Background

The Skilled Trades Training Fund (STTF) provides competitive awards for employer responsive training that enhances talent, productivity and employment retention while increasing the quality and competitiveness of Michigan's employers. The STTF ensures Michigan’s employers have the talent they need to compete and grow, and individuals have the skills they need for in-demand jobs. Collaboration between the Michigan Works! Agencies, economic development and educational partners is essential to achieving demand-driven training that addresses talent shortages hampering the growth of Michigan's industries.

The STTF is not meant to be a sustained renewable funding source for a company’s training needs. The intent is to meet current demand, or need, to address the skill gaps of employees.

Key Partners

Any of the following partners can identify eligible employers that have a documented need for recruitment and/or development of talent. However, final project approval lies with the Talent Investment Agency (TIA).

- Michigan Works! Agencies (MWAs)
- Michigan Economic Development Corporation (MEDC)
- Local economic developers
- Michigan community colleges and other allowable training providers

The local MWA is responsible for submitting applications on behalf of all local partners to ensure all available funding (federal, state, local, private) is identified and utilized in a strategic, braided manner. Additionally, if an application is approved, the MWA is responsible for grant management and oversight.

Strategy

The STTF is designed to create public-private partnerships with employers to design training models that adapt in real time with changing employer demand. Training must be short-term in duration (preferably three months or less) and lead to a credential for a skill that is transferable and recognized by industry. Employers who request funding must actively participate in the development of the training and must commit to retaining individuals at the completion of training.

As a result of individuals being trained and promoted, vacancies should be filled by individuals recruited with the assistance of the local MWA. Additionally, as it is becoming harder for companies to find the skilled talent to fill jobs, companies are encouraged to expand their recruitment to include individuals within Targeted Populations. Recruitment strategies may include working with MWAs and other organizations to identify potential employees.

The STTF is not to offset current tuition reimbursement programs.
Eligible Employers

The TIA shall ensure that the STTF program provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout the state. Therefore, employers with a need for skill enhancement, including apprenticeship programs and advance-tech training programs for current employees or individuals to be hired, may be eligible to apply for STTF. Additionally, employers must have a Michigan presence; be in compliance with all federal and state tax obligations, including but not limited to corporate, sales, use, withholding, personal income and unemployment insurance taxes; and be willing to participate under the project’s eligibility parameters and guidelines.

Eligible Trainees

- Permanent full-time employee(s) of the employer
  - Full-time employment is defined as 32 hours per week, or more
  - Employee is an individual who works in Michigan for whom the employer pays all applicable taxes to the State of Michigan, regardless of where the employee lives
    - Example: Employee lives in Wisconsin, works for an employer in Escanaba and the UI tax is paid to the State of Michigan. The employee is eligible.
- Individual(s) to be hired
  - Pure Michigan Talent Connect (http://www.mitalent.org) may be used as a resource to obtain potential candidates for the interview and selection process
- Must be 18-years of age or older
- Seasonal and/or part-time employees, current or future, are not eligible for STTF funding
- If individuals being hired have worked for the employer through a temporary staffing agency, leasing agency, or on contract with a 1099, the individuals must be increasing their job responsibilities or learning a new job
  - It is not the intent of STTF to pay for training for an individual on a job they have been doing
- US citizen or legally authorized to work in the U.S.

Training Duration

Funding will be utilized to provide short-term training to meet current, documented needs of employers.

- Typically three months or less
- No training plan should exceed six months
- Training should be expedited as soon as possible after the application has been approved
- At a minimum, one training should begin prior to February 9, 2018
- Classroom/customized training should be completed by August 1, 2018
- Individuals to be hired should complete their training by April 30, 2018, to ensure their 90-day post-training retention is achieved by August 1, 2018

Allowable Training Providers

Michigan community colleges and other training providers, who can conduct accelerated “just-in-time” training, may be allowed.

Additional examples:

- Proprietary schools as licensed in the State of Michigan
- Employers, only if their resources or equipment are exclusive and training is not available elsewhere; supporting rationale must be documented in the application
• Vendors providing training in operation of equipment or systems for which they were the provider

Any proprietary institution providing training must comply with Public Act (PA) 148 of 1943, Private Trade Schools, Business Schools and Institutes.

