



# FACTS AT A GLANCE

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## **Survey of State-Funded Job Training for Employers**

Texas Legislative Council  
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# Survey of State-Funded Job Training for Employers

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# Summary of Survey Results

Forty-seven states, including Texas, currently offer state-funded job training as an incentive to new, expanding, or restructuring companies in the state. In contrast to federally funded job training programs that augment employment services to individuals, the state-funded programs are viewed as economic development tools to attract and retain employers. This report, based on interviews with job training staff in each state, examines how these programs are funded and administered and highlights their application, approval, and payment processes. The report does not include job training programs to which only individuals can apply or federally funded programs. Survey results listed below are organized according to categories in the accompanying chart, which provides more detailed information.

## State Programs

- Twenty-nine states, including Texas, offer one program to employers. Generally, these states provide training for both new and current workers.

NOTE: The Texas program is the Skills Development Fund at the Texas Workforce Commission, which has received \$25 million in general revenue each biennium since 1995 to reimburse public community and technical colleges that provide customized job training to employers. From 1993 to 2001, the state also offered the Smart Jobs Program at the Texas Department of Economic Development. This program, which provided grants to employers, was financed by approximately \$100 million in revenue from the unemployment insurance (UI) tax. It was not renewed by the 77th Legislature because of a low UI fund balance and findings of mismanagement by the State Auditor's Office and Sunset Advisory Commission.

- Fifteen states offer two programs each. Generally, these states have separate programs for training new and current workers.
- Three states, Illinois, Kansas, and Rhode Island, offer three programs each. Illinois has temporarily discontinued funding for two of its three programs. Generally, these states have separate programs for projects at large firms and for training new and current workers at small and medium-size firms.

## 2002-2003 Funding

(Numbers reflect funding over two years. See "*Funding Source.*")

- Sixteen states appropriated \$5 million or less in 2002-2003 for the programs. Generally, these states use general revenue as the source of funds.
- Eighteen states appropriated more than \$5 million but less than \$20 million. Generally, these states use general revenue or funding derived from the UI tax.
- Seven states, including Texas, appropriated \$20 million or more but less than \$50 million. Generally, these states use general revenue or special funds such as bond or lottery proceeds.
- Six states appropriated \$50 million or more. Generally, these states use UI tax revenue or a tax that is based on and collected with that tax.

- Three states, Connecticut, Illinois, and Tennessee, eliminated funding for existing programs in the 2002-2003 biennium because of budget shortfalls. Connecticut eliminated its only program.

## **Funding Source**

(Numbers reflect the fact that some states use more than one source or have more than one program.)

- Thirty-two states, including Texas, use general tax revenue. Pennsylvania uses pooled funds from five state agencies to fund an employer-driven job training program.
- Nine states use UI tax revenue to fund programs. Tennessee could not finance one of its programs in 2002-2003 because of a low fund balance.
- Five states assess a tax based on the UI tax and collected with that tax. Rhode Island reduces the UI tax by the same amount.
- Three states use interest on the UI trust fund. Generally, this source of funds is paired with general revenue.
- Three states issue bonds that are repaid using state income tax withholding generated by new hires who receive training. In Missouri, the bonds are sold to companies that will use the job training funds.
- Two states, Kansas and Oregon, use lottery proceeds. These programs are comparatively small programs.
- One state, North Dakota, captures for up to 10 years state income tax withholding generated by new hires who receive training. This money is not appropriated by the legislature, and the amount varies from year to year.
- One state, Louisiana, uses fees paid to vendors that collect state sales taxes. The vendors return a percentage of the fees back to the state.

## **State Share**

(Numbers reflect the fact that some states with more than one program have a different matching requirement for each program. Many states allow employers to match grants with in-kind contributions such as trainee wages.)

- Eighteen states, including Texas, may pay up to 100 percent of the training cost, and there is no employer matching requirement. Generally, these programs are funded by employers through the UI tax. Texas' program is an exception since it is funded by general revenue.
- Five states pay up to 75 percent of the training cost, and the employer pays the remainder.
- Twenty-four states pay up to 50 percent of the cost. Generally, these programs are funded by general revenue.
- Twelve states either establish other limits on the portion that the state will pay or negotiate the state's share with each contract.

