

HCS SB 68 -- WORKFORCE DEVELOPMENT

SPONSOR: Hough (Fitzwater)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Workforce Development by a vote of 12 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

This bill allows the Department of Economic Development to include on its website the names of the members of the Missouri Workforce Development Board, including the names of the members of any local workforce development board, along with information on how to contact such boards (Section 620.511, RSMo).

This bill modifies several provisions relating to the Missouri Works Program.

This bill adds a definition for "existing Missouri business" and renames the program the Missouri One Start Program. Currently, administrative expenses are equal to 15% of total training costs. This bill limits such expenses to a reasonable amount determined by the Department of Economic Development (Section 620.800).

In promulgating rules and regulations governing the Missouri One Start Training Program, this bill requires the department to consider such factors as the potential number of new jobs to be created, the amount of new capital investment in new facilities and equipment, the significance of state benefits to the qualified company's decision to locate or expand in Missouri, the economic need of the affected community, and the importance of the qualified company to the economic development of the state.

This bill allows the department to require a qualified business to repay all benefits if such business fails to maintain the new or retained jobs within five years of approval of benefits or if such business leaves the state within five years of approval of benefits.

This bill allows the department to contract with other entities, including businesses, industries, other state agencies, and political subdivisions of the state for the purpose of implementing a training project under the program (Section 620.803).

Upon appropriation of funds to the Missouri One Start Job Development Fund, this bill allows a local education agency to petition the department to utilize the fund to create or improve training facilities, equipment, staff, expertise, programming, and administration. The department may award moneys from the fund for

reimbursement of training project costs and services as it deems necessary (Section 620.806).

This bill gives the department the discretion to determine the appropriate amount of funds to allocate to a training project from the Missouri One Start Community College New Jobs and Retained Jobs Training funds.

Any agreement or obligation entered into by the department that was made under the provisions of the Missouri Works Training Program prior to the effective date of this bill shall remain in effect according to the provisions of such agreement or obligation.

The Missouri Works Program offers companies tax credits and the ability to retain withholding taxes for meeting certain job creation thresholds. This bill allows the department of Economic Development to offer certain companies tax credits in an amount equal to or less than 9% of new payroll if such company creates 10 or more new jobs and the average wage of new payroll equals or exceeds 100% of the county average wage (Section 620.809).

Currently, the department shall issue tax credits to a qualified company after such company has met the job creation and county average wage requirements. This bill allows the tax credits authorized under this bill to be issued following the qualified company's acceptance of the department's proposal and the agreement required currently.

The Missouri Works Program currently has a limit of \$116 million on the amount of tax credits that may be issued during a fiscal year. For all fiscal years beginning on or after July 1, 2020, this bill reduces such limit to \$106 million. This bill allows for the authorization of an additional \$10 million in tax credits provided that such tax credits are authorized for the purpose of the completion of infrastructure projects, as defined in the bill, directly connected with the creation or retention of jobs under the Missouri Works Program. This bill also allows the department reserve up to 21.5% of such limit for tax credits authorized under this bill.

For all fiscal years beginning on or after July 1, 2020, this bill establishes a limit of \$75 million on the total amount of withholding taxes that may be authorized for retention by qualified companies with more than 50 employees. Withholding retention authorized for qualified companies with less than 50 employees shall not be subject to such limitation (Section 620.2020).

**PROPONENTS:** Supporters say that this bill helps the Economic Development Fund. Constituents call and inquire about who is on

the board and how to contact board members. This bill will address those questions and concerns. The department must consider several factors, such as the potential number of new jobs, amount of new capital investment in new facilities, the benefit to the state, and the economic need of the community. This bill will allow the department to contract with other entities to implement a training project. This bill also adds a new tax credit incentive.

Testifying for the bill was Senator Hough.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say they want all boards to list members and terms.

Testifying on the bill was the Missouri Department Of Economic Development.