

COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Assisting a company that is expanding its workforce or locating a new facility in the state with the costs of training employees in newly created jobs.

AUTHORIZATION

Statutes: Sections 178.892 to 178.896, RSMo
Regulations: 4 C.S.R. §195-3.010

HOW THE PROGRAM WORKS

Community colleges issue revenue bonds. The proceeds are used to reimburse a company for training costs. The state makes principal and interest payments on the bonds for 8 to 10 years. Payments are made as withholding taxes are paid for the employees in the new jobs. The amount paid by the state is based on gross wages -- 2.5% of gross wages for the first 100 new jobs and 1.5% for the remaining new jobs in the project.

ELIGIBLE APPLICANTS

Businesses with a sound credit rating currently located in or locating to Missouri and:

- ✓ engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products;
- ✓ conducting research and development; or
- ✓ providing services in interstate commerce.

Retail businesses do not qualify for the program.

ELIGIBLE USE OF FUNDS

The funds generated from the sale of the bonds can be used to reimburse for costs of:

- ♦ Training:
 - ✓ skill assessment
 - ✓ orientation
 - ✓ pre-employment training
 - ✓ occupational skill training
 - ✓ on-the-job training; and
- ♦ Costs associated with the issuance of the certificates.

APPLICATION PROCEDURE

- ♦ The appropriate community college must submit a "Notice of Intent" for a potential project to the Department of Economic Development's Division of Workforce Development (DWD).
- ♦ DWD determines company eligibility and reviews for training duplication.
- ♦ On behalf of the company, the community college later submits an application for the Program outlining training details.
- ♦ Upon approval of the application by DWD, the community college will enter into a formal agreement with the company. The community college board of trustees must approve all final project agreements.

FUNDING LIMITS

The aggregate limit on the amount of outstanding bonds is \$55 million. The amount of funds available each year is further controlled by the applicable appropriation law.



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SPECIAL PROGRAM REQUIREMENTS

Other criteria may be applied in making funding decisions, such as types of jobs, type of industry and wage rates.

The St. Louis Regional Chamber & Growth Association (RCGA) is the chamber of commerce and economic development organization for Greater St. Louis, which includes 16 counties in Missouri and Illinois. RCGA markets the St. Louis region nationally and internationally to attract targeted industries to the area. It further spurs economic development by aiding the expansion and startup of companies within the region.

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