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Missouri Chamber disagrees with pitting education against economic development

JEFERSON CITY (April 21, 2010) – More than 70 education leaders flanked Gov. Nixon during a press conference at the state capitol today to emphasize his new call to reform Missouri's tax credit programs so more money can be spent on education.

His press conference caught some of the state's leading economic developers by surprise. Throughout the last two legislative sessions, the governor has advocated and the legislature has passed economic development incentive programs based on tax credits.

"Now, more than ever, Missouri needs a balanced approach that addresses both the needs of job creation and systems to provide an educated workforce," said Daniel P. Mehan, Missouri Chamber President and CEO. "The two do not work against each other. They go hand in hand."

That's not how Chris Guinther, president of the Missouri National Education Association, sees it.

"Every dollar that goes to tax credits is a dollar that does not go to public education," said Guenther in an article by the Associated Press.

"That comment characterizes economic development as anti-education. That simply is not the case," said Mehan.

The Missouri Chamber supports continued review and legislative adjustments to Missouri's economic development tools – the race to attract new jobs and business expansions in our state is an ever-changing, highly competitive process. However, some proposals that have been introduced to reform the tax credit system would stifle many of the proven programs lawmakers have worked years to put in place.

Specifically, the Missouri Chamber is concerned about the uncertainty that some proposals would place on the market in Missouri. One proposal would put all tax credit programs through the appropriations process. Another proposal would give the Missouri Department of Economic Development final discretion over which economic development projects are funded.

The uncertainty could negatively impact programs implemented in recent legislative sessions, such as Missouri Quality Jobs, New Markets, BUILD and Enhanced Enterprise Zones, which have led to significant job creation. It would also hamper proposals currently under consideration such as MOSIRA, which would create a fund to invest in infrastructure and job training to attract high-tech businesses and legislation to provide tax incentives to attract data centers to Missouri.

“The proposed tax credit reforms will not have an immediate impact on the current Missouri budget,” said Mehan. “That gives reason not to rush into such dramatic change this session. Economic development is a complex issue. It is not one that should be pushed through without thorough review and debate.”

The Missouri Chamber of Commerce and Industry (www.mochamber.com) was founded in 1923 and is the largest business organization in Missouri, representing almost 3,000 employers, providing more than 425,000 jobs for Missourians.

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