

# STATE OF NEW YORK

3804

2017-2018 Regular Sessions

## IN SENATE

January 27, 2017

Introduced by Sen. BAILEY -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, in relation to establishing entrepreneurship assistance centers; to amend the economic development law and the labor law, in relation to making technical corrections relating thereto; and to repeal article 9 of the economic development law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Article 9 of the economic development law is REPEALED and a  
2 new article 9 is added to read as follows:

### ARTICLE 9

#### ENTREPRENEURSHIP ASSISTANCE CENTERS

##### Section 210. Definitions.

6 211. Entrepreneurship assistance centers.

7 212. Reporting.

8 § 210. Definitions. As used in this article the following terms,  
9 unless the context indicates otherwise, shall have the following mean-  
10 ings:

11 1. "Entrepreneurship assistance centers" shall mean the business  
12 development centers which provide assistance to primarily minority group  
13 members, women, individuals with a disability, dislocated workers and  
14 veterans as established by the department pursuant to section two  
15 hundred eleven of this article.

16 2. "Disability" shall mean, with respect to an individual:

17 (a) a physical or mental impairment that substantially limits one or  
18 more of the major life activities of such individual;

19 (b) a record of such an impairment; or

20 (c) being regarded as having an impairment.

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

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1 3. "Minority business enterprise" shall mean any business enterprise  
2 which is at least fifty-one per centum owned by, or in the case of a  
3 publicly owned business at least fifty-one per centum of the stock of  
4 which is owned by, citizens or permanent resident aliens who are Black,  
5 Hispanic, Asian or American Indian, Pacific Islander or Alaskan Native  
6 where such ownership interest is real, substantial and continuing and  
7 where such persons have the authority to independently control the day-  
8 to-day business decisions of the entity.

9 4. "Minority group member" shall mean a United States citizen or  
10 permanent resident alien who is and can demonstrate membership in one of  
11 the following groups:

12 (a) Black persons having origins in any of the Black African racial  
13 groups not of Hispanic origin;

14 (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban,  
15 Central or South American descent of either Indian or Hispanic origin,  
16 regardless of race;

17 (c) Asian and Pacific Islander persons having origins in the Far East,  
18 Southeast Asia, the Indian sub-continent or the Pacific Islands; or

19 (d) American Indian or Alaskan Native persons having origins in any of  
20 the original peoples of North America.

21 5. "Women-owned business enterprise" shall mean any business enter-  
22 prise which is at least fifty-one per centum owned by, or in the case of  
23 a publicly owned business at least fifty-one per centum of the stock of  
24 which is owned by, citizens or permanent resident aliens who are women  
25 where such ownership interest is real, substantial and continuing and  
26 where such persons have the authority to independently control the day-  
27 to-day business decisions of the entity.

28 6. "Veteran" shall mean a person who served in and who has received an  
29 honorable or general discharge from, the United States army, navy, air  
30 force, marines, coast guard, and/or reserves thereof, and/or in the army  
31 national guard, air national guard, New York guard and/or New York naval  
32 militia.

33 § 211. Entrepreneurship assistance centers. 1. The department shall  
34 establish and support, within available appropriations, entrepreneurship  
35 assistance centers at career education agencies and not-for-profit  
36 corporations including, but not limited to, local development corpo-  
37 rations, chambers of commerce, community-based business outreach centers  
38 and other community-based organizations. The purpose of such centers  
39 shall be to train minority group members, women, individuals with a  
40 disability, dislocated workers and veterans in the principles and prac-  
41 tice of entrepreneurship in order to prepare such persons to pursue  
42 self-employment opportunities and to pursue a minority business enter-  
43 prise or a women-owned business enterprise. Such centers shall provide  
44 for training in all aspects of business development and small business  
45 management as defined by the commissioner. For purposes of this section,  
46 "career education agency" shall mean a community college or board of  
47 cooperative educational services operating within the state.

48 2. The department shall establish criteria for selection and desig-  
49 nation of such centers which shall include, but not be limited to:

50 (a) the level of support for the center from local post-secondary  
51 education institutions, businesses, and government;

52 (b) the level of financial assistance provided at the local and feder-  
53 al level to support the operations of the center;

54 (c) the applicant's understanding of program goals and objectives  
55 articulated by the department;

1 (d) the plans of the center to supplement state and local funding  
2 through fees for services which may be based on a sliding scale based on  
3 ability to pay;

4 (e) the need for and anticipated impact of the center on the community  
5 in which it will function;

6 (f) the quality of the proposed work plan and staff of the center; and

7 (g) the extent of economic distress in the area to be served.

8 3. Application for grants made pursuant to this section shall be made  
9 in the manner and on forms prescribed by the department. Such applica-  
10 tion shall include, but shall not be limited to:

11 (a) a description of the training programs available within the  
12 geographic area to be served by the center to which eligible clients may  
13 be referred;

14 (b) designation of a program director;

15 (c) plans for providing ongoing technical assistance to program gradu-  
16 ates, including linkages with providers of other entrepreneurial assist-  
17 ance programs and with providers of small business technical assistance  
18 and services;

19 (d) a program budget, including matching funds, in-kind and otherwise,  
20 to be provided by the applicant; and

21 (e) such other requirements as deemed necessary by the department.

