

# STATE OF NEW YORK

10225

## IN ASSEMBLY

May 14, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Rozic) --  
read once and referred to the Committee on Economic Development

AN ACT to amend the economic development law and the New York state  
urban development corporation act, in relation to enacting the good  
jobs guarantee program

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

1 Section 1. The economic development law is amended by adding a new  
2 article 28 to read as follows:

### ARTICLE 28

#### GOOD JOBS GUARANTEE PROGRAM

##### Section 500. Short title.

##### 501. Legislative findings.

##### 502. Good jobs guarantee program.

##### 503. Definitions.

##### 504. Program administration.

10 § 500. Short title. This article shall be known and may be cited as  
11 the "good jobs guarantee program act".

12 § 501. Legislative findings. For many New Yorkers, there are few path-  
13 ways to good jobs, and economic mobility is no longer attainable. Tradi-  
14 tional paths are failing, and the system is broken. Over 76% of Ameri-  
15 cans, which equates to 218+ million adults, do not have college degrees  
16 even though most high-paying jobs require one. At the same time, the  
17 United States is burdened by a \$1.7 trillion student loan crisis because  
18 college financing has decoupled from outcomes. The system is especially  
19 stacked against low-income individuals and people of color. In New York  
20 State, this problem persists: 60% of adults lack a 4-year degree and  
21 degree holders owe \$90 billion in loans. College is not the only path to  
22 a good job - alternatives for workforce training exist. While these  
23 models have high potential, limited funding and frameworks prevent them  
24 from confronting this challenge and new models are needed to address the  
25 scale.

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

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1 Accordingly, the Good Jobs Guarantee Program Act would establish a  
2 program within the Empire State Development Corporation to facilitate  
3 the implementation of workforce training for low-income New Yorkers  
4 through a public-private partnership capped equity financing framework.  
5 Core to the Good Jobs Guarantee program is ensuring that low-income New  
6 Yorkers seeking economic opportunity are significantly better off upon  
7 completing workforce training than they were before. Individuals who  
8 participate in training programs under the Good Jobs Guarantee will not  
9 be charged any tuition or upfront costs; they will only incur payment  
10 obligations if the program actually succeeds in securing them employment  
11 at high, family-sustaining wages. The bill also contains several  
12 protections to ensure that participants can receive workforce training  
13 for good paying jobs without being saddled by unduly burdensome debt. If  
14 at any time after their training a participant is unable to maintain a  
15 good job for any reason, the participant's payment obligations will  
16 cease. This program shifts the burden away from the job seeker and onto  
17 approved workforce training providers to achieve success. By bringing  
18 this outcome-based financing model to scale, this bill aims to revolu-  
19 tionize workforce training in New York and guarantee good jobs to low-  
20 income New Yorkers.

21 § 502. Good jobs guarantee program. There is hereby established a good  
22 jobs guarantee program to provide workforce training through approved  
23 providers to enable participants to secure higher paying, sustainable  
24 jobs with skills gained through the program.

25 § 503. Definitions. As used in this article, the following terms shall  
26 have the following meanings:

27 1. "Approved provider" means an entity that is approved by the commis-  
28 sioner to provide workforce training to eligible participants to enable  
29 such individuals to secure post-training employment at an annual minimum  
30 salary of fifty thousand dollars;

31 2. "Eligible participant" means an individual who applies for work-  
32 force training offered through approved providers pursuant to this arti-  
33 cle who, at the time of application:

34 (a) has a gross annual income of less than forty-five thousand dollars  
35 per year; and

36 (b) is either (i) receiving assistance pursuant to section ninety-five  
37 or one hundred fifty-eight of the social services law, or (ii) does not  
38 possess a college degree.

39 3. "Program administrator" shall mean an individual or business  
40 selected by the commissioner through competitive process to oversee the  
41 good jobs guarantee program and guarantor fund. Such program administra-  
42 tor shall have demonstrated experience in the following areas: (a) rais-  
43 ing capital from institutional investors and philanthropic organizations  
44 with focus on workforce development goals for low income individuals,  
45 (b) implementing financial models to leverage private investment with  
46 focus on workforce development goals for low income individuals, (c)  
47 providing training with focus on workforce development goals for low  
48 income individuals, and (d) any other criteria set by the commissioner.

49 § 504. Program administration. 1. (a) The program administrator may  
50 deploy capital to approved providers for workforce training of eligible  
51 participants in accordance with the provisions of this article.

52 (b) Approved providers may be in any employment field, subject to the  
53 discretion of the program administrator.

54 (c) The program administrator shall deploy capital to an approved  
55 provider for workforce training subject to the provisions of this arti-

1 cle and any other requirement as the commissioner shall deem necessary  
2 and advisable.

3 (d) An approved provider shall secure post-training employment for a  
4 participant who completes a workforce training program.

5 (e) An approved provider shall not consider the credit worthiness of  
6 any applicant in determining eligibility for participation in the  
7 program.

8 2. (a) The approved provider shall enter into contracts with eligible  
9 participants which shall stipulate that participants shall only incur  
10 payment obligations for the costs of a training program based on such  
11 participant's monthly salary following completion of a workforce train-  
12 ing program and subsequently securing employment with an annual salary  
13 in excess of fifty thousand dollars.

14 (b) For purposes of this subdivision "annual salary" shall not include  
15 a spouse's income, retirement pensions and annuities, social security  
16 benefits, sources of state and federal aid including, but not limited  
17 to, unemployment programs, disaster relief programs, Medicare or Medi-  
18 caid benefits, economic impact payments, earned income tax credits,  
19 child tax credits, other income excluded as taxable by the federal  
20 internal revenue service, passive income not related to the full-time  
21 employment, and any other sources as determined by the commissioner.