The preference is for all training to occur in Michigan, however, if there is a documented need and rationale for training to occur out-of-state, an application may be submitted for consideration.

Allowable Training

Training programs funded by the STTF must fill a demonstrated talent need experienced by an eligible participating employer.

Examples of allowable training include:

Classroom or customized training
• Conducted by a third party unless exclusive in nature
  o Examples include but are not limited to the following:
    ▪ Welding, CNC Operator, CNC Programmer, English as a Second Language (ESL), Information Technology, Geometric Dimensioning and Tolerancing (GD&T), Blueprint Reading, etc.
    ▪ Safety training may be allowable if it is beyond the required training. An example:
      • MIOSHA Overview, or lock-out/tag-out (LOTO), is not allowable training.
      • MIOSHA 10, which is approximately 30 hours of training, may be allowable depending on the rationale.
    ▪ Lean may be acceptable training provided the following:
      • Black or green belt preferred, with supporting rationale
      • Employer has an overall Lean strategy, with supporting rationale
      • Competency-based
      • Hands-on component to the training
      • Is not a general overview
      • STTF cannot cover consulting services
  • Must lead to recognizable credential that enhances individual’s employability
    o Credential for a skill that is transferable and recognized by industry
    o The individual must obtain a credential that will allow them to retain employment, or in the case they become unemployed, gain employment in a shorter timeframe
    ▪ Examples of this could be a certificate in welding or on-site training for a specific job such as Robotics Technician
  • May take place at the training provider, on-site at the employer or online (if approved)
  • May be for current employee(s) or individual(s) to be hired after the STTF Application is approved

On-site training with wage reimbursement for individual(s) to be hired
• Work-based learning
• Training for the individual(s) to obtain skills to become proficient in the new job
• Individual(s) must be hired after the STTF Application is approved and before training begins
• Not to be utilized for low-wage, high turnover occupations
• If individuals being hired have worked for the employer through a temporary staffing agency or on contract under 1099, the individuals must be increasing their job responsibilities or learning a new job
  o It is not the intent of STTF to reimburse an employer to train someone on a job they have been doing
• Incentive is provided when hiring a veteran
Apprenticeships – for new apprentices

- Only first year USDOL Registered Apprenticeships
- May be a current employee(s), or an individual(s) to be hired
- New apprentice is:
  - An individual who begins a new USDOL Registered Apprenticeship at any point within the three months prior to an employer submitting an STTF Application, or
  - An individual not currently in a USDOL Registered Apprenticeship
  - Prior to reimbursement, a verification screenshot from the USDOL Registered Apprenticeship Partners Information Data System (RAPIDS) will be required as well as a completed TIA USDOL Registered Apprentice Participant Demographic Form

- Apprenticeship training may be
  - Classroom training only, or
  - A combination of classroom training and on-site work experience
  - STTF will not cover apprenticeship training that is only on-site work experience

STTF cannot reimburse for training that occurs prior to application approval.

MAT² is an allowable training under the STTF. However, the company may not receive funds from the MAT² program and STTF to train the same individual in the same fiscal year (10/1/17 – 9/30/18).

Prohibited Training

Examples of prohibited training include, but may not be limited to:

- In-house training that is not exclusive in nature for current employees
- Adult Education
- Literacy
- Language, other than ESL
- Leadership
  - Supervisory, Management, Lead Worker
- Process Improvement (introductory)
  - Basic Lean
  - Lean Overview
- **Soft Skills**
  - Resources are available at no cost at the eLearning Soft Skills website (http://www.mitalent.org/elearning-soft-skills-program)
  - Team building, customer service, etc.
- Wage reimbursement for current employees
- Basic computer skills, for example:
  - Intro to MS Excel
  - Intro to MS Word
  - Intro to MS Office Suite
  - Intro to MS PowerPoint
- Seminars, conferences, workshops, etc.
- Consulting to improve processes
- Continuing education credits
- Safety training that is required, i.e. normal cost of doing business
- Subscriptions for eLearning

