

Key Budgetary Changes Affecting Small Businesses – FY 17-18 to FY 18-19

Agency: Department of Labor

Program: Empire State Apprenticeship Tax Credit Program

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 businesses for employing qualified apprentices in demand occupations or industries or regional growth sectors. These include, but are 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.

2018-19 Budget: As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program is providing \$40 Million (up to \$10 Million annually through 2022) to offer tax incentives to certified businesses for employing qualified apprentices in demand occupations or industries or regional growth sectors. These include, but are 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 and must have been enrolled as an apprentice on or after January 1, 2018.

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 for the full calendar year.

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: Pre-apprenticeship Program

2017-18 Budget: In 2016 Governor Cuomo announced of the availability of \$750,000 in WIOA Statewide Activities funding under the New York State Pre-Apprenticeship Request for Proposals (RFP) in order to secure the services of eligible community-based and not-for-profit organizations to assist NYSDOL by providing Pre-Apprenticeship training to serve approximately 100 out-of-school disadvantaged individuals age 18-24 to work on state-funded projects.

Although the RFP was written with a total award amount of \$750,000, due to the number and quality of applications, the Department increased the funding and made awards to all six applicants with awards totaling \$1.1 million to serve 191 individuals and to connect them to NYS Registered Apprenticeship programs working on state-funded projects. These Pre-Apprenticeship programs provide individuals with basic training and exposure to trades, as well as direct access to jobs in Registered Apprenticeship programs. Completers of these Pre-Apprenticeship programs who become apprentices will be placed in jobs on various state-funded projects. Apprenticeship is a known pathway to the middleclass and this initiative will help put young people to work and invested in building their own communities.

2018-19 Budget: Of the six Pre-Apprenticeship RFP awardees, five contracts for Direct Entry Providers have been executed. One awardee failed to complete the requirements of the grant (Direct Entry). As individuals engaged in these programs complete their pre-apprenticeship training, they will become enrolled in NYS Registered Apprenticeship programs and will be working on state funded projects.

Summary: Direct Entry as a policy in pre-apprenticeships is enormously important, because it gives, many underserved populations – women, minorities and veterans, for instance – access to Registered Apprenticeship programs. By leveraging state contracts, the State Pre-Apprenticeship program will make sure that disadvantaged young people in need of work can find it with businesses in need of qualified workers.

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Agency: Department of Labor

Program: New York Youth Jobs Program

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. \$20 Million was allocated for the target areas which includes: Albany, Schenectady, Syracuse, Rochester, Mount Vernon, New Rochelle, White Plains, Yonkers, Utica, New York City, Buffalo and the Towns of Brookhaven and Hempstead. \$20 million was allocated for the rest of the state.

2018-19 Budget: As of January 1, 2018, the available credit will increase to \$750 per month up to six months for eligible youth hired full-time with an additional \$1,500 for retaining the youth an additional six months and another \$1,500 for retaining the youth a second full year. For youth hired part-time the available credit will increase to \$375 per month up to six months for with an additional \$750 for retaining the youth an additional six months and another \$750 for retaining the youth a second full year.

Summary: Increases the incentive for businesses to hire eligible youth.

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Agency: Department of Labor

Program: Existing Employee Training (EET) Program

2017-18 Budget: As of part of the Governor's Consolidated Funding Application Opportunity Round 7, 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.

2018-19 Budget: Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 8, \$2 million is 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: The EET 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 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

2017-18 Budget: 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 businesses; public and private not-for-profit businesses, Local Workforce Development Boards (LWDBs) or private for profit or not-for-profit training providers, with two or more employees. Participating entities will 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.

2018-19 Budget: Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 8, \$3 million is available to fund private for-profit or not-for-profit businesses; public and private not-for-profit businesses, Local Workforce Development Boards (LWDBs) or private for profit or not-for-profit training providers, with two or more employees. Participating entities will 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 occupational skills that provide a competitive advantage to businesses. 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: Department of Labor

Program: Western NY Employment Strikeforce

2017-18 Budget: Deployment of the Unemployment Strikeforce Initiative to Western New York with a focus on the cities of Buffalo, Lackawanna and Niagara Falls.

