Skilled Trades Training Fund
Frequently Asked Questions

These FAQs were developed as a supplement to the Skilled Trades Training Fund (STTF) Program Overview. Questions regarding the STTF FY17 can be directed to your local Michigan Works! contact found here.

1. **How can I apply?**
   Eligible employers may contact their local Michigan Works! Agency (MWA) to discuss the requirements for STTF and determine if they are eligible to apply for STTF. For a list of MWA contacts please visit the STTF website.

2. **Who is a potential eligible employer?**
   The Talent Investment Agency (TIA) shall ensure that the skilled trades training 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.

   Employers that have multiple locations must complete an application for each location that is applying. Funding is not guaranteed for every application.

3. **How will I be notified about the status of my application?**
   TIA will notify the Michigan Works! Agencies of all awards in November 2016.

4. **Who is an eligible training provider?**
   Michigan community colleges and other training providers identified by and agreed upon by all partners that can do accelerated "just-in-time" training. Proprietary schools must be licensed in Michigan. See question #38 for additional details.

5. **Who is an eligible trainee?**
   Trainees may be any Michigan resident 18 years of age or older. Trainees, both current employee(s) and individuals to be hired, must be permanent, full-time employees of the employer. Seasonal and part-time employees, current or future, are ineligible.

6. **What types of training are allowable?**
   Classroom training that leads to a credential that is transferable and recognized by industry is allowed. On-site training with wage reimbursement for individuals to be hired and USDOL Registered Apprenticeship training for new apprentices are also allowed.

   A new apprentice is defined as any individual who begins a USDOL Registered Apprenticeship at any point within the three months prior to company submitting an STTF application, or any individual not currently in a USDOL Registered Apprenticeship. This may be a current employee or a new employee.

7. **What are allowable training 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.)

8. **What is the role of an employer participating in the STTF?**
Please refer to the STTF Overview for expectations of employers.

9. **Is there a maximum amount for a request?**
No, however, companies need to drill down to the critical need/demand. It has been demonstrated that large grant awards are difficult for companies to successfully complete. As a point of reference, the average award for Fiscal Year 2016 was $38,000.

10. **Can a training provider submit an application?**
No, all applications must be submitted by a Michigan Works! Agency.

11. **Can training only take place in Michigan?**
The preference is for training to be completed in Michigan. If there is a documented need and rationale for training to occur out-of-state, and the local MWA is supportive of the proposal, it may be submitted for consideration.

12. **What is an appropriate length of training?**
With the exception of USDOL Registered Apprenticeships, training should be accelerated: three months or less, with all training being completed within six months.

13. **Since Registered Apprenticeships are not short-term training, how is it envisioned that STTF be utilized?**
STTF can help with USDOL Registered Apprenticeship start-up to offset some of the employer's costs.

14. **Will classroom training be paid prior to the start of training?**
No, payment will be made after training has been completed.

15. **What is the definition of "skilled trade?"**
Occupations found in the *Employment and Occupations in the Skilled Trades in Michigan* report, updated December 2015, by the State of Michigan's Department of Technology, Management and Budget - Bureau of Labor Market Information and Strategic Initiatives. Occupations for STTF awards are NOT limited to this report. STTF awards may be made for any documented need that will assist an employer to expand and grow.

16. **Can the names of the trainees change between application and start of training?**
There will be times when employers identify workers other than those originally planned. This is not the desire, but it may occur. **Names cannot change once training begins.**

17. **Can STTF be used for travel costs to send someone to training?**
No, STTF may be used for training costs only.

18. Is there a minimum number of hours in which the training must occur?
No, there is not a minimum number of hours or weeks in which training must occur.

19. Must an applicant provide a prevailing wage for participants?
Following the completion of training, employers must pay wages that are equal to, or greater than, the current regional labor market occupational wage for the applicable job title.

20. How does an employer document "need/demand?"
By working with the MWA to determine whether the skill sets needed are available in the current labor pool.

21. We are on the border of Michigan and we employ non-residents. Can we train non-residents with STTF?
STTF is for Michigan residents only.

22. Can STTF be used to purchase equipment?
No, STTF cannot be used to purchase equipment. However, equipment purchased by a company and used during the training of participants should be counted as an employer contribution.

