

Innovation Campus

Missouri Community
Development Block Grant
(CDBG) Program



Innovation Campus is.....

- A means to connect businesses to a workforce with a specific skill set obtained by design.

Innovation Campus is not.....

- A scholarship program, or
- A normal job training program.
- Continually funded program; one shot of funding

Innovation Campus partners

- Local economic development agencies
- Public four-year universities
 - Community colleges
 - High schools
- Businesses in identified high growth industries in need of a skilled workforce

Program Requirement for Job Creation

- Benefit of program is met by job creation by participating businesses
- At least 51% of those jobs created must go to persons of low and moderate income (LMI) status
- Pool of job applicants comes from participants in Innovation Campus program

Alternative method

- ◉ Some Innovation Campus projects did not get committed partnerships with businesses
- ◉ Were allowed to use CDBG funds to assist with training costs for participants who met LMI requirement
 - 100% LMI benefit for CDBG
 - No job creation requirement, but all participants received job training benefit

CDBG eligible costs

- Up to \$7,500 per participant in the program
- Eligible costs related to job training/degree program
- No general education classes eligible – classes eligible for CDBG assistance restricted to degree program only – classified as “job training” for CDBG

Current Innovation Campus projects

- ◉ Springfield BDC
- ◉ Jefferson City Chamber
- ◉ EDC of St. Charles County
- ◉ St. Joseph Chamber
- ◉ Joplin Area Chamber
- ◉ Johnson County EDC
- ◉ Cape Girardeau Development Foundation

Innovation Campus Tax Credit Program

House Bill 1459
Effective August 28, 2014



Program Purpose

Created to:

- Advance learning in Science, Technology, Engineering, and Math (STEM) areas
- Reduce the time and cost for Missouri students to obtain a college degree in those fields

How it Works

Zero Sum Contribution Tax Credit

- A donor makes a contribution to an eligible Innovation Campus partnership.
- The partnership keeps 50% of the donation to use toward program goals and pays 50% of the donation to the state's general revenue fund
 - The Innovation Campus submits a complete application, including payment, to DED.
- DED confirms eligibility and issues a tax credit equal to 50% of the donation to the donor

Applicant Eligibility

Eligible applicants to the program are partnerships consisting of:

- A local Missouri high school or k-12 district;
- A Missouri four-year public or private higher education institution
- A Missouri-based business or businesses; and
- A Missouri two-year public higher education institution or state technical college

Project Eligibility

Eligible projects utilize donations to advance STEM learning **and**:

- Work to lower the cost of a college degree
- Decrease the amount of time to degree completion
- Provide applied & project-based learning
- Provide direct access to internships, apprenticeships, or employment
- Partner with industry stakeholders for ongoing development

The Tax Credit

- Eligible donations include: Cash, Real Property, Publicly-Traded Stocks or Bonds
- Can be claimed against: State Income tax, Corporate Franchise Tax, Gross Premium Receipts Tax, & Financial Institution Tax
- Sellable & Transferable
- Four year carry-forward

Program Update

- Rules have been drafted and are under review.
- Application documents have been drafted and are under review.

Contact Information

Address: Innovation Campus Program
MO Department of Economic Development
P.O. Box 118, 301 W. High St. Rm. 770
Jefferson City, MO 65102

Staff: Michelle Pruitt, Technical Assistance &
Application Processing
Brenda Horstman, Manager

Phone: (573) 751-4539

Fax: (573) 522-4322

Missouri Works Update

Missouri Economic Development
Council

February 2015



Program Update as of Jan. 2015

- 337 proposals have gone out for 178 different companies.
- 217 NOIs received.
- 203 NOIs approved to date.
- Approved NOIs total approximately \$174.5 million in tax credits and retained withholdings over a multiple year period.

Status of Caps

- Retention—Withholding cap is depleted for fiscal years through 2023.
- Overall—Tax Credit cap is:

(As of Feb. 2015)	2015	2016	2017	2018	2019
Cap	\$111 mil	\$116 mil	\$116 mil	\$116 mil	\$116 mil
Cap Remaining	\$43.9 mil	\$17 mil	\$18 mil	\$23 mil	\$21.8 mil

- Cap is on a fiscal year.

Questions?

Contact:

Brenda Horstman

573-751-3713

Brenda.horstman@ded.mo.gov