WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

**FISCAL NOTE**

Introduced

House Bill 3143

By Delegates T. Howell, Mazzocchi, Jennings, Clay, Drennan, Crouse, DeVault, T. Clark, Jeffries, Holstein, and Moore

[Introduced March 04, 2025; referred to the Committee on Education then Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section, designated §11-13NN-1, relating to business owners contracting their employees to vocational programs and high school classes; ensuring compliance with worker classification laws; maintaining educational employment standards; providing a capped tax credit for wages paid to participating employees to limit fiscal impact; and ensuring minimal administrative costs to the state.

Be it enacted by the Legislature of West Virginia:

Article 13NN. Workforce-Education Partnership Act.

§11-13NN-1. Workforce-Education Partnership Act; Definitions; Tax Credit; Implementation.

(a) Purpose. – The purpose of this bill is to incentivize business owners to invest in the development of skilled labor by allowing them to contract out their employees to vocational training programs and high school classes in public schools and public charter schools, private and parochial schools, virtual charter schools, and homeschools. This initiative fosters economic growth, strengthens workforce development, and encourages public-private collaboration in education while minimizing the fiscal impact on the state.

(b) Definitions. – For the purposes of this section:

(1) Vocational programs refer to any accredited educational program designed to provide individuals with specialized training and skills for a specific trade or profession.

(2) High school classes refer to any approved program of study offered by a public or private high school in West Virginia.

(3) Business owner refers to any individual, partnership, corporation, or other entity that operates a business within the State of West Virginia.

(4) Employee refers to an individual employed by a business owner on a full-time or part-time basis who retains their employment status while participating in an educational program.

(5) Educational contract refers to a written agreement between a business owner and an educational institution outlining the terms of the employee’s participation in a teaching or training role.

(c) Program Authorization. –

(1) A business owner may contract out the services of an employee to participate in vocational programs or high school classes for the purpose of providing education, training, or mentoring.

(2) The business owner and the participating educational institution must enter into an educational contract that defines the scope, duration, and compensation of the employee’s participation.

(3) The business owner must provide written consent for the employee’s participation, and the employee must meet the eligibility criteria established by the vocational program or high school.

(4) Employees participating in this program shall retain their employment status with the business owner and shall continue to receive all benefits, including workers’ compensation and unemployment insurance.

(d) Tax Credit for Employee Pay. –

(1) A business owner who contracts their employee to participate in vocational programs or high school classes shall be entitled to a tax credit equal to 100% of the employee’s gross wages paid during the period in which the employee is engaged in such educational activities.

(2) Annual Cap: A business owner may not claim more than $50,000 in total tax credits per tax year under this section, ensuring minimal fiscal impact on the state budget.

(3) Statewide Cap: The total amount of tax credits available under this program shall not exceed $5 million per fiscal year, with credits granted on a first-come, first-served basis.

(4) The tax credit shall be available for a maximum period of one academic year per employee per tax year and may be carried forward for up to two years if not fully utilized.

(5) The tax credit shall be subject to the approval of the West Virginia Department of Tax and Revenue, which shall establish rules and guidelines for the application and use of the credit.

(6) If applicable, the tax credit for apprenticeship training in construction trades set forth in §11-13W-1 may be claimed by an employer.

(e) Compliance with Educational Employment Standards. –

(1) Employees contracted under this program must meet the necessary qualifications as set by the vocational programs or high schools they are assigned to, including any relevant professional or teaching certifications.

(2) The contract between the business owner and the educational institution must ensure compliance with §18A-2-2 of this code regarding teacher contract execution and employment policies.

(3) Employees participating in this program shall not replace certified educators in core academic subjects but may provide specialized instruction, training, or mentorship in applicable fields such as trade skills, technology, engineering and applied sciences, financial aid, business development, and healthcare professions.

(f) Fiscal Responsibility and Minimal State Costs. –

(1) Budget Cap: The statewide cap of $5 million annually ensures the program remains fiscally sustainable and does not impose an undue burden on state tax revenues.

(2) Administrative Costs Reduction: The West Virginia Department of Tax and Revenue and Department of Education shall utilize existing resources and personnel to oversee the program, minimizing additional state expenses.

(3) The Department of Education shall establish a streamlined application and reporting system for businesses and educational institutions to participate, reducing the need for additional administrative staffing.

(4) The Department of Tax and Revenue shall publish an annual report on tax credit utilization, providing transparency and accountability to the Legislature.

(g) Implementation. –

(1) The West Virginia Department of Tax and Revenue shall develop an online application portal to streamline the tax credit process and reduce administrative costs.

(2) The West Virginia Department of Education shall oversee compliance with educational employment standards and maintain a registry of approved business-education partnerships.

(3) The Department of Education shall annually report to the Legislature on the effectiveness of this program, including the number of participants, tax credit utilization, and overall impact on workforce development in the state.

NOTE: The purpose of this bill is to provide for the Workforce Education Partnership Act.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.