## State Agency Administrator

- Thirty states designate the economic development agency to administer job training for employers. Three of these states designate the economic development and labor agencies to jointly administer programs. Two of the 30 states pair the economic development agency with the community college system. One state designates the economic development and workforce agencies to jointly administer a program.
- Nine states designate the employment or labor agency to administer the job training program. As stated above, three of these states pair the labor and economic development agencies to jointly administer programs. In one state, North Carolina, the labor agency and community college system administer a program jointly.
- Seven states, including Texas, designate the workforce agency as the administrator of the program. One state designates the workforce and economic development agencies to jointly administer a program.
- Eleven states designate a postsecondary education agency or the community college system as the state agency administrator. In five states, the community college system is paired with another state agency for joint administration of one or more programs.
- Two states, California and Illinois, designate an independent agency that administers job training only. In Illinois, this agency's funding was eliminated in 2002-2003 because of a budget shortfall. It is expected to be restored in FY 2004, according to staff.
- Two states, Colorado and West Virginia, designate the governor's office to administer the programs. At least five other states have a direct connection to the governor's office. In Kansas, the Governor's Council on Work Force Training and Investment approves projects. In Louisiana, the governor approves projects based on recommendations of agency staff and the secretary of labor. In Oregon, the programs are funded by the Governor's Strategic Reserve, which consists of lottery funds. Pennsylvania's Critical Job Training Program is part of the governor's rapid response team. In Vermont, companies request funding through agency regional offices or the governor's office.

## Application Process

(Numbers reflect the fact that some states with more than one program have a different application process for each program.)

- Twenty-four states require companies to apply directly to the agency. Generally, projects in these states are managed centrally.
- Eleven states require companies to apply at an agency regional office. Generally, projects in these states are managed locally.
- Eleven states, including Texas, require companies to apply at a local educational institution. Generally, these states reimburse community colleges or other training providers instead of companies. (See "*Payment Process*.")
- Eight states require companies to submit a joint application with a community college or require community colleges to apply for grants. These states require community colleges to conduct all training.
- Three states, Alabama, Maryland, and Oklahoma, have no application process for at least one program. These states offer the program to all new and expanding companies in the state.

## **Approval Process**

(Numbers reflect the fact that some states use a combination of approval processes.)

- Eighteen states, including Texas, use agency staff to approve projects. In Florida, the staff approves applications for Quick Response Training within three to five days, according to the program director. In Michigan, the staff approves projects on a “first come, first served” basis until all funds are expended. Kansas, Nebraska, and Pennsylvania use internal staff review committees.
- Twelve states use the agency director, commissioner, or cabinet secretary to approve projects. In Hawaii, the director of the Department of Labor and Industrial Relations approves projects based on recommendations of county advisory committees composed of private sector representatives. This trend toward involving the private sector in selecting projects is clearly indicated in the survey results.
- Eight states use the agency governing board. Generally, these boards are appointed by the governor. In Louisiana, where UI tax revenue is used to fund a \$100 million program to train current workers, the governor approves projects based on recommendations of agency staff and the secretary of labor.
- Fourteen states use a public/private sector board or review committee. In New Hampshire and Rhode Island, legislators are members of the public/private board that approves projects.
- Three states use joint review committees representing two or more agencies to approve projects. Participating agencies include the economic development, education, labor, aging, and human services agencies.
- Three states have no approval process. Companies meeting job creation requirements receive automatic access to the program.

## **Targeted Trainees**

- Four states, Alabama, Florida, Georgia, and New Mexico, use state funds exclusively to train new hires at new and expanding companies. These states prioritize new job creation, according to staff. For current workers, Florida uses federal funds, and Georgia gives eligible companies a tax credit to train them.
- Two states, Delaware and New York, use state funds only to train current workers at existing companies. These states prioritize addressing skilled worker shortages and lowering employee turnover rates.
- Forty-one states, including Texas, use state funds to train both new hires and current workers, sometimes with separate programs for each of those two categories of targeted trainees. These states provide an incentive to new and expanding companies as well as to existing companies that seek to upgrade worker skills.

## **Payment Process**

(Numbers reflect the fact that most states issue funds to companies as reimbursement. States that issue funds to companies or training providers were counted twice. Note, too, that some states with more than one program have a different payment process for each program.)

- Forty-one states issue grant funds to companies, and the contract is always with a company.
- Twenty states, including Texas, issue grant funds to a community college or other training provider, though the contract may be with a company.
- Five states issue grant funds to an intermediary before the company or training provider receives them.
- Forty-four states, including Texas, issue grant funds as reimbursement during or after training.
- Nine states, including Texas, issue some or all of the grant funds before training is implemented.

## **Special Requirements**

(This list is a sampling of what can be found in the attached chart.)

- In California, trainees must complete all training and a 90-day retention period before the company can be reimbursed.
- In Indiana, funds cannot be used to assist retail, service, nonprofit, or start-up companies.
- In Michigan, local workforce development boards must sign off on all grant proposals.
- In Nebraska, new jobs must be created within one year and retained for at least two years following training under the program that targets new hires for training.
- In Tennessee, funds cannot be used for software training because of the rapid pace of change in technology.
- In Texas, funding cannot exceed \$500,000 for a single employer.
- In Wisconsin, training that is readily available through standard curricula at technical colleges is ineligible for funding.
- In Wyoming, a company must submit a resolution of support from the local economic development board if the training amount requested is more than \$5,000.