The STTF reserves the right to deny training not included on this list if it is determined that it does not meet the intent of the legislation.
Cost of Training

- Classroom training should not exceed $1,500 per person
- **On-site training** with wage reimbursement for individuals to be hired should not exceed $1,500 per person
- USDOL Registered Apprenticeships ([new apprentices](#)) only should not exceed $3,000 per person
- An extra $500 may be reimbursed to an employer for each veteran hired and trained
  - Copy of DD-214 will be required upon invoicing to receive additional funds (with social security number redacted)

Allowable Expenditures

Allowable training expenditures include the actual costs for the classroom, on-site training with wage reimbursement for individuals to be hired and USDOL Registered Apprenticeship training, as well as any other reasonable cost required for the successful completion of training. For example, a training provider may quote a fixed amount for training that includes the cost of their travel.

Prohibited Expenditures

The following are prohibited training expenditures, however, they can be included in the leveraged funds from employers:

- Purchase of tools or other equipment
  - Including laptops/computers
- Licensing fees
- Testing fees
- Curriculum development
- Travel costs to send trainee(s) to training
- Online training subscriptions

The STTF cannot reimburse for training that has occurred prior to the STTF Application and Training Plan being approved.

Origination

Once an employer is identified by any of the program partners, the MWA (lead), referring partner and any other identified partners will conduct an on-site fact-finding evaluation session with the employer(s) to document the talent and requisite fiscal need. MWAs will lead the fact-finding sessions to identify all applicable federal or state funds that are, or could be, used to support the training.

Employer Expectations

Employers play an integral role in defining specific skill sets by the job and identifying the appropriate training or combinations of training. Once documented, the partners will work with the employer(s) to develop the necessary training plan, identify and document the number of individuals to be trained and identify all available funding and resources to be used.

To be considered for an STTF award, the employer is expected to:

- Drill down on the real training need
- Be actively involved in the planning and design of the training project
- Pay wages to employees that are equal to or greater than the prevailing wage for the local labor market for the applicable job title
  - STTF should not be utilized for low-wage, high-turnover occupations
It is the expectation that training will lead to higher skills, thus higher wages.

- Sign a contract/training agreement outlining the employer’s role and responsibilities in the training project, including reporting outcomes to the MWA related to trainee participation.
- Provide impact stories to the MWA upon completion of training.
- Commit to retain employees at the completion of training.
- Provide wage information prior to training, post-training and six months post-training.
- Provide required documentation for reimbursement.
- Provide projected employer contribution on application, and confirm projected or actual contribution to the project.
  - Note: Employers should retain supporting documentation for employer contribution as random audits may be conducted.
- Close out prior year STTF grant before applying for another. Exceptions may apply such as:
  - Waiting for new hire retention, or
  - Waiting for USDOL Registered Apprenticeship training to complete.
- Be encouraged to use Pure Michigan Talent Connect and Michigan Works! to recruit for job openings.
- If promoting opportunities within the Targeted Populations, upon completion of hiring/training and prior to final invoice, the company commits to providing correspondence on the outcome of their strategy.

Employers that have multiple plants/sites/facilities/locations that desire training at each site may elect to work with one MWA or multiple MWAs.

If an STTF grantee/company anticipates or is actively laying off employees, the company must promptly notify the MWA. The company should provide details of the layoffs and explain how the layoffs will impact the approved STTF training plan. The TIA will review each situation on a case-by-case basis and reserves the right to rescind funds.

**Industry-led Collaborative**

An industry-led collaborative is a partnership of two or more companies with the objective of participating in shared training resources. Companies may have similar training needs and by participating in the collaborative, may reduce training costs. Additionally, the collaborative may be able to obtain a training resource that cannot be provided in the region without such a collaborative occurring.

**Application**

Applications are available only through a MWA. The MWA is responsible for submitting applications on behalf of all local partners to ensure all available funding (federal, state, local, private) is identified and utilized in a strategic, braided manner.

