**Program Name:** Job Retention Training Program

**Department:** Economic Development  
**Contact Name & No.:** Amy Sublett 526-8271  
**Date:** October, 2012

**Program Description and Eligibility Requirements:**
Provides training assistance for job retention efforts. Companies making a large capital investment and/or at risk of leaving the state may be eligible. This program is best-suited for large retention and training projects. The company must make a minimum capital investment of $1 million and the retained jobs must have been in existence for the previous 2 calendar years. The company must also be making substantial capital investment, located in a border county, or be determined to represent a substantial risk of relocation.

**Explanation of How Award is Computed:**
Entitlement _____  
Discretionary _X_

**Explanation of How Award is Computed:**
A formula using the number of jobs to be retained and the average annual salary of workers in retained jobs calculates the amount that can be generated by diverting a portion of the employer withholding tax (approximately 2%). Discretionary measures such as review of types of industry, occupations, and wage rates are considered before approving a project.

**Program Cap:**
Cumulative $45 million  
(remainder of cumulative cap) $38,389,346  
Annual $__________  
None ________

**Examination of cap:** There is a statewide cap of $45 million on the amount of outstanding debt there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

**Explanation of Expiration of Authority:** Program sunsets July 1, 2014

**Specific Provisions:** (if applicable)

- Carry forward _____ years  
- Carry Back _____ years  
- Refundable _____  
- Sellable/Assignable _____  
- Additional Federal Deductions Available _____

**Comments on Specific Provisions:**

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 ACTUAL</th>
<th>FY 2011 ACTUAL</th>
<th>FY 2012 ACTUAL</th>
<th>FY 2013 (current)</th>
<th>FY 2014 (budget year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates Issued (#)</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Projects (#)</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Amount Authorized</td>
<td>$3,200,588</td>
<td>$0</td>
<td>$6,303,372</td>
<td>$20,600,000</td>
<td>$2,000,000</td>
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<tr>
<td>Amount Issued</td>
<td>$3,200,588</td>
<td>$0</td>
<td>$2,970,855</td>
<td>$20,600,000</td>
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<tr>
<td>Amount Redeemed</td>
<td>$8,145,996</td>
<td>$5,758,163</td>
<td>$2,403,687</td>
<td>$6,000,000</td>
<td>$10,000,000</td>
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</tbody>
</table>

**HISTORICAL AND PROJECTED INFORMATION**

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Authorized</td>
<td>$3,200,588</td>
<td>$5,003,372</td>
<td>$2,600,000</td>
<td>$2,403,867</td>
<td>$9,003,092</td>
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<tr>
<td>Amount Issued</td>
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<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>Amount Redeemed</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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</tbody>
</table>
Program Name: Job Retention Training Program

Comments on Historical and Projected Information:

**BENEFIT: COST ANALYSIS (includes only state revenue impacts)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012 ACTUAL</th>
<th>Other Fiscal Period (5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BENEFITS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Fiscal Benefits</td>
<td>$843,248</td>
<td>$748,510</td>
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<tr>
<td>Indirect Fiscal Benefits</td>
<td>$1,164,486</td>
<td>$1,033,056</td>
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<tr>
<td><strong>Total</strong></td>
<td>$2,007,734</td>
<td>$1,782,166</td>
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<tr>
<td><strong>COSTS</strong></td>
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<td></td>
</tr>
<tr>
<td>Direct Fiscal Costs</td>
<td>$1,260,674</td>
<td>$6,076,146</td>
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<tr>
<td>Indirect Fiscal Costs</td>
<td>$1,260,674</td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,260,674</td>
<td>$6,076,146</td>
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<tr>
<td><strong>BENEFIT: COST</strong></td>
<td><strong>1.59</strong></td>
<td><strong>0.29</strong></td>
</tr>
</tbody>
</table>

**Derivation of Benefits**

- **Investment:** (a) $127,399,335 in Durable Equipment demand in 2012
- **Employment:** (a) 1,848 retained jobs in Manufacturing and Internet Publishing/Data Processing in 2012-2016
- **Other Assumptions:** (a) $1,187,500 in increased personal income to 923 retained employees following equipment training, wage increase occurs in 2015-2016

**Incentives/Credits:** (a) $6,303,372 in Authorized JRTP Tax Credits, redeemed between 2012-2016.

Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

If all retained jobs had exited the state but for this incentive the fiscal benefit-cost ratio would be 13.64 at 5 years.

Other Benefits:

- In FY 12, every dollar of authorized program tax credits returns: Over 5 years, every dollar of authorized program tax credits returns:
  - $12.10 in new personal income totaling $15.26 million
  - $26.17 in new value-added/GSP totaling $32.99 million
  - $40.77 in new economic output totaling $51.39 million
  - $3.58 in new personal income totaling $21.74 million
  - $5.67 in new value added/GSP totaling $34.42 million
  - $8.63 in new economic output totaling $52.46 million

**PERFORMANCE MEASURE(S)**

**Permanent Jobs Retained**

![Graph showing permanent jobs retained by fiscal year](image)

- **Comments on Performance Measure:**

  - **estimated**
  - **actual**
Program Name: Job Retention Training Program

Average Wage

FY 2010: Estimated $18.38, Actual $18.38
FY 2011: Estimated $20.73, Actual $20.73
FY 2012: Estimated $19.00, Actual $19.00
FY 2013: Estimated $21.11, Actual $21.11

Comments on Performance Measure:

Capital Investment

FY 2010: Estimated $55,042,030, Actual $55,042,030
FY 2011: Estimated $68,399,335, Actual $68,399,335
FY 2012: Estimated $104,000,000, Actual $104,000,000
FY 2013: Estimated $26,000,000, Actual $26,000,000

Comments on Performance Measure: