

HCS HB 417 -- UPSKILL CREDENTIALS

SPONSOR: Henderson

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Small Business by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 417.

This bill allows the Department of Economic Development (DED) to disburse grants to qualifying employers for each employee or prospective employee who obtains upskill credentials, as defined in the bill. The bill defines "public body" to exclude hospitals in Section 197.020, RSMo, long-term care facility licensed under Chapter 198 or public hospitals under Chapter 205.

This bill establishes the "Upskill Credential Training Fund" which consists of moneys appropriated by the General Assembly not to exceed \$6 million per fiscal year.

No qualifying employer shall receive more than \$30,000 in any fiscal year. In order to receive such grants a qualifying employer is required to submit an application to DED as provided in the bill. Applications are evaluated on a competitive basis using the following criteria:

- (1) The pledged average wage increase that employees or prospective employees will realize after obtaining an upskill credential in relation to the cost of obtaining the credential;
- (2) The level of economic distress to the qualifying employer's region and the balance of awards made to the various regions of the state; and
- (3) The contribution made by the qualifying employer toward the cost of obtaining the upskill credential.

At the close of each application period, to be determined by DED, applications will be evaluated and preliminary awards for reimbursement may be made.

In making preliminary awards of reimbursement, the DED shall reserve 33 1/3% to award exclusively to qualifying employers with at least one but not more than 50 employees; and 33 1/3% to award exclusively to qualifying employers with at least 51 but no more than 200 employees. Any amount that is reserved and not awarded by

March 1st of the fiscal year may be issued to any qualifying employer eligible for an award.

Upon being given a preliminary award for reimbursement, each qualifying employer must sponsor a current or prospective employee to obtain an upskill credential within 12 months of the preliminary award. Employees may not commence the process of obtaining the credential until after a preliminary award has been made. Upon obtaining a credential, the employer shall submit proof of the same to DED along with proof that the individual who completed the training is a Missouri resident with a verifiable Missouri address.

The provisions of the Upskill Credential Program shall automatically sunset six years after the effective date of the bill.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that workforce development is a top priority for the business community with a need to invest in the talent of the workforce. This bill provides a vital tool to upskill the current and prospective workforce and provides an opportunity for the businesses to grow their own workers for long term economic success. In a survey recently conducted, 50% of the businesses cited workforce concerns as the biggest obstacle to growth. Forty-50% of small businesses have openings that cannot be filled. The grant program will encourage employees to obtain additional credentials and enhance their skills. Other states have made investments in the workforce, most notably in Ohio where Intel announced a \$20 million investment for its chip industry.

Testifying in person for the bill were Representative Henderson; Microsoft/Linkedin; National Federation of Independent Business; Associated Industries of Missouri; Mo Retailers Association; Missouri State University; Missouri Hospital Association; Missouri Chamber of Commerce and Industry; Missouri Health Care Association; Matt R. McCormick, Columbia Chamber of Commerce; Greater St. Louis, Preferred Family Health, Mo Assisted Living Association, and Next Missouri.

OPPONENTS: There was no in person opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.