

# Trade Adjustment Assistance For Firms

*Technical Assistance & Cost Sharing of  
Improvement Projects for American  
Manufacturers to Strengthen their Competitive  
Abilities in a Global Economy*

**Mid-America Trade Adjustment Assistance Center**

# TAAF Program

- **Purpose** - to cost share in improvement projects for American manufacturers that have been negatively impacted by foreign trade imports to strengthen their global competitiveness through increased profits, jobs creation and long-term financial stability.
- **Assistance** - designed to identify a firm's weaknesses and then to address each operational weakness with proactive projects implemented by industry experts and professional consultants at a cost share with the participating firm.
- **Results** - achieved a significant return on investment (ROI) in terms of new jobs created, existing jobs retained, reduced operational costs, increased firm sales, and improved productivity levels sales.

# TAAF Funding Opportunities managed by Mid-America TAAC

## **\$30,000\* Adjustment Assistance**

- 25% Company Cost Share Match
- 75% Government Cost Share Match

*\*up to \$30,000*

## **\$150,000\* Adjustment Assistance**

- 50% Company Cost Share Match
- 50% Government Cost Share Match

*\*between \$30,000-\$150,000*



# Phase 1- Eligibility Assessment

## ***PETITION APPLICATION DEVELOPMENT***

- Firms must have experienced the following:
  - Sales decrease of 5% or more\*
  - Employment decrease of 5% or more\*
  - Increasing Imports for firm product line(s)\* *(research provided by TAAC)*
- TAAC develops a Petition application and submits to EDA for certification

*\*Rolling timeframe (1-3 year review)*

# Phase 2 – Recovery Assessment

## ***ADJUSTMENT PROPOSAL DEVELOPMENT***

- TAAC conducts a comprehensive assessment of the firm, including financial analysis benchmarked against industry standards
- TAAC works collaboratively with each firm to identify opportunities for improvement (SWOT Analysis)
- TAAC develops a Recovery Strategy including improvement projects, budget and timeline for implementation and submits to EDA for approval

# Phase 3 – Recovery Implementation

## ***ADJUSTMENT PROPOSAL IMPLEMENTATION***

- **Cost Sharing - Firms have 5 years to implement projects identified in their Adjustment Proposal to improve their competitive abilities.**
  - Firm chooses a consultant
  - 3-Party Contract between firm, consultant & TAAC
  - Consultant performs
  - Firm pays their share to consultant
  - TAAC pays governments share to consultant



# ***Eligible Improvement Projects***

## ***Professional Consultant Expenses & Industry Expert Services***

- ***Financial & General Management***
  - *Cost Management, Strategic Planning, Workforce Development & Training, Succession Planning*
- ***Marketing & Sales***
  - *Research, eCommerce, Exporting & International Trade*
- ***Manufacturing, Engineering & Production***
  - *Product Develop & Certs, Quality & Productivity, ISO, Inventory Management, Process Engineering*
- ***IT Support Systems***
  - *Custom Programming, Software (Hardware Evaluation), Integrated Manufacturing Systems, Cyber Security*

# Mid-America Trade Adjustment Assistance Center

A Business Development Program within the University of Missouri Extension

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# Contacts

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# **Missouri Department of Economic Development**

**Kansas City Regional  
Engagement Team**



# The Kansas City Team

Harrison Hall – Regional Manager



Timothy Jackson – Project Manager





# Team Function

- **The Kansas City Regional Engagement Team exists to:**
  - Provide a state partnership to regional businesses, non-profits, economic development entities, and chambers
  - Connect people and projects to state economic development tools
  - Manage regional business expansions and job growth projects



# Missouri Works

- Missouri Works is the state's flagship incentive program for expansion and retention projects.
- This program helps businesses access tax credits that come from a percentage of their payroll tax withholdings, to embark on facility expansions and create jobs.
- This program can also help entities purchase equipment to maintain its facility in Missouri.
- Program eligibility is based on number of new jobs, capital investment, employee health insurance coverage, and wages.



