

## Overview of the 2023 State of the State

The following summary has been compiled for NYATEP members to highlight key areas of focus that will impact the workforce sector. Items highlighted in yellow are advocacy supported by NYATEP. You can read the full State of the State online. If you would like more details about any of the information included here, please contact a member of the NYATEP staff for additional support.

As in years past, it is important to note that the Governor proposed a combination of big ideas and legislative changes (which will require the support of the Legislature). The Governor's Executive Budget will be released in the coming weeks and will include more specifics on policy and fiscal implications for the proposals outlined in the State of the State. When the Executive Budget is released we will analyze and identify where there are actual financial investments.

### Key Proposals in the State of the State:

#### Provide \$250 Million to Support Planning and Infrastructure Needs (Page 38-39)

- To support local governments in achieving our housing goals, Governor Hochul will create a \$250 million fund to aid critical infrastructure projects triggered by plans for increased housing, such as sewer and water infrastructure, structured parking facilities that allow existing lots to be repurposed, potential school infrastructure needs, and improvements to the public realm to accommodate neighborhood growth and livability. The proposed fund would supplement existing sources of State infrastructure support for localities, including Water Infrastructure Improvement Act funding, Environmental Bond Act funding, the Clean Water State Revolving Fund, the Consolidated Local Street and Highway Improvement Program, and other programs.
- An additional \$20 million fund will be established to support local governments as they pursue rezoning, collect critical housing data, and engage in other important planning activities tied to achieving the new home targets.

#### Reform Traveling Nurse Agency Staffing Practices (Page 98)

- Governor Hochul will introduce legislation to require staffing agencies to register and report key data about their operations with the goal of increasing transparency into the utilization and costs of contract labor. The State will use the collected data to explore options to remedy the dependence upon, and escalating costs related to, agency staffing.

Meet New York's Climate Goals with a "Cap-and-Invest" Program That Prioritizes Affordability  
(Page 127-129)

- At the direction of Governor Hochul, DEC and NYSERDA will design the program with the intent to reduce consumer costs, help businesses succeed in the low carbon economy, and bring program benefits to every community in the state. This process will solicit crucial feedback from consumer, industry, labor, and stakeholder groups to build out a system that works for everyone.
- **Affordability:** A Cap-and-Invest Program must put the wellbeing of New York families first. Governor Hochul will propose legislation to create a universal Climate Action Rebate that, subject to a stakeholder and rulemaking process, is expected to drive more than \$1 billion in annual cap-and-invest proceeds to New Yorkers. The Climate Action Rebate will be designed to mitigate costs for New Yorkers, while preserving crucial funding for consumer-led decarbonization efforts, including energy efficiency measures that reduce energy and transportation costs, and create new job opportunities. These rebates will help offset the costs of energy use and, in combination with investments made possible by the program, help households reduce their energy use and switch to lean energy. Many New York families will, for the first time, be able to afford energy efficient investments, electric vehicles and more, which will allow some of these households to come out ahead—and with more money in their pockets. Furthermore, Governor Hochul will seek program design features that can help ensure potential cap-and-invest costs are predictable and manageable for all consumers and businesses.
- **Creating Jobs and Preserving Competitiveness:** The Cap-and-Invest Program will be designed to launch new investment in industries that will create tens of thousands of well-paying, family-sustaining jobs that can lift up entire communities. From home retrofits to green manufacturing, cap-and-invest proceeds can jumpstart the entire clean energy economy.
- The Governor is further directing DEC and NYSERDA to take every precaution in program design to ensure New York industries are not put at a competitive disadvantage and emissions are not pushed out of state. This will help businesses, especially energy-intensive industries that provide good jobs to New Yorkers, decarbonize in a way that is compatible with economic growth. Furthermore, cap-and invest proceeds will support just transition initiatives to ensure no worker is left behind in New York's green economy.

