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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 act

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:

3 ARTICLE 28
4 GOOD JOBS GUARANTEE ACT

5 Section 500. Short title.

- 6 501. Legislative findings.
7 502. Good jobs guarantee program.
8 503. Definitions.
9 504. Program administration.

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

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

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1 degree holders owe \$90 billion in loans. College is not the only path to
2 a good job - alternatives for workforce training exist. While these
3 models have high potential, limited funding and frameworks prevent them
4 from confronting this challenge and new models are needed to address the
5 scale.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (b) "Guarantor fund" shall mean a fund totaling one hundred million
55 dollars for the purpose of a credit enhancement to attract investment in
56 private markets managed by the program administrator under the good jobs

1 guarantee program. The guarantor fund shall not be used for direct
2 investment to approved providers.

3 (c) "Commissioner" shall mean the commissioner of economic develop-
4 ment.

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

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

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

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

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

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

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

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

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

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

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

55 (b) enter into contracts with approved providers to deploy capital
56 raised to approved providers to support workforce training under the

1 good jobs guarantee program pursuant to article 28 of the economic
2 development law and manage the investment returns; and
3 (c) perform any other duties as deemed necessary by the commissioner.
4 5. Rules and regulations. The commissioner may adopt any rules or
5 regulations necessary to effectuate the purposes of this section.

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