# Program Summary

## MISSOURI WORKS

Facilitate the creation of quality jobs  
through targeted business projects

### Authorization

Sections 620.2000 to 620.2020

### Eligible Applicants

- For-profit or nonprofit businesses
- Not eligible:
  - Gambling establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, or store front consumer-based retail trade establishments not located in a third- or fourth-class county.
  - Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
  - Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
  - Businesses that are relocating jobs from Johnson, Miami, or Wyandotte counties in Kansas to Jackson, Platte, Clay or Cass Counties in Missouri. However, net new jobs created above a qualified company's base employment may be eligible for benefits.
- Note: Headquarters, administrative, or research and development offices of otherwise excluded businesses may be eligible if the predominant function of such offices is to serve a multistate territory.

### Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of Intent (NOI), none of the following can have occurred:

- Significant, project-specific site work at the project facility
- Purchased machinery or equipment related to the project
- A publicly announced intention to make new capital investment at the project facility

A qualified company may request a proposal for estimated benefits or apply directly with an NOI to DED. DED will then confirm the business is eligible; establish the date at which "base employment" is calculated; reserve the estimated tax credits for the project (if any); and establish the two-year deadline date by which the minimum thresholds for the creation of the new jobs, investment, etc., must be met.

### Program Benefits

Program benefits include (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements. For definitions of "full-time employee," "new jobs," and "project facility base employment," please see the Missouri Works Program Guidelines.

### Eligibility Criteria

Program	Minimum New Jobs	Minimum New Private Capital Investment	Minimum Average Wage	Automatic Benefit
Zone Works <sup>1</sup>	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years <sup>3</sup>
Rural Works <sup>2</sup>	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years <sup>3</sup>
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years <sup>3</sup>
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years <sup>3</sup>
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years <sup>3</sup>
Qualified Military Projects	10	Real or personal property amount as outlined in the proposal	90% of County Avg. Wage	Tax credits equal to the estimated WH taxes for a term up to 15 years. Must receive a proposal for benefits

\*WH\* means the retention of the state withholding tax of the new jobs.

1. Project facility must be located in an Enhanced Enterprise Zone
2. Project Facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Cape Girardeau, Cass, Christian, Clay, Cole, Franklin, Greene, Jackson, Jasper, Jefferson, Platte, St. Charles, and St. Louis City and County.
3. Benefit period is 5 years, or 6 years for existing Missouri Companies (those that have been operational in Missouri for at least 10 years).



Missouri Department of  
Economic Development





- **Federal Bonding**
  - FREE, no-deductible insurance coverage for hiring at-risk job applicants, including ex-offenders.
  - <https://jobs.mo.gov/employer/incentives/federal-bonding>
- **On-The-Job Training**
  - Attract quality workers and save on occupational training costs while preparing new hires for your vital jobs.
  - <https://jobs.mo.gov/employer/incentives/on-the-job-training>
- **Shared Work**
  - MO Job Center will hold worker informational meetings, provide employment-related information, connect employees with current job openings, and more.
  - <https://www.sharedwork.mo.gov/>





- **Veterans Employment Service**
  - Military men and women possess a wide range of valuable skills for today's high tech and fast-paced economy. Show Missouri's military community and your peers that your business values the experience and skills current and former members of our armed Forces can bring to the workplace.
  - <https://jobs.mo.gov/jobseeker/vets>
- **Young Adult Employment**
  - Everyone needs to start somewhere. Why not make someone's start a great one by supporting one of Missouri's youth employment programs.
  - <https://jobs.mo.gov/employer/incentives/youth-employment>
- **Work Opportunity Tax Credit (WOTC)**
  - Receive a Federal tax credit for hiring individuals from certain target groups who face significant barriers to employment.
  - <https://jobs.mo.gov/employer/incentives/work-opportunity-tax-credit>





## MISSOURI **ONE START**

- Customized training
  - In-house
  - 3<sup>rd</sup> party
  - Local community college
- Recruitment
  - Custom marketing
  - Missouri job board
- Much more!
- Resources are discretionary
- No or low cost

[MissouriOneStart.com](http://MissouriOneStart.com)





# Overview

- The Kansas City Regional Engagement team is here to help with any business expansion and retention projects.
- Our team is located remote in the Kansas City area to better be able to assist businesses with anything they may need from Missouri DED.
- Our team is the connectors, so if your business needs something, although we may not have our hands in it directly, we can connect you with the people who do.



