

HCS HB 1421 -- JOB TRAINING FOR RETAINED JOBS

SPONSOR: Dempsey

COMMITTEE ACTION: Voted "do pass" by the Committee on Job Creation and Economic Development by a vote of 16 to 0 with 1 present.

This substitute allows community college districts to enter into project agreements, with the approval of the Department of Economic Development after consultation with the Office of Administration, with employers who have retained jobs in a stable industry. The substitute specifies the requirements for qualifying employers and defines "stable industry" as one which has maintained at least 100 employees per year, has agreed to make a \$1 million capital investment, and is at risk of leaving the state. Community colleges will provide job training, skills assessments, and training facilities among other services and may subcontract with other public or private colleges and governmental agencies. The agreements may provide that program costs be met by receipt of retained jobs credits from withholding, based on 2.5% of the gross wages paid to employees in the first 100 retained jobs and 1.5% for any additional retained jobs. The employer is responsible for meeting any shortfall in withholdings. Community college districts may issue industrial retained job training certificates to provide funds for the payment of costs of the programs, with a statewide cap of \$25 million. The substitute also sets timetables for the approval of projects; establishes special funds; and regulates the disbursement of moneys to those funds, certification of withholdings, and borrowing for and issuance of certificates by community college districts.

The substitute prohibits a project from using this program if it is also using the New Jobs Training Program.

The provisions of the substitute will expire six years from the effective date and no certificates can be sold after July 1, 2014.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill is an innovative tool that can be used for job retention and workforce development throughout the state and will compliment the Missouri customized training program. Missouri does not have a job retention program, which puts the state at a great disadvantage when competing for new businesses and jobs. The customized training program is the only tool employers have to train their workforce, but it has seen decreased funding in recent years. The fast pace

at which technology changes requires that workers be retrained more frequently than in the past. The bill will improve the quality of the state's workforce, increase productivity, retain and upgrade skills, and create growth opportunities for businesses.

Testifying for the bill were Representatives Dempsey and Jetton; Kansas City Business and Technical College; Harley-Davidson Motor Company; Missouri Economic Development Council; City of Kansas City; Mineral Area College; Centene Corporation; Missouri Chamber of Commerce and Industry; Missouri Chamber Federation; St. Louis Regional Commerce and Growth Association; and Missouri AFL-CIO.

OPPOSITION: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst