NEW YORK STATE OF OPPORTUNITY.

Office of Strategic Workforce Development

Workforce Development Capital Grant

2026 Program Guidelines

A Division of Empire State Development

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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 underrepresented communities. Utilizing ESD's relationships with employers, OSWD will work with workforce training providers to support industry-driven training for in-demand skills and direct job placement. The office supports economic opportunities for un/underemployed and underrepresented workers, while simultaneously meeting the needs of businesses in priority industry sectors across the State. The office has a holistic approach to workforce development by engaging other State agencies and regional stakeholders 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 is preparing 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 qualified talent. Additionally, training New Yorkers in priority sectors that are poised for growth helps to create opportunities for residents in all regions of the State. Since its launch, the Office has been providing residents with skills training and credentials, with a focus on programs that serve underrepresented communities.

As part of this new workforce strategy, $150 million in state funding is being provided through OSWD. 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 **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.

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 growth[1], provide economic security[2], and remove the need for public assistance.

The Program will support the scaling of workforce development training programs across New York State serving underrepresented communities for the statewide priority industries identified as priorities by ESD and the State's Regional Economic Development Councils (REDCs). Funding will help trainers expand workforce pipelines, create new opportunities for un/underemployed and underrepresented populations, and better prepare workers with the skills needed to obtain in-demand and high-paying jobs in high-growth industry sectors. ESD requires applicants to provide proposals that fit within the goals of the Program, tailored to regional and community needs and opportunities.

Capital Grants will be awarded to projects that align with the following OSWD goals:

Demonstrate Industry Partnership & Needs

- Work collaboratively with industry to respond to needs and workforce challenges
- Support high-growth industries in New York by increasing the qualified workforce pipeline through training programs developed by sector partnerships
- Invest in collaborative approaches to workforce training among industry, employers, training and education providers, organized labor, and community-based organizations to better serve business demands
- Serve at least one of OSWD's statewide high-growth priority 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

Build Education & Workforce Pipeline

- Create career pathway opportunities for entry-level and mid-skill workers

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[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.

- Develop or enhance highly skilled workforce training programs for direct job placement
- Increase the capacity of workforce training providers with a track record of results-oriented workforce training and foster opportunities for the un/underemployed and underrepresented

Expand Wraparound Supports for Trainees

- Utilize innovative approaches, services, and programs that reduce barriers to training and employment for the un/underemployed and underrepresented
- Partner with local nonprofit, community-based, and faith-based organizations that assist individuals from underrepresented communities for case management services and recruitment

Employ a Data-Driven Approach to Improve Workforce Development

- Collect and track specific outcome data throughout the grant period and beyond to evaluate achievement of program goals
- Regular reporting of impact metrics to evaluate program outcomes
- Use data-driven decision-making to improve the overall program and approach, with multiple check-in points to assess and solve challenges, and implement process improvement

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[3] (public or private four-year colleges/universities, or two-year community colleges), career and technical education providers, organized labor training programs, and for-profit training providers.

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 SFS Grants Management System.

[3] Higher education institutions are only eligible to apply for non-degree programs such as certificate-based programs that lead directly into employment.

Applicants will be required to complete the Consolidated Funding Application (CFA) for OSWD to apply for the Workforce Development Capital Grant Program. In addition to completing the CFA, 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 funding
- 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.
- Letters of commitment from partnering organization involved in the training and/or job placement process, or external providers of wraparound services.
- Three (3) years of most recent audited financial statements

Letters of support from organizations not directly involved in the project are optional.

Applicants must have an established track record of effective training and trusted relationships within priority communities. This is demonstrated in the application through a variety of metrics including completion and placement rates, consistent and/or growing enrollment, and providing wraparound services that support participant success such as childcare, transportation, participant stipends, legal services, 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 of funding; 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.

Applicants will be required to submit a detailed program description and overview of the training curriculum.

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.

Applicants must demonstrate that funds will be used to administer programs producing trained New York State residents that can be placed in or secure full-time employment.

Preference will be given to training programs that focus on workforce development in at least one of the statewide high-growth priority 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

Applications must include proactive approaches to addressing traditional barriers to training/educational success (i.e., wraparound services). Such programs could include utilizing case managers that specifically tailor services to trainees' needs (e.g., transportation, childcare, substance abuse counseling, financial literacy, supplies and uniform distribution, professional skills development, etc.).

Preference will be given to projects and programs achieving completion rates and job placement rates of at least 80%, which is consistent with the outcomes of recent grantees. If anticipated completion and placement rates are below 80%, applicants are asked to identify any extenuating rationale and additional resources (e.g. wraparound services) that could increase these rates.

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 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 force[4], unemployed, underemployed[5], and/or low-income individuals[6].

Preference will be given to organizations that have secured matching funds from industry partners.

Preference will be given to training programs providing career-focused training leading to an industry-recognized credential or similar certification to best support career mobility.

Applicants applying for funding through the Workforce Development Capital Grant Program may also be eligible to apply for the Pay for Performance Operating Grant Program, provided their program meets the criteria detailed in those guidelines. For each of the funding tracks, applicants (including subsidiary organizations) 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 purchase of 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.
- **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 and expense documentation will be required.