Investing in Clean Air and Reducing Emissions (Page 142)

To improve air quality and reduce emissions from various sectors, Governor Hochul is:

- Calling for zero-emission new construction, with no on-site fossil fuel combustion by 2025 for smaller buildings, and by 2028 for larger buildings.

- Proposing New York take a nation-leading stand to prohibit the sale of any new fossil fuel heating equipment by 2030 for smaller buildings and 2035 for larger buildings, along with related fossil fuel systems for all buildings.
- Advancing a system to assign letter grades to larger buildings statewide based on their energy usage to help building managers make informed choices to cut electricity bills and emissions.
- Building on New York's nation-leading investments in transportation electrification by directing the Department of Public Service (DPS) to identify and remove the barriers to deploying charging infrastructure for medium- and heavy-duty vehicles efficiently and timely.
- Directing the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) to source all facilities' electricity from renewable energy sources by 2030 by generating its own electricity and prioritizing other green resources such as community solar or purchasing renewable energy from other local facilities.
- Creating an Office of Just Transition to centralize and direct State planning for a just transition; New York will be the first to advance a structure dedicated to the achievement of an economywide just transition for affected workers and communities that looks beyond the transition from coal and addresses the shift away from other fossil fuels.

#### Index the Minimum Wage (Page 146-147)

- Governor Hochul is proposing to automatically increase our minimum wage to keep pace with inflation going forward. After reaching \$15 per hour, each region's minimum wage will increase consistent with the year-over-year Consumer Price Index-W for the Northeast Region, the best measure of inflation in our region. To ensure that no single-year increase would threaten employment, annual increases would be capped, and an "off-ramp" would be available in the event of certain economic conditions.
- Economic research shows that raising the minimum wage can lead to reductions in poverty, reduced spending on social assistance, increases in consumer spending in communities, and improved worker productivity and retention.

#### Create New Early College High School and P-TECH Programs (Page 155)

- College-level courses provided in high schools, such as those provided in early college high school and Pathways in Technology Early College High School (PTECH) programs, allow students to earn college credits in high school, helping them get a head start on college, reduce their student debt, and prepare them for a career. To encourage the growth of these programs across the state, Governor Hochul will establish a new, \$20 million grant program to support the establishment of new early college high school and P-TECH programs.
- New funding will be targeted at school districts and institutions of higher education, working with industry partners to inform the design of their programs. With an eye toward the technology jobs of the present and future — including the tens of thousands of jobs

that will be created in Central New York as a result of the Micron project — programs focused on computer science and computer and software engineering pathways will be prioritized, as will programs serving students in high-need school districts.

#### Create a Robust High School-College-Workforce Pipeline (Page 156)

- To build the economy of the future, and to ensure the goals of education and workforce are aligned across the state, Governor Hochul will invest \$10 million over two years in competitive funding for school districts, Boards of Cooperative Educational Services (BOCES), and community colleges — working in collaboration with local industry — to develop strategic workforce plans that promote job readiness in their local economies. Awards will be made in every Regional Economic Development Council (REDC) region of the state, and winning plans will receive multi-year seed funding to align industry needs throughout high school and college sequences. With this funding, New York will ensure it remains at the forefront of workforce preparedness while meeting the local needs of industry.

#### Directly Admit All New York Students to Their Local Community Colleges (Page 157)

- SUNY will partner with school districts so that all graduating high school seniors are accepted into their local community college, removing any barrier for high school graduates to postsecondary education.

#### Initiate a Cascading Admissions Pilot to Ensure That Every Student Has a Place at SUNY (Page 157)

- SUNY will initiate a pilot project to link the admissions processes of different campuses so that students who are not accepted at a specific school are automatically considered for admission at other institutions. This will have the effect of increasing opportunities for students to attend a SUNY school and, in turn, ensure that all New York students have access to a local and affordable higher education option.

