER NETWORK PURSUANT TO AGREEMENTS ENTERED INTO WITH STATE AGENCIES AND AUTHORITIES PURSUANT TO SECTION ONE HUNDRED NINETY-THREE OF THIS ARTICLE.

(D) ASSIST AND SUPPORT SUPPLIER NETWORKS BY:

(I) COLLECTING AND DISSEMINATING THE MOST CURRENT INFORMATION ON MANUFACTURING METHODS, PROCEDURES, PROCESSES AND TECHNOLOGIES RELEVANT TO MEMBERS OF A SUPPLIER NETWORK AND CREATE AN INFORMATION RETRIEVAL SYSTEM FOR USE BY MEMBERS OF A SUPPLIER NETWORK.

(II) CONDUCT DEMONSTRATIONS OF THE MOST CURRENT MANUFACTURING AND PRODUCTION METHODS, PROCEDURES, PROCESSES AND TECHNOLOGIES FOR MEMBERS OF THE SUPPLIER NETWORK AND UNDERTAKE TECHNOLOGY TRANSFER ACTIVITIES.

(III) PROVIDE TECHNICAL ASSISTANCE TO A SUPPLIER NETWORK TO ASSIST ITS MEMBERS IN ANALYZING PRODUCTION PROBLEMS AND IN IMPLEMENTING NEW MANUFACTURING PRACTICES, PROCESSES, PROCEDURES AND TECHNOLOGIES.

(IV) PROVIDE THE OPPORTUNITY FOR SHARED MANUFACTURING OR PRODUCTION SPACE AND THE USE OF SPECIALIZED DEMONSTRATION EQUIPMENT FOR USE BY INDIVIDUAL FIRMS OR GROUPS OF FIRMS IN A SUPPLIER NETWORK.

(V) ESTABLISH TIES WITH UNIVERSITIES AND CONDUCT JOINT RESEARCH INTO THE PROBLEMS AFFECTING A SUPPLIER NETWORK.

(VI) OFFER MANAGEMENT AND TECHNICAL COURSES TO MEMBERS OF A SUPPLIER NETWORK GROUP.

(VII) CONDUCT JOB TRAINING FOR SUPPLIER NETWORK GROUP MEMBERS.

(VIII) PROVIDE EXPORT INFORMATION, ASSISTANCE AND REPRESENTATION AT TRADE SHOWS.

(IX) ACT AS PACKAGERS, WHERE APPROPRIATE, OF GROUP INSURANCE FOR SUPPLIER NETWORK GROUP MEMBERS.

(E) WHERE APPROPRIATE, AND IN COOPERATION WITH THE OFFICE OF SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH, ASSIST AND SUPPORT SUPPLIER NETWORKS IN ACCESSING MANUFACTURING TECHNOLOGY SERVICE AND OUTREACH CENTERS CREATED PURSUANT TO THE FEDERAL DEFENSE CONVERSION REINVESTMENT AND TRANSITION ASSISTANCE ACT OF 1992 (P.L. 102-484) AND OTHER SOURCES OF STATE AND LOCAL MODERNIZATION ASSISTANCE.

(F) GRADUALLY REDUCE ASSISTANCE TO SUPPLIER NETWORKS OVER TIME TO ALLOW INDUSTRY GROUPS TO BECOME USER-FUNDED AND SELF-SUPPORTING.

2. DESIGNATION OF SUPPLIER NETWORKS. (A) THE STRATEGIC INDUSTRY GROUP AND SUPPLIER NETWORK ADVISORY PANEL ESTABLISHED PURSUANT TO SECTION ONE HUNDRED NINETY-TWO-B OF THIS ARTICLE SHALL:

(I) ASSIST THE COMMISSIONER IN DEVELOPING CRITERIA FOR DESIGNATING A SUPPLIER NETWORK, SUCH CRITERIA TO BE PUBLISHED BY THE COMMISSIONER.

(II) USE SUCH CRITERIA TO PERIODICALLY REVIEW THE CONDITION OF MANUFACTURING INDUSTRIES IN THE STATE AND RECOMMEND TO THE COMMISSIONER GROUPS OF MANUFACTURING FIRMS FOR DESIGNATION AS SUPPLIER NETWORKS.

(III) ASSIST A SUPPLIER NETWORK DESIGNATED BY THE COMMISSIONER PURSUANT TO PARAGRAPH (B) OF THIS SUBDIVISION TO DEVELOP A COMPACT BETWEEN ITS MEMBER INDUSTRIES AND AMONG ITS MEMBER INDUSTRIES AND THE STATE SETTING FORTH AN AGREEMENT OF COOPERATION CONSISTENT WITH THE APPROPRIATE AND RELEVANT ELEMENTS OF COOPERATION SET FORTH IN SECTION ONE HUNDRED NINETY-TWO-A OF THIS ARTICLE AND THIS SECTION, SUCH COMPACT TO BE SIGNED BY THE MEMBER INDUSTRIES OF A SUPPLIER NETWORK, THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE ASSEMBLY.

(B) THE COMMISSIONER SHALL, FROM AMONG THE GROUPS RECOMMENDED BY THE ADVISORY PANEL FOR DESIGNATION AS SUPPLIER NETWORKS, DESIGNATE SUPPLIER NETWORKS, SUCH DESIGNATION TO BE FINAL UPON THE SIGNING OF THE COMPACT AS SET FORTH IN PARAGRAPH (A) OF THIS SUBDIVISION.

