

September 2023

Oklahoma Quality Jobs Program Presentation



OKLAHOMA
Commerce



Oklahoma Department of Commerce



Our overarching mission is to create an environment where growth can happen in our state.

We work to attract new businesses to Oklahoma

We work with existing businesses to help them grow and thrive

We deliver Community Development programs that help local communities prepare for growth

We strive to provide world-class data and analytics

Quality Jobs Requirements

for Quarterly Cash payments of up to 5% of new taxable payroll for up to 10 years.



- Company must be in a qualifying industry as noted by NAICS description.
- Average wage of all newly created full-time jobs must be equal to the lower of the average county wage or the state threshold wage (currently \$40,472 and indexed by inflation).
- Company must achieve \$2.5 million new annual taxable payroll within 3 years, but certain industries have a lower \$1.5M payroll threshold requirement, namely:
 - Food processors with 75% out-of-state sales
 - Firms performing Research, Development, and Testing Services.
 - Auxiliary Research and Development Labs of large enterprises.
 - Relocations on select former military bases.
- Company must offer basic health insurance to employees within 180 days of employment.
 - Employee must not pay more than 50% of the premium.
- UP to 6% rebate if at least 10% of new payroll is comprised of qualified military veterans.

Small Employer Quality Jobs



- Qualifying small businesses (500 employees or less),
- Cash payments up to 5% for up to 7 years.
- Qualifying payroll must be attributable to annual salaries that are 110% of the average wage of the county in which the jobs are located.
- Benefits are not payable until the participant has attained both the minimum number of new jobs and the required average wage.
- Must offer basic health insurance within 180 days of employment.
 - Employee must not pay any more than 50% of the premium.

SEQJ New Jobs Thresholds

Community Pop.	New Jobs Required
Less than 3,500	The greater of 5 jobs or 5% of the company's full-time employment.
3,500-6,999	The greater of 10 jobs or 7.5% of the company's full-time employment.
7,000 or more	The greater of 15 jobs or 10% of the company's full-time employment.

21st Century Quality Jobs Program



- At least 10 full-time jobs at an annual average wage of the lesser of the 21st Century sales indexed wage (now \$120,071) or 300% of the county's average wage.
- Allows a net benefit rate of up to 10% of payroll for up to 10 years.
- Out-of-state sales must be at least 50% for most participants.
- Companies may receive reduced benefits for jobs/wages less than the 10 required while they work towards full qualification.

Target Industries: Knowledge-based service industries, including professional, scientific and technical services; music, film and performing arts; and specialty hospitals.

Quality Jobs over the years.



Participation in the QJ programs have increased over the years until an Economic Downturn from the energy sector caused a reverse in the trend, which was exacerbated even further with COVID19 pandemic. The trend in participation should reverse through 2023 and 2024.

Benefit payment to Quality Job Program participants since 2005 is as

2005	\$44.4 million	2014	\$76.5 million
2006	\$44.0 million	2015	\$79.8 million
2007	\$53.4 million	2016	\$64.1 million
2008	\$62.1 million	2017	\$55.4 million
2009	\$59.1 million	2018	\$51.9 million
2010	\$52.8 million	2019	\$52.2 million
		2020	\$41.9 million
		2021	\$41.1 million
		2022	\$38.0 million

Quality Jobs Program



- Since the Oklahoma Quality Jobs Program (the “Program”) first began, **891** companies have enrolled that have created **\$29.6B** in net new payroll.
- 30% of the entities participating in the Program either were new to the state or were a start-up business.
- 70% were entities already located in the state which expanded.
- 30% of the new jobs created located in rural areas (with a population of less than 50,000 people) and 69% percent were in urban areas.
- In recent years and throughout the pandemic overall average annual wages paid by participants in the Quality Jobs Programs range from \$60K-90K.

Thank You

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Additional Resources:

QJ Triennial Report

- <https://www.okcommerce.gov/wp-content/uploads/Quality-Jobs-Program-2023-Triennial-Report.pdf>

QJ Program Rules and Requirements

- <https://www.okcommerce.gov/wp-content/uploads/Quality-Jobs-Program-2023-Triennial-Report.pdf>



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