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 Assembly, do enact as follows:

Section 1. The economic development law is amended by adding a new 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.

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

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

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

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

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

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

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

2. "Eligible participant" means an individual who applies for workforce training offered through approved providers pursuant to this article who, at the time of application:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 60. New York state good jobs program guarantor fund. 1. Definitions. (a) For the purposes of this section the terms "approved provider" and "program administrator" shall have the meanings set forth in article 28 of the economic development law.

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

(c) "Commissioner" shall mean the commissioner of economic development.

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

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

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

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

(iii) allow such program administrator the opportunity to make corrective action where an initial determination has been made that such program administrator's performance is unsatisfactory; and

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

(b) Any contract entered into pursuant to subparagraph (i) of paragraph (a) of this subdivision shall:

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

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

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

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

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

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

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

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