



Office of Strategic
Workforce Development

A woman wearing a blue hard hat and an orange safety vest with reflective stripes is focused on adjusting a yellow surveying instrument mounted on a tripod. The background shows a grassy field with wind turbines under a clear blue sky.

CAPITAL GRANT

2023 PROGRAM GUIDELINES

TABLE OF CONTENTS

- I. Program Background 2
- II. Goals of the Program 2
- III. Eligible Applicants..... 3
- IV. Eligible Uses of Funds..... 6
- V. Use Restrictions 6
- VI. Funding Awards and Requirements..... 7
- VII. Evaluation Criteria 8
- VIII. Application Submission Process & Review..... 10
- IX. Appendix – Target Industry Sectors 11

I. PROGRAM BACKGROUND

The FY 2023 State Budget established a new **Office of Strategic Workforce Development (OSWD)** within Empire State Development (ESD), representing a shift in workforce development policy to better meet the needs of industry, and create career opportunities for New Yorkers, particularly those from historically marginalized communities. Utilizing ESD’s relationships with employers, OSWD will work with workforce training providers to support industry-driven training to provide in-demand skills and direct job placement. The new office aims to support new economic opportunities for un/underemployed and underrepresented workers, while simultaneously meeting the needs of businesses in targeted industry sectors across the State. The office will take a holistic approach to workforce development by engaging other State agencies and regional experts to identify local jobs trends and opportunities.

Across New York State and the nation, the skills that businesses are looking for are rapidly evolving. In response, OSWD seeks to establish a ready and skilled workforce in New York to meet the needs of employers. A skilled workforce is a vital element of economic development, as businesses seek to locate in places that have the talent they need. Additionally, training New Yorkers in targeted sectors that are poised for growth helps to create opportunities for residents in all regions of the State. The Office aims to provide residents with skills training and credentials, particularly residents from historically marginalized communities.

As part of this new workforce strategy, \$150 million in new state funding is being provided through OSWD to be overseen by ESD. This funding is intended to meet employer needs, increase training capacity, and position New Yorkers to fill high-quality, in-demand jobs. This funding includes **\$35 million** for the new **Workforce Development Capital Grant Program**. These capital grants will scale up eligible education and workforce training providers, helping ensure their programs are able to respond in a timely way and are training participants with the right skills for an evolving jobs landscape.

II. GOALS OF THE PROGRAM

The Workforce Development Capital Grant Program (“The Program”) will support the capital needs of workforce training providers that seek to enhance or expand their offerings. The Program is open to training and education providers offering industry-recognized credentials and certificates in high-demand fields by helping these trainers make capital investments crucial to industry-driven workforce training. Applicants can apply for funding to be used for modernization of existing training centers, building new facilities, or to purchase machinery and/or equipment for workforce training.

The Program will scale workforce development training programs across New York State serving populations and industries identified as priorities by ESD and the State’s Regional Economic Development Councils (REDCs). Funding will help organizations expand their offerings, create new programs, and assist a greater number of New Yorkers, as well as upgrade their offerings to be responsive to rapidly evolving industry needs.

The Capital Grant Program will fund projects that help achieve the following:

- Responsiveness to industry needs and workforce challenges
- Support growing industries in New York by increasing the qualified workforce available through training programs created in partnership with industry
- Ensure workers of all skill levels, socioeconomic groups, racial and ethnic groups, gender identities and expressions, and geographies have opportunities to participate and progress in the labor force
- Increase the capacity of workforce training providers with a proven track record of results-oriented workforce training and fostering opportunity for underserved populations
- Improvements in data collection and impact tracking across funded programs

Applications must demonstrate that the training program will prepare participants for in-demand, good jobs with career advancement. Applicants will be asked to describe how their training leads to “good jobs,” or **skilled jobs that pay minimally a living wage for workers to support themselves in the modern economy, allow for career and salary growth¹, provide economic security², and remove the need for public assistance.**

III. ELIGIBLE APPLICANTS

Entities eligible to apply for assistance include community-based organizations, not-for-profit organizations, chambers of commerce and trade associations, governmental organizations (such as workforce development boards, Boards of Cooperative Educational Services (BOCES), municipalities, etc.), higher education institutions (public or private four-year colleges/universities, or two-year technical/community colleges), career and technical education providers, organized labor training programs, and for-profit training providers.

¹ Anthony P. Carnevale, Kathryn Peltier Campbell, Ban Cheah, Artem Gulish, Michael C. Quinn, and Jeff Strohl. *The Uncertain Pathway from Youth to a Good Job: How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*. Washington, DC: Georgetown University Center on Education and the Workforce, 2022. cew.georgetown.edu/pathway.