To find your local contact see a map of local contacts by visiting [michigan.gov/documents/wda/Map_with_Key_Contacts](michigan.gov/documents/wda/Map_with_Key_Contacts) for their contact information.

- The MWA will conduct a fact-finding evaluation session with the employer and other partners to document the talent and requisite fiscal need.
- The MWA is the lead in the meeting as they will ultimately be submitting the application.
- An employer may choose to work with an MWA that is not in their local area.

**FY18 applications**

- The application period will be:
  - Monday, September 18, 2017 until 5:00 p.m. Friday, October 6, 2017.
- All will be reviewed and competitively scored until funds are exhausted.
In instances of limited funds and applications being of equal merit, additional preferences may be considered.

- It is anticipated that applications will be highly competitive and requests will exceed available funding.
- The minimum request is $1,000 and companies need to determine the training that can be completed under the “training is short-term in duration” requirement while continuing to meet their customer demand.
  - As a reference, the average award for Fiscal Year 2017 was less than $35,000.
- Additionally, the TIA reserves the right to limit an employer with multiple/sites/plants/facilities/locations to a maximum award for all locations combined.
- Follow the STTF application instructions carefully, as incomplete and/or inaccurate applications will be returned and will not be reviewed.
  - Instructions will be provided by the MWA if they determine an application is appropriate to be completed.

**Training Plan**

A Training Plan must be submitted with each STTF Application and is only available from the MWA. The STTF Training Plan and Verification Form is an Excel form with multiple worksheets/tabs:

1. Training Plan worksheet;
2. Verification Form worksheet;
3. Revised Projected Leverage worksheet;
4. New Hire Tracking worksheet;
5. Sample of the Training Plan with data entered worksheet;
6. Sample of the Verification form with data entered worksheet; and
7. Instructions for completing the form worksheet.

**Scoring Applications**

The TIA approval of awards will be determined factoring the weighted criteria in the table on the next page. Additionally, the TIA reserves the right to deny an application based upon: past experiences, including but not limited to poor demonstration on previous grants; past non-performance; and past non-compliance to requests from Michigan Works! and/or the TIA staff.

The TIA will award funding to the MWA. The MWA will administer project funding to the employer and/or the training institution once the project outcomes have been met and documented.
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>up to 5</td>
</tr>
<tr>
<td>Business Case</td>
<td>up to 20</td>
</tr>
<tr>
<td>Tie-in to Training Need</td>
<td>up to 10</td>
</tr>
</tbody>
</table>

Planned Duration of Training (three to six months, apprenticeships are an exception) Up to 10

Employer Contribution (Note: Employers should retain supporting documentation for employer contribution as random audits may be conducted.) Up to 20

Employer is not a past STTF grant recipient 7
Application includes training for new USDOL Registered Apprentices 5
Company employs less than 100 full-time employees 5

For individuals to be hired and trained with STTF funding, company has a strategy to recruit individuals within the Targeted Populations:
- Veterans
- Individuals with Disabilities
- Returning Citizens
- Older Workers
(Note: Outcomes of strategies will be required prior to final reimbursement.) 5

If company received a grant between 10/1/15 and 9/30/17 did they utilize:
- 80% - 100% of their grant funds = 5 pts
- 60% - 79% of their grant funds = 4 pts
- 40% - 59% of their grant funds = 3 pts
- 20% - 39% of their grant funds = 2 pts
- Less than 20% = 0 pts Up to 5

Application is part of an industry-led collaborative 4
Company is located within a Rising Tide Community 4

Total 100

**Required Documentation for Reimbursement**

**Classroom or customized training:**
1. Copy of invoice from training provider (invoice does not need to show paid)
2. Documentation of trainee completion, one of the following:
   a. Copy of credential, i.e. certificate signed by the instructor or training provider
   b. Copy of certification for online courses
   c. Copy of grades for credit courses
3. For the employer to receive the additional $500 for hiring and training a veteran, a copy of the trainee’s DD-214 must be provided (with the social security number redacted)
4. STTF Training Plan & Verification Form