(C) NO DESIGNATION OF A GROUP OF MANUFACTURING OR OTHER PRODUCTION FIRMS AS A SUPPLIER NETWORK SHALL BE MADE FOR A PERIOD OF LONGER THAN THREE YEARS FROM TIME OF DESIGNATION; PROVIDED, HOWEVER, THAT THE ADVISORY PANEL SHALL BE ABLE TO RECOMMEND THAT A GROUP OF FIRMS SHOULD BE REDESIGNATED UNDER THE PROCESS SET FORTH IN THIS SUBDIVISION, AND THE COMMISSIONER MAY REDESIGNATE SUCH A GROUP AS A SUPPLIER NETWORK.

3. INDUSTRIES DESIGNATED OR REDESIGNATED AS SUPPLIER NETWORKS SHALL HAVE PREFERENCE FOR ASSISTANCE UNDER THE STRATEGIC NETWORK PARTNERSHIPS PROGRAM SET FORTH IN SECTION ONE HUNDRED NINETY-TWO-A OF THIS ARTICLE.

4. THE DEPARTMENT SHALL MONITOR AND PERIODICALLY REVIEW THE PERFORMANCE OF SUPPLIER NETWORKS TO DETERMINE WHETHER OR NOT CONTINUED PREFERENCE UNDER SUBDIVISION TWO OF THIS SECTION IS WARRANTED ACCORDING TO CRITERIA DEVELOPED BY THE DEPARTMENT, SUCH CRITERIA TO INCLUDE THE EXTENT TO WHICH THE SUPPLIER NETWORK HAS UNDERTAKEN THE SELF-HELP MEASURES, THE FINANCIAL CONTRIBUTIONS TO THE PROGRAM BY THE INVOLVED FIRMS, PROGRESS TOWARD SELF-SUFFICIENCY, AND THE JOB RETENTION AND CREATION EFFECTS OF THE PROGRAM AT ANY TIME THAT IT DETERMINES THAT THE PERFORMANCE OF A SUPPLIER NETWORK IS NOT SATISFACTORY ACCORDING TO SUCH CRITERIA.

S 3. The opening paragraph of paragraph (e) of subdivision 7 of section 16-d of section 1 of chapter 174 of the laws of 1968 constituting the New York state urban development corporation act, as added by chapter 169 of the laws of 1994, is amended to read as follows:

Not-for-profit corporations, business improvement districts and community development organizations, INCLUDING ASSOCIATIONS REPRESENTING STRATEGIC NETWORK PARTNERSHIPS DESIGNATED PURSUANT TO SECTIONS 192-B AND 192-C OF THE ECONOMIC DEVELOPMENT LAW, WHICH MAY APPLY FOR UP TO FIFTY PERCENT OF PROJECT COSTS, PARAGRAPH (B) OF THIS SUBDIVISION NOTWITHSTANDING, shall be eligible to apply for support under this subdivision to operate a program or programs of business and economic development services to stabilize, retain or revitalize existing businesses, and to assist small and new businesses, including, but not limited to, assistance to individual businesses or business sectors in such project areas as:

S 4. The opening paragraph of subdivision 1 of section 16-m of section 1 of chapter 174 of the laws of 1968 constituting the New York state urban development corporation act, as added by section 1 of part N of chapter 84 of the laws of 2002, is amended to read as follows:

The empire state economic development fund is hereby created. The corporation is authorized, within available appropriations, to provide financial, technical or other assistance from such fund TO QUALIFIED BUSINESSES AND OTHER ENTITIES, INCLUDING ASSOCIATIONS REPRESENTING STRATEGIC NETWORK PARTNERSHIPS DESIGNATED PURSUANT TO SECTIONS 192-B AND 192-C OF THE ECONOMIC DEVELOPMENT LAW for the following:

S 5. Subdivision 1 of section 16-j of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by chapter 624 of the laws of 1999, is amended to read as follows:

1. Program created. Pursuant to this section and article 24-A of the labor law there is hereby established within the corporation and the department of labor a strategic training alliance program to identify and address employer demands for skilled workers. The corporation and the department of labor may cooperate with the department of economic development, the state university of New York, the city university of New York, and the state education department, in providing support within amounts available for the program for training activities by an eligible applicant which is defined as an employer or an employer in conjunction with a labor organization, a strategic alliance or network or association of employers with common problems or concerns, INCLUDING ASSOCIATIONS REPRESENTING STRATEGIC NETWORK PARTNERSHIPS DESIGNATED PURSUANT TO SECTIONS 192-B AND 192-C OF THE ECONOMIC DEVELOPMENT LAW, a private industry council established pursuant to the federal job training partnership act (P.L. 97-300) or one or more local workforce investment boards established pursuant to the federal workforce investment act (P.L. 105-300) representing a strategic alliance.

S 6. This act shall take effect immediately; provided, however, that the amendments to subdivision 1 of section 16-m of section 1 of chapter 174 of the laws of 1968 constituting the New York state urban development corporation act made by section four of this act shall not affect the expiration of such section and shall be deemed to expire therewith.