² Laura Jimenez and Livia Lam, *Good Jobs for All: How Federal Laws Can Create Pathways From Education and Training to Good Jobs*, Washington, DC: Center for American Progress, 2021

Not-for-profit applicants, prior to ESD Directors' approval and execution of a contract with ESD, must be registered and up to date on filings with the New York State Office of the Attorney General's Charities Bureau, the New York State Office of the State Comptroller's VendRep System, and must be prequalified in the New York State Grants Gateway.

Applicants will be required to complete the Consolidated Funding Application (CFA) to apply. In addition to completing the Consolidated Funding Application, the following documents are required of each applicant:

- Organizational chart and resumes of key personnel involved in program implementation
- Full project budget using the provided budget template (please see "Eligible Uses of Funds" and "Use Restrictions" sections below for eligible and ineligible expenses)
- Detailed overview of the training to be offered for which the applicant is seeking assistance from this funding, including an estimate of the increased capacity to-be-created using the grant award
- Letters of commitment from each of the industry partner companies listed in the grant application. Letters should explain the company's specific role(s) in the project such as financial commitment, involvement in curriculum development, instructional partner, apprenticeship/internship/job placement partner, recruitment of program trainees, projected hiring needs, etc.
- Three (3) years of most recent audited financial statements

Letters from non-industry partners in support of an application are optional. Beneficial letters of support could be from a partnering organization involved in the training and or job placement process, or external providers of wraparound services.

Applicants must have an established track record of effective training and trusted relationships within the community it serves. This is demonstrated in the application through a variety of metrics including completion and placement rates, consistent and/or growing enrollment, and providing services that support participant success including wrap around services such as childcare, transportation, career coaching, etc.

Applicants must demonstrate the organizational and financial management expertise to successfully implement the project through previous experience. Applicants will be required to submit a detailed budget using a template provided by ESD outlining all sources and uses; as well as specifying the individuals involved in developing and implementing the project and their associated qualifications in prior workforce development projects of a similar nature.

ESD will require three years of audited financial statements. If an applicant is unable to meet this requirement, they may submit alternate documentation, including, but need not be limited to, at least three years of the applicant's completed Internal Revenue Service Form 990 (Return of Organization Exempt from Income Tax) and/or internally prepared financial statements. The applicant bears the full responsibility to demonstrate its financial stability/wherewithal and it is within ESD's purview to determine if such alternate documentation is sufficient to meet these objectives.

Applications must be developed in partnership with a business or multiple businesses to maximize industry focused curriculum development and promote direct job placement. The required letters of commitment from industry partners should explain the company's specific role(s) in the project such as financial commitment, involvement in curriculum development, instructional partner, apprenticeship/internship/job placement partner, recruitment of program trainees, projected hiring needs, etc.

An applicant must demonstrate that these funds will be used to administer programs producing trained persons that can be placed in or secure full-time employment.

Preference will be given to training programs that provide opportunities for direct job placement and those involving proactive placement approaches, such as job shadowing, internships, partnerships with companies that will hire participants for full-time employment, and programs that provide post-placement support.

Preference will be given to training programs that focus on workforce development in at least one of the statewide target industry sectors or in a regional priority industry sector from any region. For a full list of target industry sectors, please see **Appendix A**.

Preference will be given to training programs that support socially and economically disadvantaged groups and/or under-represented populations in the regional workforce including, but need not be limited to, those that are not in the labor force³, unemployed, underemployed⁴, and/or low-income individuals⁵.

Applicants applying for funding through the OSWD Workforce Development Capital Grant Program may also be eligible to apply for the OSWD Pay-for-Performance Program, provided their program

³ "Not in the labor force" is defined as people who do not meet the criteria to be classified as either employed or unemployed (<https://www.bls.gov/cps/definitions.htm#nilf>)

⁴ Underemployed individuals as utilized in these guidelines refer to individuals in a job below their skill or educational level.

⁵ Low-Income individuals as defined under WIOA, <https://www.govinfo.gov/content/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf> (page 11).

meets the criteria detailed in those guidelines. Please see the OSWD Pay-for-Performance Program guidelines for more information. For each of the three funding tracks (Capital Grants, P4P Operating Grants, and P4P Capacity-Building Awards) applicants will be allowed a maximum of two active projects underway per track at one time.