**On-site training with wage reimbursement for individuals to be hired:**
1. A company payroll register, query from the payroll system or screen shots from the payroll system dated at the three-month, post-training retention period that includes the following:
   a. Hourly wage
   b. Hire date, and
   c. Termination/end date (if applicable)

This is required for each STTF-funded individual as proof that the trainee is still employed at 30, 60 and 90 consecutive calendar days following training. Information for employees not participating in the STTF should be edited out or redacted from the register.
A query exported to Excel or another software is not acceptable. It should be a standardized report pulled from payroll software that is not an Excel spreadsheet. The report should have names or an identifying characteristic for the trainee, i.e. an employee number. If using an identifying characteristic, a key must be provided with trainee names.

2. On-site training with wage reimbursement payments for employees’ wages will be made on a reimbursement basis, consistent with approved documentation of the eligible wages. Payment may be requested three months after the completion of training. Payment amounts will be according to the following schedule:
   a. 50 percent reimbursement earned once the trainee has retained employment for 30 consecutive calendar days following training completion
   b. 75 percent reimbursement earned once the trainee has retained employment for 60 consecutive calendar days following training completion
   c. 100 percent reimbursement earned once the trainee has retained employment for 90 consecutive calendar days following training completion

3. For the employer to receive the additional $500 for hiring and training a veteran, a copy of the trainee’s DD-214 must be provided (with the social security number redacted)

4. STTF Training Plan & Verification Form

Apprenticeship training:
1. Copy of invoice from training provider (the invoice does not need to show that it has been paid)
2. Documentation of completion:
   a. Copy of grades for credit courses
   b. A company payroll register, query from the payroll system or screen shots from the payroll system, including hourly wage, hire date and termination/end date (if applicable) for each STTF-funded individual for the time frame during which the apprentice was working with a Journeyperson on-site. Information for employees not participating in the STTF should be edited out or redacted from the register.
      i. A query exported to Excel or another software is not acceptable.
      ii. It should be a standardized report pulled from payroll software that is not an Excel spreadsheet.
      iii. The report should have names or an identifying characteristic for the trainee, i.e. an employee number.
      iv. If using an identifying characteristic, a key must be provided with trainee names
3. RAPIDS printout for each apprentice (see page 12 for instructions)
4. The TIA USDOL Registered Apprentice Participant Demographic Form
5. For the employer to receive the additional $500 for hiring and training a veteran, a copy of the trainee’s DD-214 must be provided (with social security number redacted)
6. STTF Training Plan and Verification Form

Verification Form

The STTF Training Plan and Verification Form is used to document:
- Trainee’s name
- Trainee’s wages
- Credential(s) received
- Trainees still employed six months post-training
- Additional hires beyond those funded with STTF
- Final projected leveraged funds
  - Note: Employers should retain supporting documentation for employer contribution as random audits may be conducted
The STTF Training Plan and Verification Form will be submitted in the following manner:

- Classroom and apprenticeship training
  - When all training is completed (grant closed out) and
  - At six months post-training
- On-site training with wage reimbursement for individuals to be hired
  - At three months post-training and
  - At six months post-training

Anticipated Outcomes

Fiscal Year 2018 STTF program goals:

- Individuals to be hired and trained – 3,300
- Current employees to be trained – 10,000
- Training Completion Rate – 80%
- Employment Retention Rate at Six Months post-training – 80%
- Hourly wage at six months post-training – $16.95

Definitions

**Current Employee**: An individual that is presently on the employer’s payroll.

**Days**: Consecutive calendar days including weekends and holidays.

**Exclusive Training**: Training that is owned and controlled by the employer and is subject to laws such as copyrights, patents or trademarks. The control of the training curriculum usually is retained by the employer. Exclusive training may be training on resources or equipment that is exclusive to a single business process. A company that wants to use its own training curricula in an STTF project must demonstrate a lack of capacity or an inability to meet its own demand. An STTF Application must also explain why the company’s infrastructure cannot support its training needs without the assistance of an STTF grant. Please review “Allowable Training” and “Prohibited Training” sections of this guide.