## **Special Features**

(Please see the attached chart for more information.)

- In Arkansas, a company is reimbursed through direct funding or income tax credits, depending on whether a public education institution or company employee provides the training.
- In Delaware, career ladder training for state employees is eligible for funding.
- In Idaho, companies sell a majority of their products or services out of state or outside the market area in which they are located to be eligible.
- In Maryland, “draw back” provisions require the return of state funds if the company does not meet job creation and retention goals.
- In North Dakota, one program requires companies to submit follow-up reports about trainees 90, 180, and 365 days after training.

- In Rhode Island, a tax collected with the UI tax funds three separate job training programs for employers.
- In Texas, top program goals include an equitable geographic distribution of funds and funding for consortia projects that reach small and medium-size firms.
- In Virginia, companies seeking a grant to train new hires must make a capital investment of at least \$1 million; grants for retraining current employees require lesser capital investments, which are based on company size.

Two 1999 reports provided valuable background information for this survey. A *Comprehensive Look at State-Funded, Employer-Focused Job Training Programs* by Regional Technology Strategies, Inc., was published by the National Governors' Association and financed by the U.S. Department of Labor. *State Financed and Customized Training Programs* was written by the KRA Corporation and submitted to the U.S. Department of Labor. Another useful resource is the September 2000 report, *Determining the Future of Smart Jobs: Critical Issues and Questions Surrounding Focus, Funding and Evaluation*, by the Texas Council on Workforce and Economic Competitiveness.

# State Survey Results

State Program, Contact Number	2002-2003 Funding	Funding Source, State Share	State Agency Administrator(s)	Application Process	Approval Process, Targeted Trainees	Payment Process	Special Requirement	Special Feature
Alabama Industrial Development Training Institute 334/242-4158	\$14.1 million	Education Trust Fund (general tax revenue); state pays 100% of training cost	Department of Postsecondary Education	All new and expanding companies are automatically eligible	Industrial Development Training Institute Council approves projects; all trainees are new hires	Company or training provider is reimbursed by the agency; all contracts are with the company	Grants cannot be used to fund training by union or employee organizations	Companies can choose to deliver training through 34 state mobile training units that travel to company sites
Alaska State Training and Employment Program (STEP) 907/465-2253	\$10.2 million	0.10% of revenue from unemployment insurance (UI) tax; state pays 100% of training cost	Department of Labor and Workforce Development	Companies, training providers, and individuals apply at one of seven regional offices	Agency commissioner selects employer projects based on recommendations of public/private review committee	Funds flow through regional offices to training providers before training begins; payments are not reimbursements	Employer projects must serve persons who could lose their jobs without additional skills	Number one program goal is to prevent future claims against unemployment benefits
Arizona Job Training Program 602/280-8134	\$13 million	0.10% of revenue from UI tax; state pays up to 75% of cost to train new hires and up to 50% of cost to train current workers	Department of Commerce	Company applies directly to agency	Agency director approves projects on a "first come, first served" basis until all funds are expended	Company receives funds quarterly to reimburse training provider	One company cannot receive more than \$1.25 million in two years	Unusual because there are few multifirm projects; most projects serve one employer
Arkansas Business and Industry Training Program 501/682-1121	\$2.2 million	General Fund; state pays a negotiated share of training cost	Department of Economic Development	Company applies directly to agency	Agency director approves projects; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Funding formula must consider location and type of company as well as salaries of new jobs	If a company hires a trainee following pre-employment training, the state helps to pay for the employee's on-the-job training

State Program, Contact Number	2002-2003 Funding	Funding Source, State Share	State Agency Administrator(s)	Application Process	Approval Process, Targeted Trainees	Payment Process	Special Requirement	Special Feature
Arkansas Existing Workers Training Program 501/682-1121	\$2 million	General Fund; state pays a negotiated share of training cost	Department of Economic Development	Company or consortium of companies applies at state educational institution	Agency governing board approves projects; all trainees are current workers	Company is reimbursed through direct funding or income tax credits, depending on whether a school or company employee provides the training	Direct funding and income tax credits for any one company site cannot exceed \$50,000 per calendar year	Ineligible companies become eligible for the program if they join a consortium of eligible companies
California Employment Training Panel 916/327-5261	\$76 million	0.10% of revenue from UI tax; companies must match grant with in-kind contributions such as trainee wages	Employment Training Panel (independent training agency)	Company applies at regional offices of Employment Training Panel or economic development agency	Agency governing board meets monthly to approve grants larger than \$100,000; program director approves smaller projects	Company receives funds to reimburse itself or other training provider	Trainees must complete all training and a 90-day retention period before the company can be reimbursed	Unexpended balances are reinvested in the program instead of going to the General Fund
Colorado Existing Industry Job Training Program 303/892-3840	\$1.1 million	General Fund; state pays up to 60% of training cost	Office of Economic Development; community college system	Company applies at local community college	Agency and community college system approve projects jointly; all trainees are current workers	Community college receives 85% of funds in advance to implement training or pay another training provider	Funds cannot be used to pay wages or a stipend to trainees	Jointly administered by governor's economic development office and community college system
Colorado FIRST Customized Job Training Program 303/892-3840	\$3.1 million	General Fund; state pays up to 60% of training cost	Office of Economic Development (in the governor's office); community college system	Company applies at local community college	Agency and community college system approve projects jointly; all trainees are new hires	Community college receives 85% of funds in advance to implement training or pay another training provider	Funds cannot be used to assist retail or tourist industries	Funds may be recovered by the state if job creation goals are not met