IV. ELIGIBLE USES OF FUNDS

Funding can cover the **modernization of existing training centers, construction of new facilities, the purchase of machinery, and/or equipment necessary to provide training.**

Eligible uses include:

- **Purchase and/or installation of machinery and/or equipment** used in workforce training
- **Purchase and/or installation of furniture and fixtures** for workforce training
- **Fit out and/or renovation of an existing building** related to the specific training program
- **New construction or expansion of a building** on property already owned or controlled by the applicant, in full compliance with local development regulations and not involving property listed on the State/National Registers of Historic Places
- **Acquisition of land or buildings** to facilitate an expansion of a training program
- **Soft costs of up to 15% of total project cost** such as architectural and engineering costs necessary to complete a capital project

V. USE RESTRICTIONS

Funds may only be used for expenses incurred after an ESD Incentive Proposal has been countersigned by the applicant (expense documentation will be required). Standard real estate developer fees may be included in budgets presented for ESD consideration, but ESD funds may not be used to pay them.

The following items are not eligible for ESD funding and cannot be counted toward the matching funds presented in the budget:

- Operating expenses, including rent and mortgage payments, and staff salaries
- Working capital, such as administrative costs or funds needed for daily operations
- Indirect costs (including administrative costs not directly required for the delivery of the project)
- Capital projects for public sector training programs
- Recapitalization/refinancing
- Contingency funding

- Application fee, commitment fee, and costs associated with public hearing and public authority control board
- Items acquired or expenses incurred prior to the start of the grant period

Acquisition costs included in the project budget must be at or below fair market value.

VI. FUNDING AWARDS AND REQUIREMENTS

Funding assistance will follow these parameters:

- **Minimum level of assistance – \$100,000**
- **Maximum level of assistance – \$3,000,000**

ESD may provide up to fifty percent (50%) of the total project cost. Preference will be given to applicants leveraging more than the minimum fifty percent (50%) of the project cost from additional sources.

Projects must be ready to commence within six months of award and completed within four years, with a preference for projects that can be completed within two years. If a project is not a new construction project, the preference is that they are completed within two years. Equipment purchases and renovations of existing buildings are examples of projects that may be completed within two years. It is understood that new construction projects are longer projects, so up to four years is allowed. All projects should be completed within four years.

Extensions on awards will be considered on a case-by-case basis provided substantial progress has been made on the project in the first 24 months. Applicants will be required to provide a timeline of project activities.

Activities and expenses to be covered by funds from ESD should not be incurred before funding awards have been announced and an ESD Incentive Proposal has been countersigned by the applicant. Expenses incurred prior to submission of an application should not be included in application project budgets nor should expenses that are incurred after submission of an application but prior to countersigning the Incentive Proposal.

This is one-time funding for capital upgrades. If awarded funding through the OSWD Capital Grant Program, an awardee may still be eligible for funding through the Capital Grant Program for a different workforce training program. For an applicant to receive additional funding, the applicant must demonstrate the workforce training program is separate and distinct from the training program previously awarded, i.e., it trains participants in a different industry, a specific or different population, or other aspect indicative of requiring independent capital funds for effective

implementation. Applicants will be allowed a maximum of two active awarded projects underway at one time.

Awardees are not precluded from receiving additional funding through the OSWD Pay-for-Performance Program.

Please note that there is a \$250 application fee for applications that are awarded funding. All capital projects will be subject to a 1% commitment fee, and applicants will be required to cover cost for public hearings. ESD will work with awardees to establish a detailed scope of work, budget, and information on additional sources of funding to determine the project-specific goals and milestones. A timeline and conditions for disbursement of grant funding will also be established.

Reporting Requirements

If awarded, applicants will be required to report outcomes data to demonstrate the impact of the award. OSWD will define standards for outcomes and impact reporting, including metrics and measurements.

Reporting metrics may include, but need not be limited to:

- Total enrollment and rate of completion
- Credentials earned
- Job placement rate within a set time (three and six months), and distribution of placement by employer type, occupation, and skill level
- Participant earnings pre- and post-placement
- Participant demographics (if demographic information is voluntarily reported)
- Job/earning outcomes by demographic group (if available)
- Job retention at three, six, and 12-month periods

OSWD may also incorporate reporting requirements based on program-specific features of awarded projects and will work with awardees to define any additional metrics and milestones.

VII. EVALUATION CRITERIA

Applications will be evaluated on the extent to which they fulfill the goals of the program and meet the following criteria.

Project Concept and Readiness

- Applicant demonstrates sufficient planning to implement the proposed activity within the stated timeline as shown through application materials which will include a detailed project description and timeline for implementation with proposed actions and deliverables.
- The project can commence within six months of award.
- The project can be completed within four years, with a preference for projects that can be completed within two years.
- The applicant owns the project site or has a long-term lease that allows capital development (if applicable).