#### Provide for Reasonable Tuition Flexibility Throughout CUNY and SUNY (Page 158)

- To ensure that institutions of higher learning at both the State University of New York and the City University of New York (CUNY) can reliably invest in their long-term futures as costs rise, while prioritizing the evolving needs of students, ensuring academic excellence, and continuing to maintain low-cost and stable tuition rates for in-state residents, Governor Hochul will propose to authorize modest annual tuition increases for both SUNY and CUNY indexed to the lesser of the Higher Education Price Index (HEPI) or three percent. And to allow SUNY's university centers to realize their potential as leading research institutions, Governor Hochul proposes phasing-in tuition flexibility for SUNY's university centers, allowing tuitions at those campuses to rise six percentage

points above SUNY's base tuition rate each year for the next five years (capped at 30 percent above the base rate) for in-state students.

#### Establish a State-Matching Fund for Endowment Contributions (Page159)

- Endowments provide perpetual, stable, and long-term funding in support of campus operations, student scholarships for a diverse student body, endowed professorships to attract world-class faculty, innovative research, and the development of new academic fields. The nation's leading research institutions have large endowments, and so, too, should SUNY's University Centers. Governor Hochul will create the first-ever New York State matching fund for contributions made to the endowments of SUNY's four University Centers: Buffalo, Binghamton, Albany, and Stony Brook. The fund will provide \$1 in State funds for every \$2 contributed to university endowments, up to \$500 million in State funds.

#### Provide Funding for SUNY's Transformation (Page 159)

- Governor Hochul will invest \$200 million in digital transformation and IT infrastructure across the SUNY system. These funds will be used in part to improve systems serving students to create a seamless and intuitive experience buoyed by world-class technology. She will also provide a one time investment of \$75 million for transformational initiatives at campuses that support innovation, help meet the workforce needs of the future, and provide needed support to students. Governor Hochul will commit \$200 million in capital funding in this year's budget to research labs at SUNY's flagship institutions, Stony Brook University and the University at Buffalo, to invest in new and renovated research buildings, laboratories, and state-of-the art instrumentation.

#### Modernize and Streamline the State's Training and Employment Infrastructure (pg 164)

- Governor Hochul will transform DOL Career Centers into "Community Training and Career Centers," with additional professional skills trainers that provide unemployed and underemployed New Yorkers with no-cost training in high-need areas such as digital and financial literacy and entrepreneurship. This will be paired with a new, large-scale, on-the-job training program administered by the DOL to upskill 3,000 workers each year, focusing on high-demand industries and hard-to-fill job titles.
- New York State will also retool the outdated CareerZone platform to specifically help youth, young adults, and digital literacy learners explore career paths and develop baseline professional skills required by employers from all sectors.
- To further streamline and grow the workforce development pipeline, Governor Hochul is directing DOL and SUNY to establish new and innovative partnerships between Career Centers and EOCs. Leveraging each asset's unique strengths, this integrated approach will allow New Yorkers to seamlessly access a wide spectrum of job preparedness services at no cost.

- Office of Strategic Workforce Development will continue to grow and will be equipped with a data and outcomes-driven mission and a \$150 million grant program to support new innovative programming and scale what is already working, the Office will continue to award grants to proven providers that ensure New Yorkers are ready to meet employer needs, while expanding access for marginalized communities through wraparound services and other tested models that reduce systemwide inequities.
- Governor Hochul will articulate a new, statewide framework that will guide New York's workforce development strategy. It will ensure that all agencies undertaking and funding workforce development projects are advancing in the same direction through better coordination, standardized system-level targets, and uniform metrics for success.

#### Match Federal Technology Innovation Funding (Page 169)

- Also known as "America's Seed Fund," the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive federal programs that incentivize small businesses to engage in research and development with the potential for commercialization. They are two of the nation's largest sources of early-stage funding for startups and small businesses, with over \$3.8 billion in awards in 2022 alone.
- Governor Hochul will create a Technology Innovation Matching Program, which will provide millions of dollars in matching grants for New York companies applying for SBIR and STTR funding.