Connecticut Customized Job Training Program 860/263-6035	Not currently funded because of a budget shortfall; received \$2 million in 2001	General Fund; state pays 75% of training cost	Department of Labor	Company applies at one of nine regional offices	Regional office staff approves grants	Training provider is reimbursed by regional office	Funding to each region is based on the number of employers and labor market needs	Staff's last day was January 17, 2003
Delaware Blue Collar Training Fund 302/739-4271	\$1 million	Assessment of 0.15% on first \$8,500 of employee's wages subject to UI tax; state pays 50% of training cost	Economic Development Office	Company applies directly to agency	Agency director approves projects; all trainees are blue-collar and first-level supervisory employees	Company receives 50% of funds in advance and 50% after training is completed	Grants cannot exceed \$100,000 per contract	Career ladder training for state employees is eligible for funding
Florida Quick Response Training 850/921-1119	\$6 million	General Fund; state pays a negotiated share of training cost	Workforce Florida (workforce agency with a public/private governing board)	Company applies through local education institution to Workforce Florida	Workforce Florida staff approves projects; all trainees are new hires (federal funds are used to train current workers)	Funds flow through technical center, university, or community college to the company	Companies cannot apply more than once every two years for training at the same site	Applications for funding are approved in three to five days
Georgia Quick Start Program 404/679-2922	\$14 million	General Fund; state pays 100% of training cost	Department of Technical and Adult Education	Company applies at local technical college	No competitive approval process; all trainees are new hires	All grants are in the form of direct training, much of it by state employees	Eligible companies must create at least 15 new jobs	Companies receive state assistance to train new hires and a tax credit for training current workers
Hawaii Employment and Training Program 808/586-8838	\$4 million reduced to \$800,000 in 2002-2003 because of budget shortfall	Assessment of 0.01% on wages subject to UI tax; state pays 50% of training cost	Department of Labor and Industrial Relations	Business associations and other multi-employer groups apply directly to agency	Agency director approves projects quarterly based on recommendations of county advisory committees composed of private sector representatives	Company receives first payment in advance of training and the rest as reimbursement for training provider	Company must file monthly reports during training to be reimbursed	One of several states to authorize training funds for retail industries and to use the private sector to help select projects

State Program, Contact Number	2002-2003 Funding	Funding Source, State Share	State Agency Administrator(s)	Application Process	Approval Process, Targeted Trainees	Payment Process	Special Requirement	Special Feature
Idaho Workforce Development Training Fund 208/332-3570	\$2.3 million	3% of revenue from UI tax; state pays a negotiated share of training cost	Department of Commerce; Department of Labor	Company applies to Department of Labor	Commerce and labor agencies approve projects jointly	Company receives funds to reimburse itself or other training provider	Adult basic education and English-as-a-second-language training must be coupled with skills training	Eligible companies sell a majority of their products or services out of state or outside the market area in which they are located
Illinois Employer Training Assistance Program 312/814-2639	Not currently funded because of a budget shortfall; expected to be restored in FY 2004	General Fund; state pays up to 50% of training cost	Prairie State 2000 Authority (independent training agency)	Small and medium-size firms apply to Prairie State 2000 Authority	Authority board approves projects; all trainees are current workers	Company receives funds to reimburse itself or other training provider	Grants cannot exceed \$1,500 per trainee	Training agency was abolished effective December 31, 2002, but funding is expected to be restored as of July 1, 2003
Illinois Individual Training Assistance Program 312/814-2639	Not currently funded because of a budget shortfall; expected to be restored in FY 2004	General Fund; state pays up to 50% of training cost	Prairie State 2000 Authority	Individuals, employers, and training providers apply to Prairie State 2000 Authority	Authority board approves projects	Community college or other approved training provider receives vouchers from Prairie State	Grants cannot exceed \$1,000 per trainee over a two-year period	One of several states that issue vouchers to education institutions for job training
Illinois Industrial Training Program 217/785-6284	\$21 million	General Fund; state pays up to 50% of training cost	Department of Commerce & Community Affairs	Large firms apply directly to agency	Agency director approves projects based on recommendations of internal review committee	Company receives 50% of grant in advance of training and 50% after training is completed	Company must submit a training impact evaluation within 60 days of project's completion	Unusual because trainee wages are eligible for reimbursement
Indiana Advance Indiana (Skills 2016) 317/233-5724	\$7 million	0.01% of revenue from UI tax plus UI penalty and interest revenue; state pays 100% of training cost	Department of Workforce Development	Company applies at regional office or on-line	Most grants require approval of the Indiana Unemployment Insurance Board; all trainees are current workers	Company, community college, or workforce board is reimbursed by the agency	Grants cannot exceed \$200,000 per project	One of three states with different agencies administering separate job training programs for employers