23. Can STTF be used for curriculum development?
No.

24. What is the allowable cost per trainee in an STTF project?
The cap per trainee is $1,500 for all training, except USDOL Registered Apprenticeships which is $3,000 per trainee.

25. Can STTF be used to pay for training that is delivered through distance learning?
Distance or on-line training is allowable only if the training cannot be obtained locally or within a reasonable travel distance.

26. An employer has professional trainers on staff and the majority of the training material is exclusive (proprietary). Is it allowable for the employer to provide all of the training and be reimbursed directly for the training?
Such training will be reviewed and approved on a case-by-case basis. Demand must be documented.

27. What is exclusive training?
Exclusive training is training that is owned and controlled by the business and is subject to laws such as copyrights, patents or trademarks. The control of the training curriculum usually is retained by the business. It may be training on resources or equipment that is exclusive to a single business process. A business that wants to use its own training curricula in a STTF project must demonstrate a lack of capacity, or inability, to meet its own demand. An application must also explain why the business' infrastructure cannot support its training needs without the assistance of an STTF grant.

28. Can a business participate in multiple STTF projects?
Businesses may participate in a consortium application and an independent STTF project per Fiscal Year (October-September) per location.

29. How soon after the application is approved should training start?
Training should begin as soon as possible. At a minimum training should start prior to February 10, 2017.

30. Can we use STTF for wage replacement of a current employee?
No. The wages can be used as an employer contribution or leveraged funds.

31. Where do we submit the STTF application?
Companies submit their applications to the MWAs. The MWAs will review and then submit applications to the TIA.

32. Can more than one employer be involved in an STTF project?
Yes, we encourage collaborative or consortium efforts to reduce training costs.

33. Can a request for a consortium of employers cross MWA boundaries?
Yes, the lead MWA will be the sponsoring MWA of the application.

34. How will a business be paid for the training?
The MWA will submit an invoice along with all required documentation to the TIA to request payment. The TIA will reconcile the request with the application/training plan that was approved and make payment to the MWA. The MWA will then pay the training institution and/or employer.

35. How long will it take for payment to be received?
It could take up to ten business days for payment to be received by the MWA.

36. Can companies submit an application that has training for individuals to be hired as well as current employee(s)?
Yes, it is acceptable that an application has all types of training included (i.e. classroom, on-site with wage reimbursement for individuals to be hired and new USDOL Registered Apprenticeship training).

37. What is the definition of on-site training with wage reimbursement for individuals to be hired?
On-site training activities are training services provided to eligible trainees via an agreement between the MWA and the employer. Training is conducted at the worksite. Employers must commit to retaining the trainee at the end of a successful training.

38. Must training be provided by a licensed training provider?
Any proprietary institution providing training must comply with Public Act (PA) 148 of 1943, Private Trade Schools, Business Schools and Institutes, which includes:

MCL 395.101 Sec. 1. (1) A person shall not operate a proprietary school in this state without a temporary permit or license from the department under this act. The department shall prescribe the form of license and temporary permit. MCL 395.101a (b) "Person" means an individual, partnership, corporation, limited liability company, association, organization, or other legal entity. (c) "Proprietary school" means a school that uses a certain plan or method to teach a trade, occupation, or vocation for a consideration, reward, or promise of any kind. Proprietary school includes, but is not limited to, a private business, trade, or home study school. Proprietary school does not include any of the following:

(i) A school or college possessing authority to grant degrees.
(ii) A school licensed by law through another board or department of this state.
(iii) A school maintained or a program conducted, without profit, by a person for that person's employees.

If it is determined locally that an institution identified to provide training under the STTF requires licensing, the forms necessary to begin the licensing process can be obtained at the following website: michigan.gov/lara.

39. Can an employer apply through a MWA other than the one in their area?

Yes, we see this when an employer is on a border of a county or has multiple locations. An employer may choose to work with a MWA of their choice. The sponsoring MWA must notify the local MWA of the application and obtain a letter or e-mail of support that will accompany the application.

40. Is there a minimum number of trainees required to complete an application?

No, an application may be submitted to train one individual.