#### Invest in Cell and Gene Therapy (Page 170)

- Cell and Gene Therapy (CGT) is the treatment of diseases, such as cancer, by manufacturing reprogrammed patient cells to either repair those that cause disease, or kill tumors. This is a new subsector in the life sciences, with the first treatments only emerging in the past decade, making this space wide open for advancement. In 2021, national investments in CGT were approximately \$68 billion, representing one third of all private investment in life sciences.
- Additionally, sales of next-generation therapies are estimated to increase by more than 800 percent between 2021 and 2026.
- New York is at the forefront of the rapidly growing life sciences industry, which has become a powerful growth engine for the state, currently supporting more than 100,000 jobs. This growth is turning regions of the state into dynamic life science hubs, with organizations and institutions dedicated to various stages of research, development, technology transfer, and commercialization.
- Governor Hochul will further advance New York's leadership position in the life sciences industry by supporting two CGT hubs. One will be located upstate and will leverage existing institutions that conduct research and development of these therapies, and the other will be located downstate and provide direct access to CGT for large and diverse patient populations. Each center will engage in cutting-edge clinical research as well as

co-locate vital CGT infrastructure, technology, and services. These include genomic diagnostics, artificial intelligence and machine learning, and robotics, as well as contract research and manufacturing. Concentrating these capabilities at two locations and connecting them across the state will make New York a leading state for CGT development.

#### Establish the Office of Semiconductor Expansion Management and Integration (page 171-173)

- On the heels of the historic commitment by Micron to invest \$100 billion in Central New York, and the unprecedented opportunity for growth resulting from New York's Green CHIPS program and the federal CHIPS and Science Act, Governor Hochul is creating the creating the Governor's Office of Semiconductor Expansion, Management, and Integration (GO-SEMI).
- The Micron project was the result of a historic federal, state, and local partnership led by Governor Hochul, Majority Leader Chuck Schumer, and Onondaga County Executive Ryan McMahon. This new Office will ensure ongoing, successful collaboration between all parts of government and our partners in the private sector to realize the transformative potential of this investment.
- GO-SEMI, led by Empire State Development (ESD), will be supported by experts from numerous state agencies and work in coordination with our federal and local partners to help shepherd the Micron project. It will also oversee other associated investments in the semiconductor industry and shape and implement a broader, national model for maximizing industry and community returns on such public/private partnerships.
- In addition to ESD, participating agencies and authorities include the Department of Labor, New York State Energy Research and Development Authority, New York Power Authority, Department of Transportation, Department of State, Department of Environmental Conservation, Homes and Community Renewal, Department of Public Service, the State University of New York, and NY CREATES.
- GO-SEMI will lead and centralize efforts to implement the Micron project; develop and advance policies to attract the semiconductor industry and its supply chain; coordinate workforce development and community investments between local, state, federal, and private partners; lead efforts to create, attract, and retain the highly skilled workforce needed; and support cohesive development focused on smart growth principles.

#### Improve the Excelsior Program to Attract Businesses and Jobs to New York State (Page 173)

- The Excelsior Jobs Program provides job creation, investment, and research and development incentives to firms in targeted industries, under a pay for performance structure. The program encourages businesses to relocate to New York, or expand here, while maintaining strict accountability standards to guarantee that those businesses deliver on commitments. In recent years, the program has been expanded to create a child care tax credit, a green economy tax credit, and the green CHIPS credit, which led to one of the largest manufacturing investments in U.S. history.

- Empire State Development will provide additional incentives to projects that are at least LEED Silver Certified or are located in disadvantaged communities.

#### Establish Minority and Women's Business Enterprises Certification Reciprocity (Page 174)

- New York has long led the way in uplifting Minority and Women-Owned Business Enterprises (MWBE) through ambitious contracting goals and free business development support. In the 2022 Fiscal Year, the State exceeded its nation-leading MWBE contracting goal, achieving a 30.64 percent MWBE utilization rate on State contracts, which represented nearly \$10 billion in business with minority and women-owned businesses.
- There are multiple MWBE certifications in New York State, each with its own distinct requirements and complex and lengthy processes. Governor Hochul is proposing to streamline the MWBE certification process by pursuing reciprocity with major MWBE certification systems utilized across the state. This effort will make it easier for MWBEs to become certified, and to participate in this critical program.