# Contact Information

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## **KCMN Manufacturing SWOT Summit**

**Craig VanWey — Manager, In-State Business Development**

**October 10, 2023**



# Commerce Business Development Division



- 1) In-State Business Development Team (8 offices statewide)
- 2) Business Recruitment Team (coverage across the US)
- 3) International Trade/Export Team (including an office in Mexico City)

## Business Incentive Programs

- Kansas incentives can provide to eligible businesses, a combination of tax credits, tax exemptions, workforce training grants & cash benefits.
- Incentive programs were passed by Kansas Legislature in past years and made available to help existing Kansas companies expand as well as attracting new companies to the state.
- The role of the Commerce Business Development representatives to help assess the business' needs and determine which programs could be of benefit.

## High Performance Incentive Program (HPIP)

- Two primary benefits provided: state income tax credits & project sales tax exemption/reimbursement
- Wage requirement in place – tied to wage standard published by KDOL based on company's location in the state and NAICS code. Also, must possess an eligible NAICS code
- State income taxes earned can be applied to state tax liability. They have a 16-year carryforward provision and up to 50% of credits earned can be sold or transferred
- Sales tax exemption/reimbursement for expenses such as: construction materials, renovation labor & materials, office furniture & equipment, etc.
- Most often used Commerce incentive program for various reasons
- \$750 application fee

## Promoting Employment Across Kansas (PEAK)

- Provides a cash incentive to qualified companies in the form of a refund of state withholding taxes generated by new jobs (benefit paid out on quarterly basis for 5 – 10 years)
- Eligibility requirements: NAICS code, wages & healthcare
- Wage requirement tied to median wage for the county in which the business is located
- Healthcare requirement: company must offer a healthcare plan that includes: (1) physician care; (2) hospital care; (3) prescription drug coverage; (4) pre-natal/post-natal care; (5) substance abuse treatment and (6) mental health care
- Company must also pay at least 50% of premiums for the employee
- \$750 application fee



## Kansas Industrial Training (KIT)

- Workforce training grant program that reimburses eligible companies to help them offset costs for training net, new employees
- Reimbursement typically ranges between \$1,200 - \$2,000 per trainee
- Requirements include eligible NAICS code and wage standard & healthcare insurance (both same as PEAK)
- A variety of training expenses can qualify for reimbursement: on-the-job training, orientation, safety training, software training, travel expenses, etc.
- The “trainer” can be internal (company employee) or external (outside training resource, educational institution, etc.)
- \$500 application fee

