

Key Budgetary Changes Affecting Small Businesses - FY 19-20 to FY 20-21

Agency: Department of Health

Program: Area Health Education Center (AHEC)

2019-20 Budget: Not Applicable

2020-21 Budget: To be effectuated this fiscal year, the FY 2021 Enacted Budget eliminated the AHEC program. This program previously provided up to \$1.7 million in annual support to improve the supply and distribution of health care professionals through community-based training of health trainees in underserved areas. The overall goal of the program was to assist in improving health care access to underserved areas by emphasizing the development of a primary care workforce.

AHEC regional programs worked with medical schools to accept more NYS residents and those from underserved areas, expand health professions training, increase the quantity and quality of faculty dedicated to working with students, and increase high school and college students' awareness of health careers.

Summary: The program supported encouraging students to enter health fields rather than funding direct services. Elimination of this program provided Financial Plan relief and allowed funding to be focused on programs that are consistent with DOH's core mission.

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Agency: Department of Labor

Program: Empire State Apprenticeship Tax Credit Program

2019-20 Budget: As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program is providing 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.

2020-21 Budget: As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program is providing 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: New York Youth Jobs Program

2019-20 Budget: As of January 1, 2019, the available credit remains at \$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 remain at \$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. Number of certified youths: 45,705.

2020-21 Budget: As of January 1, 2020, the available credit remains at \$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 remain at \$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. Number of certified youths: 45,705.

Summary: There are no changes to the current program.

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Agency: Department of Labor

Program: Existing Employee Training (EET) Program

2019-2020 Budget: Included in the Governor’s new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$10 million (of which \$1 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$9 million is NYS reemployment services funding) 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.

2020-2021 Budget: Included in the Governor’s new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$10 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: It supports training programs that meet the specific needs of business; and 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.

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Agency: Department of Labor

Program: New Hire Training (NHT) Program

2019-2020 Budget: Included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$6 million (of which \$1 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$5 million is NYS reemployment services funding) is available to provide on-the-job training to employees upon being hired or during the first six months of employment.

2020-2021 Budget: Included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$6 million is available to provide on-the-job training to employees upon being hired or during the first six months of employment.

Summary: The NHT saves New York businesses money by supporting training programs that help newly hired workers obtain the skills needed to be fully qualified in their jobs.

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Agency: Department of Labor

Program: Unemployed Worker Training (UWT) Program

2019-2020 Budget: Renamed the Unemployed/Underemployed Worker Training program and included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$9 million (of which \$3 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$6 million is NYS reemployment services funding) 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.

2020-2021 Budget: Renamed the Unemployed/Underemployed Worker Training program and included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$9 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

2019-20 Budget: Since the implementation of the Unemployment Strikeforce Initiative in Western New York (WNY) with a focus on the cities of Buffalo, Lackawanna and Niagara Falls in early 2016, over 28,000 job seekers have been served and 18,955 have gained employment, a placement rate of 68%.

2020-21 Budget: As of January 2020, there were 30,713 customers served by WNY staff and 21,550 individuals have been placed into employment, a placement rate of 70%. Since, March 2016, there have been 218 hiring events in the region.

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)

2019-2020 Budget: Continue the grant solicitation by making \$3.7 million available to serve 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 Request for Application (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 Related Instruction (RI), On-the-Job Training (OJT), books, and tools.

2020-2021 Budget: Continue the grant solicitation by making \$2.3 million available to serve apprentices in 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

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: Department of Labor

Program: Rebrand Career Centers

2019-20 Budget: Initial branding of the state's 96 Career Centers has been completed. Further branding in the Career Center System will continue as we modernize our Centers.

2020-21 Budget: Further branding in the Career Center System will continue as we modernize our Centers.

Summary: Rebranding helps to unify the New York State Career Center System. The centers will be attractive and easily recognizable to businesses and as such, will aid in ease of use of the no-cost job posting services, recruitment assistance and human resource consultation services that are available.

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Agency: Department of Labor

Program: New York State Tech Workforce Training Fund

2019-20 Budget: New York State Department of Labor is preparing a newer version of the Request for Proposal (RFP) to implement the Governor's Tech Workforce Training Fund initiative for a future release, date to be determined.

2020-21 Budget: A newer version of the RFP is being prepared for a future release, date to be determined.

Summary: Through the funding of a full-time immersive occupational training and job placement program, the number of New Yorkers with the skills and talent to fill available technology jobs will increase and residents who lack access will be connected to quality training and educational opportunities for the new and evolving field of software engineering or web development.

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Agency: Department of Health

Program: Fiscal Intermediaries for the Consumer Directed Personal Assistance Program

2019-20 Budget: The Consumer Directed Personal Assistance Program (CDPAP) allows capable Medicaid recipients to self-direct personal care services/aids as opposed to utilizing a caregiver through a Licensed Home Care Service Agency (LHCSA). As caregivers providing services through CDPAP are not employees of an agency, Financial Intermediaries (FIs) provide the back-office payroll and fringe benefit management services for these workers.

