

Key Budgetary Changes Affecting Small Businesses – FY 16-17 to FY 17-18

Agency: Department of Taxation and Finance

Program: Section 606 of the tax law (2017-18 Enacted Budget) is amended by adding a new subsection (n-2) to establish a credit for farm donations to food pantries.

2017-18 Appropriation (or Tax/Fee Level if applicable): Starting in tax year 2018, eligible farmers who make qualified food donations to any eligible food pantry can claim a refundable credit equal to 25 percent of the fair market value of the qualified donations, up to a maximum credit value of \$5,000 during the taxable year.

Summary: In an effort to combat hunger, this credit aims at providing an incentive for more farmers to donate any excess produce to food pantries rather than allowing it to go to waste. This will also help small business farmers offset potentially wasteful production.

Impact: State revenues are estimated to decrease \$10 million annually starting in Fiscal Year 2019-2020.

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Agency: Department of Labor

Program: Empire State Apprenticeship Tax Credit

2016-17 Budget: N/A

2017-18 Budget: As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program will provide \$40 Million (up to \$10 Million annually through 2022) to provide tax incentives to certified employers for employing qualified apprentices in demand occupations or industries or regional growth sectors including, but not limited to, those trades identified by the regional Economic Development Councils such as clean energy, healthcare, advanced manufacturing and conservation. Qualified apprentices must be employed full-time for at least six months of a calendar year.

Apprenticeship tax credits will be available for apprentices for up to five years with enhanced tax credits for disadvantaged youth aged 16-24 and additional tax credits for programs where apprentices are trained by a mentor.

Summary: Saves New York businesses money: This program will make the tax credit available to businesses across the state as they train New York's future skilled workforce.

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Agency: Department of Labor

Program: New York Youth Jobs Program

2016-17 Budget: As of January 1, 2016, expanding the Urban Youth Jobs Program to \$50 million (an increase of \$20 million over the prior year) to accommodate 10,000 youth job placements and expanding the program to businesses to include all parts of New York State.

2017-18 Budget: As of January 1, 2017, extending and renaming the New York Youth Jobs Program: The FY 2018 Executive Budget extends the Urban Youth Jobs Program with an annual \$40 million allocation over the next five years, through 2022, and formally changes the name of the program to the New York Youth Jobs Program, recognizing the availability of this opportunity throughout New York State.

Summary: Saves New York businesses money: This name change recognizes the program is available to businesses in all areas of the state and extends the program with a funding allocation through 2022.

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Agency: Department of Labor

Program: Existing Employee Training (EET) Program

2016-17 Budget: As of part of the Governor's Consolidated Funding Application Opportunity Round 6, NYSDOL made \$2 million available to provide occupational skills training courses for currently employed (existing) workers seeking to enter or remain in middle-skills jobs with private for-profit or not-for-profit businesses, with two or more employees.

2017-18 Budget: Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 7. \$2 million available to provide occupational skills training courses for employed, existing workers seeking to enter or remain in middle-skill occupations with private for-profit or not-for-profit businesses, with two or more employees.

Summary: Saves New York businesses money: Supports training programs that meet the specific needs of business; helps current workers obtain the skills needed to meet the ever evolving demands of business in order to retain employment or advance to higher positions within the company.

Website Link: <https://labor.ny.gov/CFA/index.shtm>

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Agency: Department of Labor

Program: Unemployed Worker Training (UWT) Program

2016-17 Budget: As of part of the Governor's Consolidated Funding Application Opportunity Round 6, NYSDOL made \$1 million available to support Local Workforce Development Boards (LWDBs) and private for-profit and private not-for-profit training providers offering occupational skills training courses that will qualify unemployed dislocated workers for employment.

2017-18 Budget: Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 7. \$3 million is available to fund private for-profit or not-for-profit business; public and private not-for-profit business, Local Workforce Development Board (LWDBs) or private for profit or not-for-profit training provider, with two or more employees that provide occupational skills training courses that will qualify unemployed and/or underemployed workers, with an emphasis on priority populations, to enter employment or obtain a higher level of employment.

Summary: Saves New York businesses money and develops a local talent pool with relevant occupations skills that provides a competitive advantage to business. Supports training programs that will address the insufficient supply of workers by providing the specific occupational skills and credentials needed by local businesses.