Indiana Skills Enhancement Fund 317/232-8888	\$26 million	General Fund; state pays up to 50% of training cost	Department of Commerce	Manufacturing or distribution company applies directly to agency	Agency director approves projects	Company receives funds to reimburse itself or other training provider	Funds cannot be used to assist retail, service, nonprofit, or start-up companies	Businesses that receive training assistance must continue operating at the location for five years or repay the grant
Iowa Industrial New Jobs Training Program 515/242-4867	\$54 million	Bonds that community colleges sell and repay through increases in property or state income tax withholding from the benefiting companies	Department of Economic Development; community college system	Company applies at local community college	Agency approves projects, and community colleges manage them; all trainees are new hires	Company receives funds from community college to reimburse training provider	Funds cannot be used to assist retail, health, or service industries	Iowa is allowed by federal law to use tax-exempt bonds to finance job training
Iowa Jobs Training Program 515/242-4867	\$8 million	Bonds that are repaid using state income tax withholding generated by the new jobs over a 10-year period; company must match 25% of grant if it is more than \$5,000	Department of Economic Development; community college system	Company applies at local community college	Agency approves projects, and community colleges manage them; all trainees are current workers	Community college reimburses company for training at business site	Grants cannot exceed \$50,000 over a three-year period	State with two programs jointly administered by economic development agency and community college system
Kansas Industrial Retraining (KIR) Program 785/296-5298	\$3.6 million	Lottery proceeds; state pays up to 50% of cost	Department of Commerce and Housing	Company applies directly to agency	Internal review committee approves projects; all trainees are current workers	Company submits documentation monthly or quarterly for reimbursement	Tourism industry can receive funding, but activities must attract mainly out-of-state tourists	Three different programs for assisting large firms, training new hires, and training current workers are at the same agency

<b>State Program, Contact Number</b>	<b>2002-2003 Funding</b>	<b>Funding Source, State Share</b>	<b>State Agency Administrator(s)</b>	<b>Application Process</b>	<b>Approval Process, Targeted Trainees</b>	<b>Payment Process</b>	<b>Special Requirement</b>	<b>Special Feature</b>
Kansas Industrial Training (KIT) Program 785/296-5298	\$3.6 million	Lottery proceeds; state pays up to 100% of cost	Department of Commerce and Housing	Company applies directly to agency	Program manager awards grants on a "first come, first served" basis beginning July 1; all trainees are prospective or new hires	Company submits documentation monthly or quarterly for reimbursement	Eligible companies must add at least one new job that pays at least \$8 per hour	Projects that propose to use education institutions as training providers receive preferential treatment in the approval process
Kansas Investments in Major Projects and Comprehensive Training (IMPACT) 785/296-5298	\$15.5 million	Bonds that are repaid using state income tax withholding generated by the new jobs over a 10-year period; most grants are matched by the company	Department of Commerce and Housing	Large company or a public education institution applies to agency	Governor's Council on Work Force Training and Investment approves projects based on agency recommendations	Company submits invoices to education institution for reimbursement	Total grants awarded cannot exceed available tax revenue to repay bonds	Training projects create at least 100 new jobs (typical) or train at least 250 workers (required); eligible firms also make at least \$50 million in capital investments
Kentucky Grant-in-Aid Program 502/564-2021	\$3 million	General Fund; state pays up to 50% of training cost	Cabinet for Economic Development; Cabinet for Workforce Development	Company applies to independent Bluegrass State Skills Corp., public, nonprofit hospitals are also eligible to apply	Bluegrass Corp. governing board of public and private representatives approves projects monthly	Company receives funds to reimburse itself or other training provider	All payments must be supported by documentation that is capable of being audited	Independent board of public and private sector representatives approves projects
Louisiana Incumbent Worker Training Program 225/342-7633	\$100 million	Percentage of UI tax if fund is over \$1.4 billion; state pays up to 90% of training cost	Department of Labor	Company and training provider apply at agency regional office; preference is given to public training providers	Final approval is granted by the governor based on recommendations of agency staff and secretary of labor; all trainees are current workers	Training provider is reimbursed by the agency	Eligible company or companies must have at least 15 employees to be trained and have paid UI taxes for at least three years	Preference is given to companies that hire former inmates or welfare recipients and that donate to community or technical schools

