SUCCESSFULLY LEVERAGING JOB TRAINING INCENTIVES AND RESOURCES

October 25, 2012

Missouri Economic Development Council
MISSOURI’S COMMUNITY COLLEGE NETWORK

- **Sherry Coker**
  - Director, Center for Workforce Development @ Ozarks Technical Community College (OTC), Springfield, MO

- **Jessica Craig**
  - Manager – Economic Development, Institute for Workforce Innovation @ Metropolitan Community College (MCC), Kansas City, MO
MISSOURI’S COMMUNITY COLLEGE NETWORK

1. Crowder College
2. East Central College
3. Jefferson College
4. Metropolitan Community College
5. Mineral Area College
6. Missouri Area Community College
7. North Central Missouri College
8. Ozarks Technical Community College
9. State Fair Community College
10. St. Charles Community College
11. St. Louis Community College
12. Three Rivers Community College

Metropolitan Community College
Institute for Workforce Innovation
ACCORDING TO SITE SELECTORS...

- While costs, transportation, and infrastructure remain critical, states focused on providing customized labor training to meet the needs of modern businesses can also tout a steady supply of trained labor, an asset that is again moving to the forefront. —Area Development Magazine

- Manufacturing has returned by many accounts, but skilled workers are scarce. —Site Selection Magazine

- Preparing skilled employees is a critical part of the economic development process, and a dealmaker or breaker to companies seeking new locations. —Area Development Magazine
# RANKING CRITICAL SITE SELECTION DRIVERS

<table>
<thead>
<tr>
<th>HQ/Back Office</th>
<th>Manufacturing</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Labor Availability</td>
<td>1. Labor Availability</td>
<td>1. Logistics</td>
</tr>
<tr>
<td>2. Labor Cost</td>
<td>2. Labor Cost</td>
<td>2. Labor Availability</td>
</tr>
<tr>
<td>7. Accessibility</td>
<td>7. Utilities &amp; Infrastructure</td>
<td>-Site Selection Group</td>
</tr>
</tbody>
</table>

-Site Selection Group
MISSOURI’S JOB TRAINING PROGRAMS

- Missouri Customized Training
- Community College New Jobs Training Program
- Community College Job Retention Training Program
MISSOURI CUSTOMIZED TRAINING PROGRAM

- Funded through & subject to annual appropriations
- Annual application process
- Operates on state’s FY
- Can be used with other DED incentive programs
- Extremely competitive funding, only fraction of applicants receive approvals
- Applicants must be creating new jobs in MO or retraining existing employees as a result of expansion
- No geographical consideration
- Individual award amount based on need
MISSOURI CUSTOMIZED TRAINING PROGRAM

- Evaluation criteria
  - # of Jobs Created
  - # of Jobs Retained
  - Targeted Industries
  - Wages of New Jobs
  - Type of Training
  - Wages of Trainees
  - Capital Investment

- Overall competitiveness compared to statewide application submissions

- Those companies receiving a MCT offer in an incentive proposal are given funding priority
MISSOURI CUSTOMIZED TRAINING PROGRAM

- Eligible Training Expenses
  - Classroom training
  - Curriculum development hours
  - Company specific training
  - Internal instructor salaries
  - Assessments
  - Job Aids
  - Consumable Supplies
  - Vendor training
MISSOURI CUSTOMIZED TRAINING PROGRAM

- Ineligible Training
  - Safety training
  - Software
  - Company orientation/sexual harassment/diversity
  - OSHA Training
  - Training equipment
  - Trainee wages
  - Training expenses of non-Missouri residents
MISSOURI CUSTOMIZED TRAINING PROGRAM

Application Process
- LEA works with company to compile application
- LEA submits application in DWD Computer System
- DWD reviews all applications and rates them for funding
- DWD contacts LEA regarding those that are approved
- LEA communicates approval with company
- LEA communicates denials for non-funded apps
- LEA provides oversight of training activity
- Company sends LEA training expenses
- LEA reviews training expenses
- LEA requests reimbursement from DWD to company
- DWD processes reimbursement/payment to company
- LEA receives 15% admin fee with reimbursements
COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