The following items are not eligible for OSWD funding and cannot be counted toward the matching

[4] "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)
[5] Underemployed individuals as utilized in these guidelines refers to individuals in a job below their skill or educational level.
[6] Low-income individuals as defined under WIOA, https://www.govinfo.gov/content/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf (page 11).

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

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 private 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 Workforce Capital Grant Program, an awardee may still be eligible for funding through the Workforce 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 for each grant type at one time.

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

Other state and federal funds can be used to meet matching requirements. However, projects will be evaluated on how much private or employer funding the project will leverage. Applicants must disclose whether they are pursuing or intend to pursue multiple NYS funding sources, including other NYS workforce program grants.

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 and detailed in the incentive proposal.

Reporting Requirements

If awarded, applicants will be required to report outcome data to demonstrate the impact of the award. OSWD will define standards for outcomes and impact reporting, including both individual-level trainee data and progress toward mutually identified project milestones. This data will be collected via a variety of methods and platforms, including the New York State One-Stop Operating System (OSOS), Credential Engine, and other platforms. The cadence and scope of reporting will be established with grantees during the contracting process.

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

- Total enrollment and rate of completion
- Credentials earned
- Job placement and distribution of placement by employer and occupation
- Participant earnings pre- and post-placement

- Participant demographics (if demographic information is voluntarily reported)
- Engagement with employer, industry and support partners
- 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.

Ten percent of the total award amount will be withheld until 6 months post-project completion in order to ensure all data collection requirements are met.

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

- The related training program provides career pathway opportunities for entry-level and mid-skill workers in high demand, good jobs as demonstrated by the detailed project description and industry partners.
- The related training program prioritizes un/underemployed, underrepresented, underserved populations, and/or incumbent workers or other marginalized populations.
- 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 and application narrative demonstrate a need for this funding that cannot be obtained through other sources.
- The budget does not include any uses of funds listed in the *Use Restrictions* section above.
- The budget has matching funds from the private sector, including prospective financial contributions from industry partners benefitting from the training program (not required but preferred).
- 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 underrepresented 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.
- The applicant demonstrates an effective way to measure the impact of the program and meet data reporting requirements.

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

The application must be submitted via New York State's Consolidated Funding Application (CFA) 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 priorities. Dates of future rounds will be announced and published on the program website (www.esd.ny.gov/workforce) once determined. Empire State Development reserves the right to issue an addendum on these Guidelines, if required.

A draft project budget outlining all anticipated expenses is required with the application. ESD may provide up to 50% of the total project cost. Preference will be given to applicants leveraging more than the minimum 50% of the project cost from additional sources. OSWD funds may only be used for expenses incurred after an ESD incentive proposal has been countersigned by the applicant and expense documentation will be required. Please see the budget template for more information on eligible expenses for each grant type.

Applications will be reviewed for alignment with priorities established for the program and the Office of Strategic Workforce Development. Empire State Development reserves the right to issue an addendum on these Guidelines, if required.

Application Process:

- **Review Grant Guidelines** – Confirm eligibility of applicant, project and proposed budget.
- **OSWD Outreach** – Applicants are encouraged to contact workforce@esd.ny.gov with any questions or to request feedback on potential projects before submitting an application.
- **Complete CFA** – Log into the CFA portal or create a new account to begin the application.
- **Application Review** – Applications will be reviewed following the funding round deadline. OSWD will continue to communicate with applicants to better understand proposed projects and to capture all information required for an award determination.
- **Award Announcements** – Public award announcements will be made at regular intervals throughout the year. Issuance of award letters and the contracting process may begin prior to a public announcement. Applicants may proceed with project planning, including notifying relevant partners, but are asked not to make any public announcement until an incentive proposal (IP) has been signed and executed and ESD has confirmed awards are public. OSWD will be in communication with applicants throughout this process.
- **Application Denials** – If a project is determined to not meet OSWD standards and guidelines during the application review process, an application denial will be issued at this time.
- **Contracting** – Once an award letter has been issued, a Project Manager will be assigned to work with applicants to develop an incentive proposal which details the project scope, timeline, milestones, and budget. This process takes minimally a month, and can take several months, depending on the complexity of the project.

IX. PROGRAMATIC NOTES

A $250 application fee will be required prior to official project start and capital projects require a 1% commitment fee paid to ESD.

ESD will identify opportunities for maximum feasible participation of certified Minority and Women-owned Business Enterprise ("MWBE") in the performance of grant awards. Grant recipients will be required to use "Good Faith Efforts" to achieve the determined MWBE participation goal established by ESD's Office of Contractor & Supplier Diversity.

Services or materials funded by ESD OSWD may only be provided to participants who are New York State residents. Participants in ESD OSWD funded training programs must have the appropriate authorization to work in New York State.

All grant funding will be issued via reimbursement for authorized expenses. Applicants are expected to identify sufficient matching funding to launch the program until reimbursement is received.

While applicants may apply for financial support from other ESD offices or funding programs for the same project, other ESD funding cannot serve as match for OSWD grants or vice versa. Program-specific requirements for each award must be met independently.

Empire State Development