The Enacted Budget establishes a more streamlined FI system in the State. The restructuring of FIs will be completed in three phases:

- **Phase 1** (4/1/19 to 9/1/19): Convene a stakeholder workgroup, chaired by the Department of Health (DOH), pertaining to fiscal intermediary services and the needs of consumers. The workgroup will identify and develop best practices pertaining to the delivery of fiscal intermediary services, inform criteria DOH is to use in the FI procurement process, and discuss other FI-related subjects.
- **Phase 2** (10/1/20+): Reimburse FIs in a tiered per-member per-month (PMPM) structure in which the PMPM amount is dependent on recipients' number of authorized personal care hours.
- **Phase 3** (7/1/20+): DOH will contract with FIs that best meet the criteria developed by the workgroup to optimize the number of FIs operating in the State.

Summary: This initiative will consolidate fiscal intermediary functions and introduce economies of scale efficiencies for those chosen to contract. It will have an impact on small business by reducing the total number of fiscal intermediaries allowed to operate in the state from over 400 entities to a smaller number that will still ensure consumer choice and statewide access.

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Agency: Department of Health

Program: Licensed Home Care Services Agency Request for Proposal

2019-20 Budget: Registration of Licensed Home Care Agencies

2020-21 Budget: The 2021 Enacted Budget created the new [Public Health Law 3605-c](#) which states: “A licensed home care services agency (LHCSA) shall not enroll as a provider in the medical assistance program operated pursuant to title eleven of article five of the social services law or provide or claim for services pursuant thereto without being authorized to do so by contract with the department entered into pursuant to this section”. This initiative will develop and implement a procurement process through which LHCSAs will be chosen to contract with the Department for the provision of Medicaid services, establishing a more streamlined LHCSA system and ensuring that LHCSAs have the capability to provide adequate and efficient care to individuals enrolled in the Medicaid program.

The procurement requirements will include, but not be limited to, a review of:

- The public need for the existence of the LHCSA in their proposed geographical region
- LHCSA character and competence standing in the service area
- Financial resources of the proposed LHCSA

During the fall of 2020, the Department will convene a stakeholder workgroup, chaired by the Department of Health (DOH), to inform the procurement process through identifying and developing best practices pertaining to the delivery of home care services, and inform criteria to be used in the LHCSA procurement process.

It is expected that the procurement will be issued by January 2021 and after a review process, will contract with the chosen LHCSAs by July 2021.

Summary: This statute will ensure that LHCSAs have the capability to provide adequate and efficient care to individuals enrolled in the Medicaid program. It could have an impact on small business where small business LHCSAs are not chosen to contract with the Department for Medicaid services. From the over 1,400 LHCSAs currently licensed by the Department, a number of them could be affected.

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Agency: Department of Health

Program: Non-Emergency Medicaid Transportation - Taxi and Livery Services

2019-20 Budget: Taxi and Livery Rates

2020-21 Budget: The 2021 Enacted Budget establishes a phase down rate schedule for taxi and livery services, which have historically been areas of excessive growth and costs within the Medicaid budget. This reduction aligns the fee structure more appropriately to the level of assistance required. This phase down will not affect the most cost-effective medically appropriate level of service which transports are assigned by the State's transportation manager or affect access to the service.

Summary: Non-emergency Medicaid transportation has been rapidly growing over the years, creating increased pressure on the Medicaid Global Cap. This enacted budget action is meant to "right-size" Medicaid transportation fees to reflect market-based rates currently paid for similar services. Currently, the ambulette fees paid for "door-through-door" assistance for members with limited mobility are paid marginally above simple taxi/livery trips, which do not require such assistance.

This initiative has two phases. Beginning April 1, 2020, Medicaid transportation rates for taxi/livery were reduced by 10%. On December 1, 2020, these rates will be reduced again by an additional 10%.

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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)

2019-20 Appropriation (or Tax/Fee Level if applicable): Not applicable.

2020-21 Appropriation (or Tax/Fee Level if applicable): Not applicable.

Summary:

New York State has allocated \$120.27 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 25, approved by HUD on April 15, 2020, the Sandy Business Assistance Programs allocation was decreased by \$4 million, to \$120.27 million. The Small Business (\$90.6 million allocation) and Business Mentoring programs (\$298,735 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 and Rental Properties 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. The Program has been closed to applicants since May 1, 2015, and completed award determinations on all original applications as of the fall of 2016. All eligible future construction projects were completed as of December 1, 2018. As of June 2020, the Program has awarded 1,060 businesses a total of more than \$53.6 million and has provided disbursements in the amount of approximately \$54.5 million to 1,059 businesses. Additionally, the Program has closed out over 862, or 81% 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 \$298,735 program was implemented by NY Empire State Development (ESD) 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. Although the use of Sandy CDBG-DR funding was terminated as of November 2015, ESD continues to operate the innovative Program independently, and as of August 2019, more than 7,123 small businesses and 1,668 mentors had participated, having held 4,249 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.