- Provides assistance in reducing the cost associated with expanding a workforce or locating a new facility in the state of Missouri through training services
- Discretionary program to encourage significant development to occur
- Funded through withholding taxes of new jobs
- Can be used with other DED incentive programs
- Typically ≥100 new jobs within one year
- No geographical consideration
- Must pay competitive wages
- Type of industry taken into consideration
COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

- Funding amount based on company’s training need
  - Cannot exceed 2.5% of gross wages first 100 jobs and 1.5% for the remaining jobs in the project
  - Withholding credits are claimed for an average of 405 years to pay for project costs

- Community College contact can work with DWD to incorporate NJTP in proposal process if employee training is important
COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

- Eligible training:
  - Pre-employment training
  - Instructor costs
  - Travel costs for training events
  - On-the-job training expenses – restrictions
  - Classroom training
  - Curriculum development hours
  - Company specific training
  - Internal instructor salaries
  - Assessments
  - Job Aids
  - Consumable Supplies
  - Vendor training
  - Training equipment
  - Safety training
  - Non-Missouri residents are eligible for training
COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

- Ineligible Training
  - Trainee wages, except during approved OJT
Application Process

- Company receives MO proposal with NJTP included
- Once announced, CC submits NOI to DWD on behalf of company
- Once NOI is approved, CC works with company to complete application with training plan
- Once approved by DWD, subject to CC board approval
- Once approved by DWD and board, CC will work with legal counsel and company to complete legal documents
- Once legal docs are executed, company can begin to claim withholdings and begin reimbursement process
- CC processes all reimbursements and ongoing monitoring of project
- CC receives 15% admin fee on reimbursements
COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

- Provides assistance in reducing the cost associated with retraining employees at an existing facility in the state of Missouri. Discretionary program to companies to stay in Missouri.
- Funded through withholding taxes of existing jobs.
- Can be used with other DED incentive programs.
- Typically ≥100 retained jobs within one year.
- No geographical consideration.
- Must pay competitive wages.
- Type of industry taken into consideration.
In addition to being determined at-risk, businesses must also meet one of the following criteria:

- Have made a substantial investment in new technology;
- Be located in a border county of the state and represent a potential risk of relocation from the state; or
- Be determined to represent a substantial risk of relocation from the state by the Department of Economic Development.
COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

- Funding amount based on company’s training need
  - Cannot exceed 2.5% of gross wages first 100 jobs retained and 1.5% for the remaining retained jobs in the project
  - Withholding credits are claimed for an average of 405 years to pay for project costs

- Community College contact can work with DWD to incorporate JRTP in proposal process if employee training is important
COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

- Eligible training:
  - Pre-employment training
  - Instructor costs
  - Travel costs for training events
  - On-the-job training expenses – restrictions
  - Classroom training
  - Curriculum development hours
  - Company specific training
  - Internal instructor salaries
  - Assessments
  - Job Aids
  - Consumable Supplies
  - Vendor training
  - Training equipment
  - Safety training
  - Non-Missouri residents are eligible for training
COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

- Ineligible Training
  - Trainee wages, except during approved OJT
COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

Application Process

- Company receives MO proposal with JRTP included
- Once announced, CC submits NOI to DWD on behalf of company
- Once NOI is approved, CC works with company to complete application with training plan
- Once approved by DWD, subject to CC board approval
- Once approved by DWD and board, CC will work with legal counsel and company to complete legal documents
- Once legal docs are executed, company can begin to claim withholdings and begin reimbursement process
- CC processes all reimbursements and ongoing monitoring of project
- CC receives 15% admin fee on reimbursements
**OTHER ED AREAS OF ASSISTANCE**

- Workforce training
- Consulting Services
- WorkKeys assessments/profiling – NCRC
- Partner with counties for MO’s Certified WorkReady Community Initiative
- Labor market information
- Selling the area’s workforce to prospects
- Letters of support
QUESTIONS?

Sherry Coker  
Director – Center for Workforce Development  
Ozarks Technical Community College  
cokers@otc.edu

Jessica L. Craig  
Manager – Economic Development  
Metropolitan Community College  
Institute for Workforce Innovation  
jessica.craig@mcckc.edu