## Kansas Industrial Retraining (KIR)

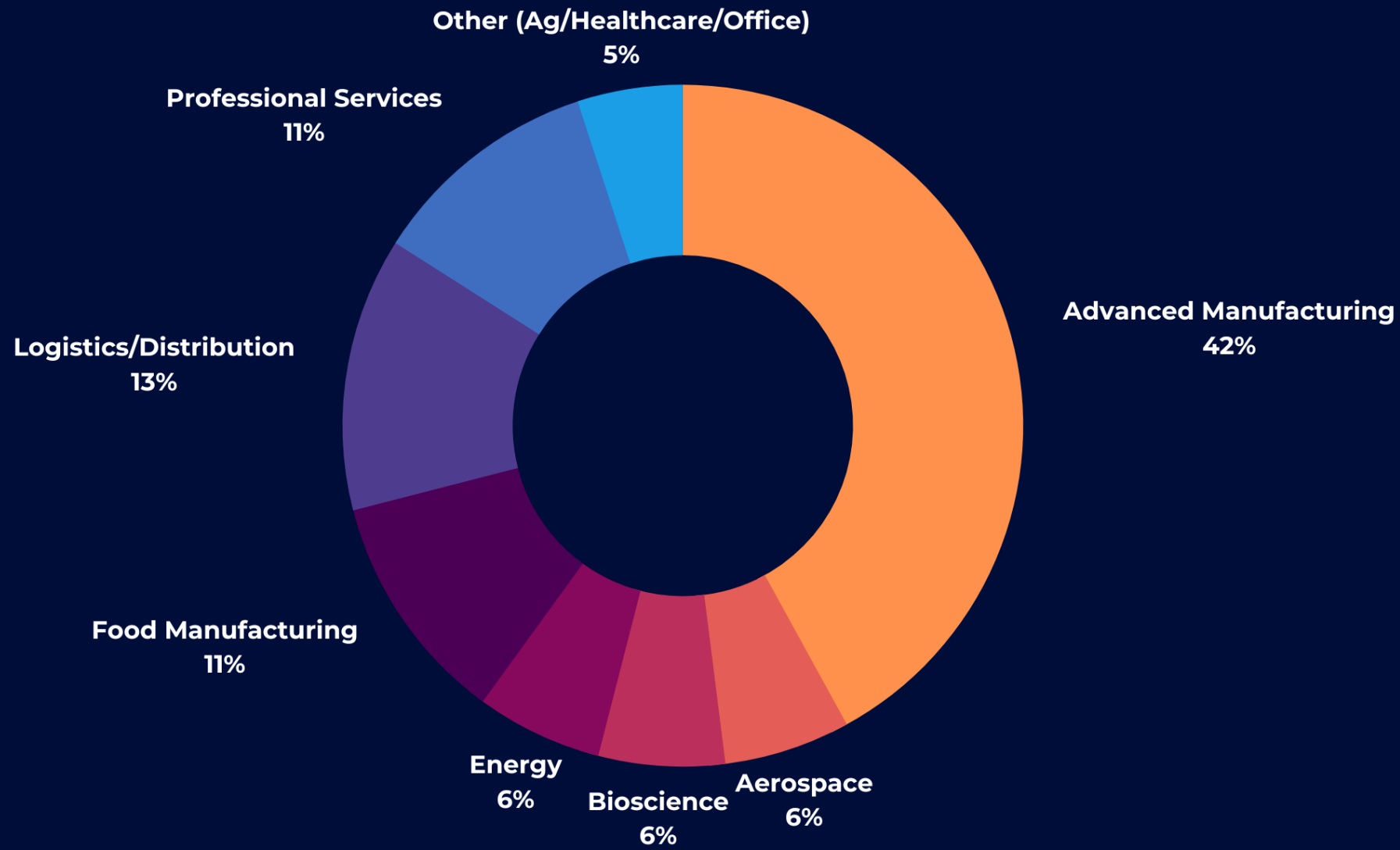
- Workforce training grant program that reimburses eligible companies to help them offset costs for “retraining” existing employees on new technology, processes, etc.
- Reimbursement same as KIT: \$1,200 - \$2,000 per trainee
- Eligibility requirements same as KIT (NAICS code, wages & healthcare)
- 50% match required from the company (max. Commerce will fund is half the training costs)
- Examples of “new technology” eligible for KIR funding include training on new company software, new machinery/equipment, new product line or production process (i.e., Lean Mfg., ISO Certification, etc.)
- Trainers can be same as KIT
- \$500 application fee

## Machinery & Equipment Personal Property Tax Exemption (effective 7/1/2006)

- Exempts personal property tax on eligible commercial and industrial machinery & equipment purchased or transferred into Kansas on or after 7/1/2006.
- The personal property tax exemption continues each year under the law
- This exemption can cover items such as computers, furniture, office equipment, business machinery & equipment and warehouse equipment
- Machinery & equipment purchased through a qualified lease may be eligible in certain instances

## Current Trends

- Tough labor pool. Therefore, companies are investing heavily in machinery & equipment upgrades.
- As a result of this condition, we've seen a record number of companies pursuing HPIP Certification.
- Steady usage of the KIR Program as companies need to train employees on the new technology (i.e. equipment, software, etc.) that's being implemented within the company.
- Current interest rates have caused many companies to delay expansion plans. Because of this, our new project activity has slightly declined.
- Lead times and supply chain issues seem to be improving somewhat. We're not hearing about those problems being as prevalent as they were earlier this year.







**Thank You!**

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