Louisiana Workforce Development and Training Program 225/342-5375	\$2.5 million	Percentage of fees the state pays to vendors that collect state sales taxes; state pays 100% of training cost	Department of Economic Development	Company applies directly to agency	Economic Development Council of public/private representatives approves projects; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Funds cannot be used to assist trucking, retail, gaming, or hospitality industries	Unique funding mechanism—vendor compensation fees
Maine Governor's Training Initiative 207/624-6430	\$6 million	General Fund; state pays up to 50% of training cost	Department of Labor; Department of Economic and Community Development	Company applies to Department of Labor	Interdepartmental review team approves projects every two weeks	Company receives funds to reimburse itself or other training provider	Eligible companies must contribute at least 50% of the cost of employee health insurance	Administered jointly by two state agencies with no direct connection to the governor; the state also offers free training at local technical colleges
Maryland Industrial Training Program 410/767-0511	\$9.4 million	General Fund; state pays up to 100% of training cost	Department of Business and Economic Development	No application process; offered as an incentive to new and expanding manufacturing, technology companies	Projects are approved at the discretion of the secretary of business and economic development; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Funds can be used only for new and expanding businesses in the state	"Draw back" provisions require the return of funds to the state if the company does not meet job creation and retention goals
Maryland Partnership for Workforce Quality 410/767-3376	\$6 million	General Fund; state pays up to 50% of training cost	Department of Business and Economic Development	Small and medium-size companies apply at agency regional offices	External review committee approves projects; all trainees are current workers	Company receives funds to reimburse itself or other training provider	Funds cannot be used to provide preemployment and immediate post-hire training	One of several states with separate job training programs at the same agency for new hires and current workers
Massachusetts Workforce Training Fund 617/727-6573 800/252-1591	\$18 million	0.75% of revenue from UI tax; state pays up to 50% of training cost	Department of Labor and Workforce Development	Company or training provider applies directly to agency	Advisory committee of business and labor representatives approves projects based on staff recommendations	Grantee receives 25% of grant before training, 50% during training, and 25% on receipt of final report	"General" grants cannot exceed \$250,000, and "express" grants cannot exceed \$15,000	Two different grants are offered for long-term and short-term job training

<b>State Program, Contact Number</b>	<b>2002-2003 Funding</b>	<b>Funding Source, State Share</b>	<b>State Agency Administrator(s)</b>	<b>Application Process</b>	<b>Approval Process, Targeted Trainees</b>	<b>Payment Process</b>	<b>Special Requirement</b>	<b>Special Feature</b>
Michigan Economic Development Job Training 517/373-6508	\$30 million in 2002, reduced to \$13.5 million in 2003	General Fund; state pays 100% of cost to train new hires and up to 75% of cost to train current workers	Economic Development Corporation	Company submits Notice of Intent, and training provider submits training plan	Program staff approves projects on a "first come, first served" basis until funds are expended	Community college or other training provider is reimbursed by the agency	Local workforce development boards must sign off on all grant proposals	State agency's sole mission is business development, and it is established as a corporation, not a traditional government agency
Minnesota Job Skills Partnership 651/282-9829	\$17 million	General Fund; state pays up to 50% of training cost	Department of Trade and Economic Development	Company and community college submit joint application to agency	Partnership board of public and private representatives approves projects	Community college or other educational institution is reimbursed by the agency	Educational institutions must provide all training	Grantees are all accredited, public or private colleges and universities
Mississippi Workforce Education Program 601/432-6518	\$24 million	General Fund; state pays a negotiated share of training cost	State Board for Community and Junior Colleges	Community college submits application to the board on behalf of a company	State board approves projects, and community colleges manage them	Community college receives funds to reimburse itself or other training provider	Companies with unfunded projects are offered an income tax credit for job training	Community colleges solicit and initiate projects in their districts
Missouri Community College New Jobs Training Program 573/526-8254 800/877-8698	\$32 million	Bonds sold by community colleges and purchased by benefiting companies; bonds are retired using a portion of state income tax withholding generated by the new jobs for up to 10 years	Department of Economic Development; community college system	Community college submits application to the agency on behalf of a company	Agency and local community college board approve projects; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Wages of new jobs should be at least \$15 per hour	Program is described as a balancing act among agencies for economic development, community colleges, tax collection, and budget writing

