

STATE OF NEW YORK

9376

IN SENATE

May 14, 2024

Introduced by Sens. GIANARIS, COMRIE -- 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 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 Assembly,
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

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

LBD15190-06-4

1 from confronting this challenge and new models are needed to address the
2 scale.

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

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

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

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

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

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

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

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

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

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

1 (c) The program administrator shall deploy capital to an approved
2 provider for workforce training subject to the provisions of this arti-
3 cle and any other requirement as the commissioner shall deem necessary
4 and advisable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (c) "Commissioner" shall mean the commissioner of economic develop-
2 ment.

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

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

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

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

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

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

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

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

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

47 4. Duties of the program administrator. The program administrator
48 shall:

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

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

1 (c) perform any other duties as deemed necessary by the commissioner.
2 5. Rules and regulations. The commissioner may adopt any rules or
3 regulations necessary to effectuate the purposes of this section.
4 § 3. This act shall take effect on the ninetieth day after it shall
5 have become a law. Effective immediately, the addition, amendment and/or
6 repeal of any rule or regulation necessary for the implementation of
7 this act on its effective date are authorized to be made and completed
8 on or before such effective date.