#### Take a Truly Statewide Approach to Economic Development Near Campuses (Page 175)

- Governor Hochul is focused on ensuring that the jobs of tomorrow are developed in New York today. In alignment with that vision, she will launch the Extended Prosperity and Innovation Campuses (EPIC) initiative, to support the growth of new businesses and help form strong partnerships between the private sector and the state's leading educational centers. Technology-related innovations have been strong growth engines for the State, leading to millions of dollars in investments and the creation of high-wage jobs.
- Governor Hochul knows that with additional support for our existing innovation engines, New York can lead the nation in developing new technologies and reap the benefits of unparalleled economic growth.
- EPIC replaces the START-UP NY program, which was hamstrung by its design. Critically, EPIC will: have the same requirements, benefits, and eligibility criteria upstate and downstate; support a wider range of innovation businesses; be streamlined to remove barriers; and increase the amount of space in the state dedicated to growing innovation and creating jobs.
- Participating businesses will operate tax-free for 10 years on or near eligible university or college campuses. These partnerships give businesses direct access to advanced research laboratories, development resources, and experts in key industries, resulting in increased commercialization of new technologies and ensuring mutually beneficial collaborations. Synergies will grow as SUNY moves to implement the Governor's transformational vision for our state's higher education system.

### Establish a New State Initiative to Focus on Supply Chain Resiliency (Page 177)

- Our national security and economic prosperity are dependent on a secure global supply chain. From food to medicine, this vital system provides the goods that feed our families and support our way of life. As recent events have shown, the global supply chain is dynamic, growing in size and complexity, and vulnerable to a host of threats such as natural disasters or product recalls.
- Governor Hochul will establish a new State initiative to proactively secure supply chains for critical commodities and products by attracting and supporting those industries that provide essential supplies to manufacturers in New York. State agencies will collaborate on identifying key industries to attract that would enhance the state's economic security and prosperity by providing vital products. Empire State Development will then work with those industries and offer targeted incentives to relocate to New York.

### Reinvigorate the Interagency Coordinating Council for Services to Persons who are Deaf, Deafblind, or Hard of Hearing (Page 195)

- More than 530,000 people in New York have a hearing impairment, and yet no State agency directly serves them. The State once had an Interagency Coordinating Council designed to focus on the needs of the deaf, deafblind, and hard of hearing communities, but it rarely met and was unpopular with the deaf and hard of hearing communities due to its limited powers, low participation, and little representation of the communities it was intended to serve. With the adequate resources to do so, Governor Hochul will reinvigorate this council, within the Office of the Chief Disability Officer, which will coordinate council operations, engage with stakeholders across the state, gather data, and formulate policies to serve the community, among other initiatives.

### Connect People with Disabilities to Inclusive Internships (Page 196)

- At Governor Hochul's direction, and based on New York City's Inclusive Internship Program, a full-time coordinator in the Department of Labor will connect people with disabilities to inclusive internships with State agencies aimed at leading to stable, long-term employment. This will provide critical experience for people with disabilities seeking to enter the workforce and will advance the State's efforts to become a model employer.

### Designate New York as a Model Employer for People with Disabilities (Page 197)

- Governor Hochul will issue an Executive Order aimed at making New York a "model employer for people with disabilities." As part of this effort, the State will identify policies and practices that will help increase the employment rate and decrease the poverty rate of people with disabilities, in addition to working with businesses to facilitate the adoption of inclusive policies and practices that support integrated employment.