Missouri Customized Training Program 573/526-8254 800/877-8698	\$18 million	General Fund; state pays 50% of training cost	Department of Economic Development	Company applies to agency in conjunction with local community college	Program staff approve projects	Company receives funds to reimburse itself or other training provider	Only classroom training is funded currently (no on-the-job training because of budget shortfall)	Appropriated amount is not the amount released for projects if the budget is tight
Montana	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nebraska Customized Job Training 402/471-3780	\$1.2 million	General Fund; state pays 100% of training cost	Department of Economic Development	Company applies directly to agency	Internal review committee approves projects; most trainees are new hires	Company receives funds to reimburse itself or other training provider	Jobs must be created within one year and retained for at least two years following training	Companies can use grant funds to pay 50% of trainees' wages
Nebraska Worker Training Program 402/471-9977	\$3.7 million	Interest on the Unemployment Insurance Trust Fund; state pays up to 50% of training cost	Department of Labor	Company submits application to public/private Worker Training Board	Worker Training Board approves projects quarterly; all trainees are current workers	Company receives funds to reimburse itself or other training provider	Companies must contribute to the Unemployment Insurance Trust Fund; nonprofits can partner with these companies	For purposes of eligibility, "current worker" is defined as someone on the payroll for at least 90 days
Nevada Train Employees Now 775/687-4325	\$1 million	General Fund; state pays up to 75% of training cost	Commission on Economic Development	Company submits application in conjunction with local community college	Agency board approves projects	Community college is reimbursed by the commission	Grants cannot exceed \$1,000 per trainee	Companies must commit to remaining in Nevada for five years to receive incentives
New Hampshire Job Training Program for Economic Growth 603/271-6663	\$2 million	0.10% of revenue from UI tax; state pays up to 50% of training cost	Department of Employment and Security; Community and Technical College System	Company applies at Center for Training and Business Development at local community college	Public/private review committee approves projects	Company receives funds to repay community college or other training provider	All projects must include a method for evaluating the program and trainees after training	Legislators are on the review committee that approves projects
New Jersey Customized Training 609/292-2239	\$71 million	Assessment of 0.10% on employers and 0.025% on employees; state pays up to 50% of training cost	Department of Labor	Company submits budget, then training plan to the agency	Commissioner of labor approves projects	Company receives funds to reimburse itself or other training provider	Funds cannot be used to provide training course development	Funds can be used to partially reimburse the wages of workers in training

<b>State Program, Contact Number</b>	<b>2002-2003 Funding</b>	<b>Funding Source, State Share</b>	<b>State Agency Administrator(s)</b>	<b>Application Process</b>	<b>Approval Process, Targeted Trainees</b>	<b>Payment Process</b>	<b>Special Requirement</b>	<b>Special Feature</b>
New Mexico Industrial Development Training Program 505/827-0238	\$10 million	General Fund; state pays up to 50% of training cost	Economic Development Department	Manufacturing or exporting firm applies to public/private Industrial Training Board at the agency	Industrial Training Board approves projects; all trainees are new hires	Company or other training provider is reimbursed using a formula that accounts for wages, hours, and company location	Trainees must have been New Mexico residents for at least one year	Reimbursement rate is 50% of trainees' hourly wages multiplied by the number of training hours; companies in rural, distressed areas receive a higher rate
New York Strategic Training Alliance Program (STRAP) 518/292-5112 800/782-8369	\$34 million over three years, 2000-2003	General Fund; state pays up to 50% of training cost	Empire State Development (economic development agency); Department of Labor	Company, employer consortium, or local workforce board applies at a regional office of either agency	Public/private Empire State Board approves projects; all trainees are current workers	Company or other applicant receives funds to reimburse training provider	State must receive final report before applicant can receive final reimbursement	New York gives priority to addressing skilled worker shortages in existing industries
North Carolina Customized Training and Development Program 919/715-3300	\$2 million	General Fund; state pays 100% of training cost	Department of Commerce; community college system	Company applies at local community college	Community college system approves projects; all trainees are new hires	Community college receives funds to reimburse itself or other training provider	Eligible projects must create at least 12 new jobs in technical, manufacturing, or distribution industries	Job training tax credit gives companies credit for trainees' wages
North Carolina Focused Industrial Training 919/715-3300	\$3.2 million	General Fund and interest on Unemployment Insurance Trust Fund; state pays 100% of training cost	Department of Commerce; community college system	Company applies at local community college	Community college system approves projects; all trainees are current workers	Community college receives funds to reimburse itself or other training provider	Only for training programs with high technical costs or very low trainee numbers	Each community college is allotted funds based on the number of manufacturing workers in its service area and can request additional funds