**Full-time**: Full-time employee for the purposes of STTF is an individual who works 32 hours per week or more.

**Industry-led Collaborative**: An industry-led collaborative (ILC) is a partnership of two or more companies and other partners with the objective of participating in shared training resources. ILC objectives may be to fill seats in the classroom, participate in the design of curricula unique to their shared needs or to bring in a training resource that cannot be provided in the region. Employers can be from across the state, they are not limited to a local area. Additionally, an employer may participate in an ILC application and an independent application.

**NAICS Code**: The North American Industry Classification System, NAICS, was developed jointly by the United States, Canada and Mexico to provide comparability in statistics about business activity across North America. The codes may be accessed using this link: [NAICS codes](#).

**New Apprentice**: Any individual who begins a USDOL Registered Apprenticeship at any point within the three months prior to an employer submitting an STTF Application, or any individual not currently in a USDOL Registered Apprenticeship. This could be a current employee or a new employee.

**On-site training with wage reimbursement for individuals to be hired**: Training for an individual(s) that is not currently on the employers’ payroll that will allow the individual(s) to become proficient in the full-time job for which they will be hired. Training is conducted at the worksite. Employers must commit to
retaining the employee at the end of a successful training period. This is not to be utilized for low-wage, high turnover occupations.

**RAPIDS:** USDOL Registered Apprenticeship Partners Information Data System (RAPIDS) is the system utilized to collect information on each Registered Apprentice.

**Rising Tide Community**
The mission of the Rising Tide initiative is to provide at-risk communities with the tools they need to design and build a successful economic framework. It supports vibrant, thriving communities to attract business investment and talent by creating a sustainable path toward economic stability and growth. The Rising Tide communities are:

- Region 1 - Newberry
- Region 2 - Central Lake
- Region 3 - Grayling
- Region 4 - Evart
- Region 5 - Harrison
- Region 6 - Sandusky
- Region 7 - Charlotte
- Region 8 - Paw Paw
- Region 9 - Hillsdale
- Region 10 - River Rouge

**Soft Skills:** Desirable qualities for certain forms of employment.

**Skilled Trades:** Skilled trades are careers that often require less schooling and debt than a four-year degree. These jobs are in demand for fields like healthcare, information technology, advanced manufacturing, construction and automotive. Once seen exclusively as a world of manual labor, today’s skilled trades jobs offer a wide array of opportunities for high school and community college students. More information about skilled trades at [Going Pro in Michigan](#).

**Targeted Populations:**
- Veteran - A person who served in the active military, naval or air service and who was discharged or released under conditions other than dishonorable.
- Older Worker - an individual age 55 or older.
- Returning Citizen - an individual who has recently been released from a federal, state or local correctional facility, or a person who, while not recently incarcerated, has a criminal record or history.
- Individual with Disabilities - an individual with any disability as defined in section 3 of the Americans with Disabilities Act of 1990.

**Training Start Date:** First day trainees are scheduled to attend training.

**Training End Date:** Last day trainees are scheduled to attend training. For the purpose of on-site wage reimbursement for individuals to be hired, the training end date is NOT the same as the 90-day retention date.
How to access RAPIDS:
Access the RAPIDS system by going to https://dol.appiancloud.com/suite and entering your username and password (Note: Microsoft Internet Explorer [IE] is the Department of Labor preferred browser).

The RAPIDS 2.0 Home page displays a list of active Apprenticeship Programs to manage.

1. Click on the appropriate Program Number

![Program Number screenshot]

2. The system will display the Program Summary page

3. Click on the Active Apprentices link from the Program Summary page, the system will display the Apprentice Information

![Apprentice Information screenshot]
4. Click on the **Apprentice Number**, the system will display the Apprentice Summary page

5. Click on the **Apprenticeship Agreement (671)** link at the top of the page

6. Click on the **Apprentice 671** link

7. Click on the **Apprentices 671** link, the system will download a PDF version of the Apprenticeship Agreement 671 Form
8. The system will download a PDF version of the apprenticeship Agreement 671 Form (see sample form below)