Financing, Leverage, and Demonstration of Need

- The applicant includes a detailed description of how the capital project will increase training program capacity and better serve trainees.
- The submitted budget is complete, and all sources and uses of funds are clearly defined and documented.
- The budget demonstrates a need for this funding.
- All budget items are eligible uses of ESD funding.
- There is evidence that the training program will be sustained beyond the implementation of the grant. Applicants will be required to demonstrate expected financial sustainability following the grant period in the program application.

Program Impact

- The applicant presents evidence that there is a need for the project to address a specific challenge in both the industry it will assist and the population it will serve.
- The applicant demonstrates industry buy-in through letters submitted by partner companies listed in the application that explain the company's involvement in the program, including anticipated hiring needs, potential commitment to provide interviews for trained candidates, internships, or job shadowing.
- The applicant demonstrates a commitment to serving historically marginalized communities or has meaningful partnership(s) with organizations serving these communities to ensure diverse and equitable access to training and education programs.
- The applicant addresses program participants' need for wraparound services and either provides them directly or partners with other organizations to provide them.

Applicant Experience, Qualifications, and Capacity

- The applicant demonstrates they have the capacity to complete the project, as evidenced by examples of previous projects of a similar size and scale.
- A demonstration that ESD funding will increase capacity to conduct training, and the degree to which training capacity will increase through this funding.

VIII. APPLICATION SUBMISSION PROCESS & REVIEW

Applications will be accepted on an ongoing basis and batched for review and awards announced every three months. Quarterly deadlines and important dates will be posted on the OSWD website (<https://esd.ny.gov/workforce>).

All applications must be submitted electronically online through New York State’s Consolidated Funding Application portal (<https://apps.cio.ny.gov/apps/cfa/index.cfm>). If the applicant does not have an existing CFA Project Profile, they will be required to create one through the CFA Portal website.

Applications will be reviewed for compliance with priorities established for the program and Office of Strategic Workforce Development. Review of applications and award announcements are expected on a quarterly basis. Dates of future rounds will be announced and published once determined. Empire State Development reserves the right to issue an addendum on these Guidelines, if required.

IX. APPENDICES

Appendix A – Target Industry Sectors

This program prioritizes employer-driven workforce development in statewide high-growth industries with high-quality jobs, as well as each region’s key clusters of targeted industry sectors. Priority will be given to applicants demonstrating their program prepares trainees for jobs in at least one regional or statewide target industry sector as outlined below or included in the REDC Workforce Inventory.

The Office of Strategic Workforce Development has identified the following as **statewide** high-growth target industry sectors:

- Advanced Manufacturing and Materials
- Biotech and Life Sciences
- Cleantech and Renewable Energy
- Construction
- Electronics and Optics, Photonics, and Imaging (OPI)
- Film and Television Production and Post-Production
- Software and Digital Media

REGIONAL INDUSTRIES:

- **Capital Region:** Biotech and Life Sciences, Cleantech and Renewable Energy, Tech and Electronics, Software and Digital Game Development, and Materials Processing
- **Central New York:** Advanced Manufacturing, Smart Systems, Homeland and Cybersecurity, Agribusiness, Biotech and Life Sciences, Unmanned Systems, Tourism, Software and Digital Media, and Logistics
- **Finger Lakes:** Advanced Manufacturing, Optics, Photonics and Imaging, Agribusiness, Cleantech and Renewable Energy, Biotech and Life Sciences, Software and Digital Media
- **Long Island:** Advanced Manufacturing, Biotech and Life Sciences, Cleantech and Renewable Energy, Craft Beverage, Tourism, and Agribusiness
- **Mid-Hudson:** Advanced Manufacturing and Logistics, Biotech and Life Sciences, Financial and Business Services, Agribusiness, Craft Beverage, Tourism, Film and Television Production, and Information Technology
- **Mohawk Valley:** Agribusiness, Financial Services and Insurance, Advanced Manufacturing, Tech and Electronics, Materials Processing, Logistics, Homeland and Cybersecurity
- **New York City:** Software and Digital Media, Biotech and Life Sciences, Offshore Wind, Financial Services and Insurance, and Tourism
- **North Country:** Advanced Manufacturing, Agribusiness, Cleantech and Renewable Energy, Transportation Equipment, and Tourism
- **Southern Tier:** Advanced Manufacturing, Agribusiness, Homeland and Cybersecurity, Logistics, and Healthcare
- **Western New York:** Advanced Manufacturing, Software and Digital Media, Biotech and Life Sciences, Agribusiness, Tourism, Cleantech and Renewable Energy



**Empire State
Development**