22 4. Each center shall:

23 (a) be operated by a board of directors representing community leaders  
24 in business, education, finance and government;

25 (b) be incorporated as a not-for-profit corporation;

26 (c) be located in an area accessible to eligible clients;

27 (d) establish an advisory group of community business experts, at  
28 least one-half of whom shall be representative of the clientele to be  
29 served by the center, which shall constitute a support network to  
30 provide counseling and mentoring services to minority group members,  
31 women, individuals with a disability, dislocated workers and veterans  
32 from the concept stage of development through the first one to two years  
33 of existence on a regular basis and as needed thereafter; and

34 (e) establish a referral system and linkages to existing area small  
35 business assistance programs and financing sources.

36 5. Each entrepreneurship assistance center shall provide needed  
37 services to eligible clients, including, but not limited to:

38 (a) orientation and screening of prospective entrepreneurs;

39 (b) analysis of business concepts and technical feasibility;

40 (c) market analysis;

41 (d) management analysis and counseling;

42 (e) business planning and financial planning assistance;

43 (f) referrals to financial resources;

44 (g) referral to existing educational programs for training in such  
45 areas as marketing, accounting and other such training programs as may  
46 be necessary and available; and

47 (h) referral to business incubator facilities, where appropriate, for  
48 the purpose of entering into agreements to access shared support  
49 services.

50 6. Grants made pursuant to this section shall be subject to the  
51 following limitations:

52 (a) no grant shall be made to any one or any consortium of career  
53 education agencies and not-for-profit corporations in excess of seven-  
54 ty-five thousand dollars; and

55 (b) each grant shall be disbursed for payment of the cost of services  
56 and expenses of the program director, the instructors of the participat-

1 ing career education agency or not-for-profit corporation, the faculty  
2 and support personnel thereof and any other person in the service of  
3 providing instruction and counseling in furtherance of the program.

4 § 212. Reporting. The department shall:

5 1. Monitor the performance of each entrepreneurial assistance center  
6 and require quarterly and annual reports from each entrepreneurial  
7 assistance center at such time and in such a manner as prescribed by the  
8 commissioner.

9 2. Evaluate the entrepreneurial assistance centers established under  
10 this article and report quarterly and annually, on or before January  
11 first, two thousand eighteen, and on or before each January first there-  
12 after, and submit the results of such evaluation to the governor and the  
13 legislature. Such report shall discuss the extent to which the centers  
14 serve minority group members, women, individuals with a disability,  
15 dislocated workers and veterans; the extent to which the training  
16 program is coordinated with other assistance programs targeted to small  
17 and new businesses; the ability of such program to leverage other sourc-  
18 es of funding and support; and the success of the program in aiding  
19 entrepreneurs to start up new businesses, including the number of new  
20 business start-ups resulting from the program. Such report shall recom-  
21 mend changes and improvements in the training program and in the quality  
22 of supplemental technical assistance offered to graduates of the train-  
23 ing programs. Such reports shall be made available to the public on the  
24 department's website.

25 3. Submit to the director of the division of the budget, the chair-  
26 person of the senate finance committee and the chairperson of the assem-  
27 bly ways and means committee an evaluation of the effectiveness of the  
28 programs established under this article prepared by an entity independ-  
29 ent of the department. Such evaluation shall be submitted by January  
30 first, two thousand nineteen and by January first every year thereafter.

31 4. Between evaluation due dates, maintain the necessary records and  
32 data required to satisfy such evaluation requirements and to satisfy  
33 information requests received from the director of the budget, the  
34 chairperson of the senate finance committee and the chairperson of the  
35 assembly ways and means committee between such evaluation due dates.

36 § 2. Paragraph (c) of subdivision 37-b of section 100 of the economic  
37 development law, as added by chapter 524 of the laws of 2005, is amended  
38 to read as follows:

39 (c) Subdivision two of section two hundred [~~thirteen~~] twelve of this  
40 chapter, submitting the results of the annual evaluation of the entre-  
41 preneurial assistance programs established under article nine of this  
42 chapter.

43 § 3. Subparagraph (iii) of paragraph (c) of subdivision 2 of section  
44 591-a of the labor law, as amended by section 1 of part Z of chapter 57  
45 of the laws of 2013, is amended to read as follows:

46 (iii) are participating in self-employment assistance activities  
47 approved by the department and by the department of economic development  
48 which include but need not be limited to entrepreneurial training, busi-  
49 ness counseling, and technical assistance, including financing assist-  
50 ance for qualified individuals as appropriate, offered by entrepreneur-  
51 ship [~~support~~] assistance centers established pursuant to section two  
52 hundred [~~twelve~~] eleven of the economic development law, state universi-  
53 ty of New York small business development centers, programs offered by  
54 community-based organizations, local development corporations, and  
55 boards of cooperative educational services (BOCES) as established pursu-  
56 ant to section one thousand nine hundred fifty of the education law;

1 and, unless otherwise required by federal law or regulation, no individ-  
2 ual shall be prohibited from or disqualified from eligibility for the  
3 program if prior to applying for the program, an individual has printed  
4 business cards or has a website that is designed but not active, and  
5 neither are being used to solicit or conduct business;  
6 § 4. This act shall take effect immediately; provided that the amend-  
7 ments to subparagraph (iii) of paragraph (c) of subdivision 2 of section  
8 591-a of the labor law made by section three of this act shall not  
9 affect the repeal of such section and shall be deemed to repeal there-  
10 with.