### Support Retraining for Immigrants with Experience in Specific Skilled Professions (Page 199)

- Governor Hochul will provide funding to one or more programs that retrain immigrants who previously worked in skilled professions. A model is Cooper Union's Retraining Program for Immigrant Engineers (RPIE), which currently helps about 225 immigrant, refugee, and asylee engineers who are unemployed or underemployed gain access to higher paying jobs through training and job placement assistance. Grants will support programs that retrain for specific skilled professions, such as architecture, construction, information technology, and project management

### Increase Access to Education for Public Assistance Recipients (Page 201)

- For New Yorkers receiving public assistance, the majority of whom have not obtained a degree beyond a high school diploma or equivalent, access to education is vital. It is an important step toward maintaining long term employment and family-sustaining wages that will enable them to be financially stable when they are no longer receiving public assistance. Yet our current Social Services Law makes it unnecessarily difficult to pursue and complete higher education.
- To remove this barrier, Governor Hochul will propose legislation to eliminate the statutory requirement that any enrollment in post-secondary education beyond 12 months must be combined with a minimum of 20 hours of weekly participation in paid employment, work activities, or community service.
- Governor Hochul will also propose to allow individuals to participate in educational and vocational training programs, when consistent with their employment assessment, including two-year post-secondary degree programs.

### Income Disregard (Page 201-202)

- To ensure individuals do not immediately lose access to public assistance or experience a steep drop in benefits on reentering the workforce, Governor Hochul will propose legislation to allow for a one time disregard of income received from participating in a job training program or other working activity, and all earned income (up to 200 percent of the Federal Poverty Level) that a public assistance recipient derives from job entry for a maximum of six consecutive months. Together, these changes will make it easier for individuals utilizing public assistance to reenter the workforce and maintain economic stability.

### Establish Workforce Retention Grant Program (Page 214)

- Throughout the pandemic, child care providers worked tirelessly to provide care to children of first responders, working long hours for low wages. The reality is that there is no quality child care without these dedicated educators, from those in centers to our family child care providers, who nurture and care for children. That is why Governor

Hochul will use unspent federal funds to establish a new Workforce Retention Grant Program to provide payments to existing staff in 17,000 programs statewide, tackling the exodus from the sector head-on.

- Grants will also be used to cover payroll tax assistance and support staff recruitment strategies, including sign on bonuses for new employees and other expenses related to hiring new staff, making it more financially reasonable to pursue this career option.
- This is a critical and timely step toward stabilizing the workforce, as the State and Child Care Availability Task Force continue to undertake the important work of evaluating alternative workforce compensation models. Benefits will also accrue to middle-income families across New York who might otherwise see tuition increases as programs look for more revenue to retain staff and keep their doors open.
- In addition, many child care programs offset a portion of the cost of tuition for their own employees, which causes them to lose money. By providing enrollment assistance to employees who work at licensed and registered child care programs, regardless of the roles they work, we will honor the vital role child care providers play in educating children and lessen expenses for their own families.

#### Create a Business Navigator Program (Page 215)

- Governor Hochul recognizes the critical role child care plays in economic development. Employers across New York have reported wanting to better support their employees' child care needs but not knowing where to start, and Governor Hochul believes there is more the State can do to leverage the Regional Economic Development Councils (REDC) and Child Care Resource and Referral Agencies to that end. In the coming year, she will establish a Business Navigator program in each of the 10 REDC regions to help interested businesses identify options to support employees' child care needs, as well as develop a statewide employer child care guidebook, making good on another one of the State task force's recommendations.

#### Spur Transportation Innovation Upstate (Page 228)

- Governor Hochul's Innovative Mobility Initiative will provide funding for public transportation services for riders facing barriers to traditional public transit and for the creation of new options in locations currently without transit. The initiative will provide funding for a five year pilot program, allocating \$1 million to each of the seven largest non-MTA systems, while smaller systems throughout the state would jointly be eligible for a competitive fund of \$3 million. Awardees can use funds to: serve as a 20 percent match for federal funds; purchase technology that enables a local app-enabled trip request and fare payment structure for public transit; purchase smaller vehicles; and otherwise create a transit service that suits local needs. The initiative would encourage innovation and flexibility in service of equity, accessibility, reduced costs, and better environmental outcomes.