2018-19 Budget: Deployment of the Unemployment Strikeforce Initiative to Western New York with a focus on the cities of Buffalo, Lackawanna and Niagara Falls. Since implementation in early 2016, over 21,375 job seekers have been served and 13,291 have gained employment.

Summary: The WNY Strikeforce saves New York businesses time and money while providing a competitive advantage: The Strikeforce initiative will provide skilled jobseekers directly to hiring businesses.

- Outreach that engages members of the business community, identifies hiring businesses, develops job openings for Jobs Express and provides customized recruitment services that fill those openings with the initiative's customer's skill sets. Daily outreach directly engaging businesses to connect Strikeforce customers to jobs.
 - Development of customized recruitments and job fairs: Coordinates and schedules events, posts all openings, works in conjunction with Career Center staff to ensure all openings are matched and qualified customers are referred.
 - Maintains communication with business customer and monitors matching and referral services of Career Center staff to ensure business satisfaction with quantity and quality of candidates referred.
 - Provides resumes of qualified applicants directly to hiring managers and advocates on behalf of customers with the business.

- Job placement services that match each unemployed customer to multiple job openings with the goal of job placement. Services include: Work with community partners to identify customer base of jobseekers in need of assistance.
 - An initial assessment of a customer's knowledge, skills, abilities and work history.
 - A job search strategy with customer's unique employment needs in mind.
 - A job-search-ready resume.
 - Job leads and referrals to jobs.

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Agency: Department of Labor

Program: Apprenticeship Expansion Grant (combined with the Middle Skills Jobs Gap Training Fund)

2017-18 Budget: Up to \$4.2 million available by using a combination of \$3 million from the Middle-Skill Jobs Gap Training Fund and \$1.2 M from the USDOL Apprenticeship Expansion Grant to serve approximately 800 new apprentices in Registered Apprenticeships (RA) in trades in high-demand occupations, with a focus on the emerging fields of Advanced Manufacturing, Healthcare and Information Technology, as well as other in-demand occupations. RAs in the field of construction are not eligible for funding under this RFA unless the trade is to be used for the upkeep and maintenance of a facility owned by the business entity employing the apprentice. This funding will cover costs associated with training apprentices through RA, such as RI, OJT, books and tools.

2018-2019 Budget: Continue the grant solicitation by making \$4.1 million available to serve approximately 800 new apprentices in Registered Apprenticeships in trades in high-demand occupations, with a focus on the emerging fields of Advanced Manufacturing, Healthcare and Information Technology, as well as other in-demand occupations. RAs in the field of construction are not eligible for funding under this RFA unless the trade is to be used for the upkeep and maintenance of a facility owned by the business entity employing the apprentice. This funding will cover costs associated with training apprentices through RA, such as RI, OJT, books and tools.

Summary: Saves New York businesses money while providing a competitive advantage: The Fund will ensure that New York has a pool of middle-skill workers available to meet the business needs specific to each region, and innovation-based businesses will continue to bring their employment opportunities to New York. This access to available talent will reduce recruitment costs for businesses, provide a competitive advantage and help to retain businesses in the state.

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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)

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

2018-19 Appropriation (or Tax/Fee Level if applicable): Not applicable.

Summary: New York State has allocated \$124.27 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 18, approved by HUD on January 17, 2018, the Sandy Business Assistance Programs allocation was increased by \$11.27 million, to \$124.27 million. The Small Business (\$94.6 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 July 2018, the Program has awarded 1,073 businesses a total of more than \$55.5 million and has provided disbursements in the amount of approximately \$53.2 million to 1067 businesses. Additionally, the Program has closed out over 550, or 38% 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 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 July 2018, more than 5,913 small businesses and 1,540 mentors are participating in the innovative Program, having held 3,596 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.