

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5595-01  
Bill No.: SB 734  
Subject: Business and Commerce; Economic Development; Economic Development  
Department; Education, Proprietary; Employees - Employers; General Assembly;  
Taxation and Revenue - Income  
Type: Original  
Date: February 28, 2012

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Bill Summary: This proposal establishes the Missouri Works Training Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Missouri Works Job Development Fund	\$0	\$0	\$0
Missouri Works Community College New Jobs Training Fund	\$0	\$0	\$0
Missouri Works Community College Job Retention Training Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Budget and Planning (BAP)** assume this proposal establishes the MO Jobs Training Program, which streamlines and renames the state's workforce training programs. The benefits provided by these programs are not capped in statute. To the extent modifications increase participation in the training programs, General or Total State Revenues could be reduced. This program may encourage other economic activity, but Budget and Planning does not have the data to estimate the induced revenues.

Officials at the **Department of Revenue** will need to make form changes and programming changes to various tax systems. These changes can be absorbed with existing resources.

Officials at the **Department of Economic Development, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Joint Committee on Administrative Rules, Office of State Treasurer** and the **St. Louis Community College** assume there is no fiscal impact from this proposal.

No other Community College responded to **Oversight's** request for impact.

**Oversight** assumes this proposal creates a new jobs credit and a retained jobs credit that allow a credit from withholding taxes. This proposal creates the following funds:

Missouri Works Job Development Fund which shall receive money from the General Assembly. **Oversight** assumes that no funding mechanism was outlined in the proposal for this fund so Oversight is showing the funding as coming from General Revenue. Oversight assumes that all money received by this fund will be distributed per this proposal.

Missouri Works Community College New Jobs Training Fund which shall receive money from the new jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed to community colleges per this proposal.

Missouri Works Community College Job Retention Training Fund which shall receive money from the retained jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed per this proposal.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Transfer Out - Missouri Works Job Development Fund</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<u><b>\$0 to</b></u> <u><b>(Unknown)</b></u>	<u><b>\$0 to</b></u> <u><b>(Unknown)</b></u>	<u><b>\$0 to</b></u> <u><b>(Unknown)</b></u>

**MISSOURI WORKS JOB  
 DEVELOPMENT FUND**

<u>Transfer In</u> - from General Revenue for providing financial assistance to companies that create new jobs (620.806)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - to companies for the training programs set up to help create new jobs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 MISSOURI WORKS JOB  
 DEVELOPMENT FUND**

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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**MISSOURI WORKS COMMUNITY  
 COLLEGE NEW JOBS TRAINING  
 FUND**

<u>Transfer In</u> - new jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - to community colleges for training project costs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 MISSOURI WORKS COMMUNITY  
 COLLEGE NEW JOBS TRAINING  
 FUND**

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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**MISSOURI WORKS COMMUNITY  
 COLLEGE JOB RETENTION  
 TRAINING FUND**

<u>Transfer In</u> - retained jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - to community colleges for training programs.	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 MISSOURI WORKS COMMUNITY  
 COLLEGE JOB RETENTION  
 TRAINING FUND**

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

Small businesses could be financial impacted by this proposal.

FISCAL DESCRIPTION

This act establishes the Missouri Works Job Training Program which combines several existing job training programs and modifies the eligibility requirements for the programs. The Missouri Works Job Training Program provides financial assistance for job training for new jobs created by qualified companies. Financial assistance will also be available to business and technology centers established by Missouri community colleges, or state-owned post-secondary technical colleges, to provide business and training services for growth industries as determined by labor market conditions, rather than for specified disciplines. The act also provides for the diversion of withholding taxes from new or retained jobs of qualified companies to pay costs incurred by new

JH:LR:OD

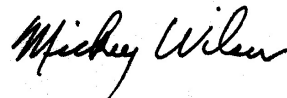
FISCAL DESCRIPTION (continued)

or retained jobs training projects administered by community and technical colleges.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning  
Department of Economic Development  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Revenue  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
St. Louis Community College



Mickey Wilson, CPA  
Director  
February 28, 2012