STATE OF NEW YORK

5549

2019-2020 Regular Sessions

IN SENATE

May 6, 2019

Introduced by Sen. STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to creating a subsidized long term unemployment work and training program

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

Section 1. The labor law is amended by adding a new article 18-A to read as follows:

ARTICLE 18-A

LONG TERM UNEMPLOYMENT WORK AND TRAINING PROGRAM

Section 644. Definitions.
645. Subsidized training and employment program.
646. Grants.
647. Grant application.
648. Report.
649. Commissioner's duties.

§ 644. Definitions. 1. "Department" means the department of labor;

2. "Eligible small business" means a business that: (a) employs not more than one hundred full-time employees on at least fifty percent of its working days during the preceding twelve months; (b) is incorporated in and has operations in the state of New York, not within cities with a population of one million or more; (c) has been registered to conduct business for not less than twelve months; and (d) is in good standing with the payment of all federal, state and local taxes;

3. "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty percent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty percent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the inter-

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

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nal revenue code of nineteen hundred eighty-six, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);

4. "Related person" means (a) a corporation, limited liability company, partnership, association or trust controlled by the eligible small business; (b) an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business; (c) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business; or (d) a member of the same controlled group as the eligible small business;

5. "Eligible small manufacturer" means an eligible small business described in sectors thirty-one to thirty-three, inclusive, of the North American Industry Classification System, that employed not more than one hundred employees on at least fifty percent of its working days during the preceding twelve months;

6. "New employee" means a person who: (a) has been unemployed immediately prior to employment for a period exceeding twenty-seven weeks, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment; (b) is a resident of a metropolitan statistical area or micropolitan statistical area, as defined by the federal office of management and budget, that has an unemployment rate that is equal to or higher than the state unemployment rate, as determined by the department, as of September first, two thousand seventeen; and (c) has a family income equal to or less than two hundred fifty percent of the federal poverty level, adjusted for family size. "New employee" does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer.

§ 645. Subsidized training and employment program. 1. There is established within the department a subsidized training and employment program for eligible small businesses and eligible small manufacturers. Such program shall provide grants to such businesses and manufacturers to subsidize, for the first three hundred sixty-five calendar days after a person is hired, a part of the cost of employment, including any costs related to training.

2. The employee hired under such grant shall be full-time, and eligible for all rights and protections of employees under federal and state law.

3. No such business or manufacturer receiving a grant under this section with respect to a new employee or newly hired person may receive a second grant under this section with respect to the same new employee or newly hired person.

4. No such grant shall apply to any supervisory or managerial position, either by title or description, or any position in which the employee hired under such grant receives compensation, including grant funding, equal to or in excess of the compensation received by existing employees in similarly-titled positions.

5. No employee who has been hired under such a grant shall receive grant compensation for more than three hundred sixty-five days through one or more employers.

§ 646. Grants. 1. Grants to eligible small businesses under the subsidized training and employment program shall be in the following amounts: (a) for the first ninety calendar days a new employee is employed, one

hundred percent of an amount representing the hourly wage of such new employee, exclusive of any benefits, but in no event shall such amount exceed twenty dollars per hour; (b) for the ninety-first to one hundred eightieth, inclusive, calendar days, seventy-five percent of such amount; (c) for the one hundred eighty-first to two hundred seventieth, inclusive, calendar days, fifty percent of such amount; and (d) for the two hundred seventy-first to three hundred sixty-fifth, inclusive, calendar days, twenty-five percent of such amount. Grants shall be cancelled as of the date the new employee leaves employment with the eligible small business.

2. An eligible small manufacturer may apply to the department for a grant to be used to train and compensate persons newly hired by such manufacturer. Any training shall be provided by such manufacturer, and take place on such manufacturer's premises, but no existing formal training program shall be required. The commissioner, or said commissioner's designee, shall review and approve such manufacturer's description of the proposed training as part of the application. Grants awarded to an eligible small manufacturer pursuant to this subdivision shall subsidize the costs of training and compensating each person newly hired by such manufacturer. In no event shall a grant exceed the salary of the newly hired person. Maximum amounts of each grant are: for the first, second and third full calendar months a newly hired person is employed, up to eight thousand four hundred dollars; for the fourth, fifth and sixth full calendar months, up to six thousand three hundred dollars; for the seventh, eighth and ninth full calendar months, up to four thousand two hundred dollars; for the tenth, eleventh and twelfth full calendar months, up to two thousand one hundred dollars. No grant shall exceed a total amount of twenty-one thousand dollars per newly hired person. A grant shall be cancelled as of the date such person leaves employment with the eligible small manufacturer.

§ 647. Grant application. Any eligible small business or small manufacturer may make an application for a grant to the department. Such application shall provide full information as to the need for the grant, including a description of the position for which the grant would apply, including title, anticipated wages, the duties of the employee to whom the grant applies, and anticipated work product.

§ 648. Report. Not later than February first, two thousand twenty-one, and annually thereafter, the commissioner shall provide a report to the senate finance committee and assembly ways and means committee, the senate labor committee and the assembly labor committee. Such report shall include available data for the twelve-month period ending on the last day of the calendar month preceding such report, on (a) the number of small businesses that participated in the subsidized training and employment program established pursuant to subdivisions two and three of section six hundred forty-five of this article, and the general categories of such businesses; (b) the number of small manufacturers that participated in the subsidized training and employment program established pursuant to subdivisions two and five of section six hundred forty-five of this article, and the general categories of such manufacturers; (c) the number of individuals that received employment; and (d) the most recent estimate of the number of jobs created or maintained.

§ 649. Commissioner's duties. The commissioner shall develop and adopt regulations to carry out the provisions of this article.

§ 2. This act shall take effect immediately.