Priority Populations: With an emphasis on serving priority populations, UWT will provide additional points in scoring to proposals that seek to train at least 50% of their intended participants from one or more of the following categories: displaced homemakers, low income individuals, Native Americans, individuals with disabilities (including youth with disabilities and recovering drug addicts), older individuals, individuals currently and formerly involved in the justice system, homeless individuals or homeless youth, youth who are in or have aged out of the foster care system, individuals who are English language learners, individuals who have low levels of literacy, individuals facing substantial cultural barriers, migrant and seasonal farm workers, single parents (including single pregnant women), long term unemployed workers, Temporary Assistance and Needy Families (TANF) recipients, Supplemental Nutrition Assistance Program (SNAP) recipients, and veterans.

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Agency: New York State Homes and Community Renewal, Office of Community Renewal, Governor's Office of Storm Recovery (GOSR)

Program: Hurricane Sandy Business Assistance Programs (Small Business Grant Program, Small Business Mentoring Program, Tourism and Marketing Program)

2016-17 Appropriation (or Tax/Fee Level if applicable): Not applicable.

2017-18 Appropriation (or Tax/Fee Level if applicable): Not applicable.

Summary:

New York State has allocated \$113 million of the State's first and second allocations of supplemental federal Community Development Block Grant Disaster Recovery (CDBG-DR) for programs designed to assist in the recovery of small businesses impacted by Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee. As of Action Plan Amendment 15, submitted to HUD in May 2017, the Sandy Business Assistance Programs allocation was decreased by \$10 million, to \$113 million. The Small Business (\$82.6 million allocation) and Business Mentoring programs (\$400,000 allocation) are now closed to applicants, and the decrease in the allocations accounts for revised Program data and unmet need analysis based on actual eligible expenses and on data of Program applicants. These funds are slated to be reallocated to the NY Rising Homeowner, Buyout and Acquisition, and Rental Buildings Recovery Programs as described in the Amendment

- **Small Business Recovery Grant Program:** Provides grants to eligible storm-impacted businesses for working capital expenses, for the purchase or repair of damaged equipment, for the renovation of facilities that were damaged or destroyed, and to support mitigation efforts to protect the business from future storms. Grants of up to \$50,000 are available to small businesses, as defined by the SBA, in one of the State's designated disaster areas (not including NYC). Businesses that have suffered physical damage and are at risk of closure or significant employment loss can have grants extended up to \$250,000. Businesses must have suffered eligible uncompensated losses and/or incurred mitigation costs as a direct result of Superstorm Sandy, Hurricane Irene, or Tropical Storm Lee. Although the Program has been closed to applicants since May 1, 2015, the Program completed award determinations on all original applications as of the fall of 2016, and currently continues to support eligible future construction projects in the pipeline. As of April 2017, the Program has awarded 1,054 businesses a total of more than \$55.6 million and has provided disbursements in the amount of approximately \$48.6 million to 1037 businesses. Additionally, the Program has closed out over 400, or 30% of the total Small Business Program applications.
- **Coastal Fishing Industry Businesses:** Provides additional grant assistance of up to \$50,000 to affected businesses or individuals qualified as a Coastal Fishing Industry that are eligible for assistance under the Small Business Recovery Grant Program. Businesses

that are eligible for additional assistance under the Coastal Fishing Industry Program are not eligible for additional assistance under the Seasonal Tourism Industry Program.

- Seasonal Tourism Industry Businesses: Provides additional grant assistance of up to \$50,000 to eligible seasonal tourism businesses that are eligible for assistance under the Small Business Recovery Grant Program. Businesses that are eligible for additional assistance under the Seasonal Tourism Industry Program are not eligible for additional assistance under the Coastal Fishing Industry Program.
- Economic Hardship: Provides additional grant assistance of up to \$50,000 for eligible small businesses that experienced documented losses of at least 30% in gross revenues in the year following the applicable storm.
- Mitigation: Provides additional grant assistance of up to \$100,000 for eligible small businesses that experienced documented physical damage from any of the storms and requested assistance for activities that are determined to act as mitigation against future storm damage, such as elevating buildings or utilities above the projected flood level, or upgrading materials or otherwise flood-proofing building elements to better withstand future damage.
- Small Business Mentoring Program: Provides a web-based platform for small businesses to connect with larger, mentor businesses and/or business professionals. This \$400,000 program was implemented by NY Empire State Development to provide eligible technical or legal assistance and business coaching to assist businesses in rebuilding their businesses and become more resilient in the face of future disaster events. Consultants and business coaches were made available to small businesses, as defined by the SBA, to discuss business development and recovery issues. As of April 2017, more than 4,125 small businesses and 1,348 mentors are participating in the innovative Program, having held 2,733 engagements and providing one-on-one counsel and guidance for establishments in need.
- Tourism and Marketing Program: Provided up to \$30 million in assistance to NY Empire State Development to implement a tourism and marketing program designed to promote the storm-impacted areas of New York State.