

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5098-01
Bill No.: HB 1243
Subject: Economic Development; Employees- Employers; Business and Commerce;
Economic Development Department
Type: Original
Date: January 27, 2012

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

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

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

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

- 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).

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

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning** 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, but are limited by annual appropriation authority. To the extent modifications increase participation in the training programs, General or Total State Revenues could be reduced, but not by more than annual appropriation authority allows. This program may encourage other economic activity, but Budget and Planning does not have the data to estimate the induced revenues. The Department of Economic Development may have such estimate.

Officials at the **Department of Revenue** assume that OA-ITSD (DOR) will need to make form changes and programming changes to various tax systems. They believe that the changes could be absorbed within existing resources.

Officials at the **Department of Economic Development, Department of Higher Education, Joint Committee on Administrative Rules, Missouri House of Representatives, Missouri Senate** and the **Office of the Governor** assume that there is no fiscal impact from this proposal.

Officials at the **Metropolitan Community College** assume this proposal would most likely have a negative fiscal impact on the College.

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.

ASSUMPTION (continued)

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:

MO Jobs Development Fund which shall be funded through appropriation by the legislature so Oversight is showing the funding as coming from general revenue. Additional funding can be received from gifts, grants and other private sources. **Oversight** assumes that all money received by this fund will be distributed per this proposal.

MO Jobs 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.

MO Jobs 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.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Transfer Out</u> - MO Jobs Development Fund (620.806)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
MO JOBS 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
<u>Revenue</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer Out</u> - to companies for the training programs set up to help create new jobs	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
ESTIMATED NET EFFECT ON MO JOBS DEVELOPMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
MO JOBS COMMUNITY COLLEGE NEW JOBS TRAINING FUND			
<u>Revenue</u> - new jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer Out</u> - to community colleges for training project costs	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
ESTIMATED NET EFFECT ON MO JOBS COMMUNITY COLLEGE NEW JOBS TRAINING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**MO JOBS COMMUNITY COLLEGE
 JOB RETENTION TRAINING FUND**

Revenue - retained jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Revenue - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Transfer Out- to community colleges for training programs.	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

**ESTIMATED NET EFFECT ON MO
 JOBS COMMUNITY COLLEGE JOB
 RETENTION TRAINING FUND**

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

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

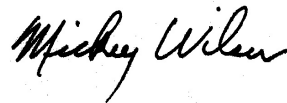
This proposal establish the MO Jobs Training Program to assist qualified companies with the training of employees in new jobs and the retraining or upgrading of the skills of full-time employees in retained jobs. The program will be funded through appropriations from the MO Jobs Development Fund which was formerly the Missouri Job Development Fund; the MO Jobs Community College New Jobs Training Fund which was formerly the Missouri Community College Job Training Program Fund; and the MO Jobs Community College Job Retention Training Fund which was formerly the Missouri Community College Job Retention Training Program Fund.

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

JH:LR:OD

SOURCES OF INFORMATION

Budget and Planning
Department of Economic Development
Department of Higher Education
Department of Revenue
Joint Committee on Administrative Rules
Metropolitan Community College
Missouri House of Representatives
Missouri Senate
Office of the Governor
Office of the Secretary of State



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Director
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