22 (c) Eligible participants shall not be required to pay tuition or  
23 other upfront payments in exchange for receiving training under the good  
24 jobs guarantee program, except as otherwise provided in this section.

25 3. (a) Payment obligations, pursuant to contracts entered into under  
26 the program, shall be made to the approved provider on a monthly basis  
27 at a variable percentage of an eligible participant's salary, but the  
28 variable percentage shall not exceed twenty percent of the eligible  
29 participant's total annual salary.

30 (b) The maximum repayment period shall not exceed eight years from the  
31 start of training, and contracts between approved providers and eligible  
32 participants shall stipulate a total payment obligation amount.

33 (c) The program administrator shall establish an allowance for hard-  
34 ship exceptions totaling a minimum of three months of late or excused  
35 payments. Any fees established for late payments shall not exceed five  
36 percent of the monthly payment obligation amount.

37 (d) No interest shall accrue on any obligations due.

38 (e) Payment obligations shall not be structured as an outcome-based  
39 financing loan to participants in the program.

40 (f) There shall be no restrictions on the type or field of employment  
41 a participant may accept following completion of a workforce training  
42 program under this article.

43 § 2. Section 1 of chapter 174 of the laws of 1968, constituting the  
44 New York state urban development corporation act, is amended by adding a  
45 new section 60 to read as follows:

46 § 60. New York state good jobs program guarantor fund. 1. Definitions.

47 (a) For the purposes of this section the terms "approved provider" and  
48 "program administrator" shall have the meanings set forth in article 28  
49 of the economic development law.

50 (b) "Guarantor fund" shall mean a fund totaling one hundred million  
51 dollars for the purpose of a credit enhancement to attract investment in  
52 private markets managed by the program administrator under the good jobs  
53 guarantee program. The guarantor fund shall not be used for direct  
54 investment to approved providers.

55 (c) "Commissioner" shall mean the commissioner of economic develop-  
56 ment.

1 2. Good jobs program guarantor fund. The corporation, or its agent,  
2 shall establish a good jobs program guarantor fund to provide a minimum  
3 loss reserve to act as a credit enhancement for funds raised by the  
4 program administrator to assist approved providers offering workforce  
5 training pursuant to article 28 of the economic development law.  
6 Further, the corporation shall provide approval for the disbursements of  
7 the good jobs program guarantor fund by the program administrator.  
8 Disbursements from the fund shall only be made if the terms of a good  
9 jobs guarantee program contract as agreed to by such program administra-  
10 tor and an approved provider cannot be met and shall be subject to the  
11 approval of the commissioner.

12 3. Administration of the good jobs program guarantor fund. (a) The  
13 corporation is hereby authorized to:

14 (i) enter into a contract with a program administrator to act as an  
15 agent of the corporation with respect to the administration of the good  
16 jobs guarantee program and guarantor fund, provided that the corporation  
17 shall provide approval for disbursements of the guarantor fund;

18 (ii) conduct an annual review and assessment of the performance of  
19 such program administrator in its capacity as an agent of the corpo-  
20 ration, to determine whether the contract for the services of the  
21 program administrator should be renewed. Such review shall be based on  
22 whether such program administrator has satisfactorily met the terms and  
23 conditions of such contract;

24 (iii) allow such program administrator the opportunity to make correc-  
25 tive action where an initial determination has been made that such  
26 program administrator's performance is unsatisfactory; and

27 (iv) submit to the speaker of the assembly and the temporary president  
28 of the senate the corporation's recommendation to terminate such  
29 contract with the program administrator upon a final review of such  
30 program administrator's performance and conclusion that such program  
31 administrator's performance is unsatisfactory. The corporation shall  
32 begin a competitive bid process to select a new program administrator  
33 upon the termination of such contract.

34 (b) Any contract entered into pursuant to subparagraph (i) of para-  
35 graph (a) of this subdivision shall:

36 (i) be for a period of ten years and shall be renewed for an addi-  
37 tional ten-year period subject to the provisions of subparagraph (ii) of  
38 paragraph (a) of this subdivision; and

39 (ii) provide for compensation of expenses in accordance with reason-  
40 able market standards incurred by the program administrator in  
41 connection with such services provided by the program administrator and  
42 for such other services as the corporation may deem necessary including,  
43 but not limited to, the use of premises, personnel, technical assistance  
44 and personal property of such program administrator.

45 4. Duties of the program administrator. The program administrator  
46 shall:

47 (a) structure and raise capital from private, philanthropic, and  
48 public investors using the guarantor fund as a credit enhancement. Such  
49 capital raised shall be used to support workforce training provided  
50 under the good jobs guarantee program;

51 (b) enter into contracts with approved providers to deploy capital  
52 raised to approved providers to support workforce training under the  
53 good jobs guarantee program pursuant to article 28 of the economic  
54 development law and manage the investment returns; and

55 (c) perform any other duties as deemed necessary by the commissioner.

1 5. Rules and regulations. The commissioner may adopt any rules or  
2 regulations necessary to effectuate the purposes of this section.

3 § 3. This act shall take effect on the ninetieth day after it shall  
4 have become a law. Effective immediately, the addition, amendment and/or  
5 repeal of any rule or regulation necessary for the implementation of  
6 this act on its effective date are authorized to be made and completed  
7 on or before such effective date.