North Dakota New Jobs Training Program 701/328-3358	Not appropriated by legislature; state funding estimated at \$2 million in 2002-2003	Captured state income tax withholding generated by the new jobs for up to 10 years; state pays 100% of training cost	Job Service North Dakota (economic development agency)	Company applies to Job Service North Dakota	Companies that meet job creation and wage requirements receive automatic approval; all trainees are new hires	Company receives reimbursement in the form of state income tax withholding from wages paid to new hires	If the company uses an in-house trainer, the reimbursement rate is 60% instead of 100%	Companies secure a bank loan or repayable local grant or use their own funds to provide training and then are reimbursed by the state once the new jobs generate withholding funds
North Dakota Workforce 2000 Program 701/328-3358	\$2.1 million	General Fund; state negotiates share of training cost	Job Service North Dakota	Company applies to Job Service North Dakota	Agency approves projects based on a public/private advisory committee's recommendations	Company receives funds to reimburse outside training provider	Funds cannot be used to provide trainee salaries, in-house trainers, or equipment and software purchases	Companies submit follow-up reports about trainees 90, 180, and 365 days after training
Ohio Investment Training Program 614/466-4155	\$22 million	General Fund; state pays up to 50% of training cost	Department of Development	Company applies at agency regional office	Agency director approves projects based on regional staff recommendations	Company receives funds to reimburse itself or other training provider	Eligible companies must make large capital investments	Central office administers projects, and regional offices manage them
Oklahoma Training for Existing Industry 405/815-5110	\$3.6 million	General Fund; state pays 100% of training cost	Department of Career and Technology Education	Company applies at one of 54 technology centers	Agency approves projects based on recommendations of local technology centers; all trainees are current workers	Vocational school or other training provider is reimbursed by the agency	Must be used to upgrade skills of current workers	State funds flow through the vocational and technical school system, but companies do not have to use the system to provide training
Oklahoma Training for Industry Program (TIP) 405/815-5110	\$7.7 million	General Fund; state pays 100% of training cost	Department of Career and Technology Education	No application process; offered to new and expanding companies as funds allow	No approval process; new and expanding companies have automatic access to the program, and all trainees are new hires	Vocational school or other training provider is reimbursed by the agency	Companies must pay at least 50% of employee health insurance premiums	Intended to serve companies that bring new dollars to the state

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Oregon Industry Workforce Training Program 503/986-0207	Up to \$1.4 million	Lottery proceeds; state pays 50% of training cost	Economic and Community Development Department	Company or trade association applies directly to agency	Agency staff approves projects; trainees can be new hires or current workers	Company or other training provider receives funds before or after training, depending on the contract	Employers must provide a cash match and in-kind services to demonstrate commitment to workforce development	Funded through the Governor's Strategic Reserve, which is flexible and composed of lottery proceeds
Oregon Targeted Training Program 503/986-0207	Up to \$1.4 million	Lottery proceeds; state pays 50% of training cost	Economic and Community Development Department	Local community college submits application on behalf of company	Agency approves projects; trainees can be new hires or current workers	Community college is reimbursed by the agency and provides all training	All projects must be collaborations between a company and a community college	Unusual because the state has two programs and both train new hires and current workers
Pennsylvania Critical Job Training Program 717/787-3003	\$25 million	Pooled general revenue funds from the budgets of five state agencies; state pays 75% of training cost	Department of Community and Economic Development	Businesses and public agencies that provide workforce services apply to agency	Interagency review committee of economic development, labor, aging, education, and human services agencies approves projects every two weeks	Company or other applicant receives funds to reimburse itself or other training provider	Projects must assist dislocated workers or help to fill high-demand jobs	Part of governor's Rapid Response Team; a majority of grants went to the health care industry in 2001
Pennsylvania Customized Job Training Program 717/787-3003	\$37.5 million	General Fund; state pays up to 75% of training cost	Department of Community and Economic Development	Company applies at agency customer service center	Two internal review committees approve projects	Company, technical college, or other training provider is reimbursed by the agency	Jobs must pay more than 150% of minimum wage	Among the first programs to offer advanced technology and business training on-line
Rhode Island Employee Investment Grant Program 401/222-2601	\$2.4 million	Assessment of 0.15% on wages subject to UI tax; UI tax reduced by same amount	Economic Development Corporation	Company applies to public/private Human Resources Investment Council	Council review committee approves projects until funds are expended; all trainees are current workers	Company receives funds to reimburse itself or other training provider	Grants cannot exceed \$10,000 per project	Unusual because trainee wages are eligible for reimbursement

Rhode Island Excellence Through Training Grant Program 401/222-2601	\$3 million	Assessment of 0.15% on wages subject to UI tax; UI tax reduced by same amount	Economic Development Corporation	Company applies to public/private Human Resources Investment Council	Council review committee approves projects once per year	Company receives funds to reimburse itself or other training provider	Projects must pay at least 150% of the state's minimum wage	One of the smallest states has three job training programs funded by a dedicated training tax
Rhode Island Job Creation Grant Program 401/222-2601	\$2 million	Assessment of 0.15% on wages subject to UI tax; UI tax reduced by same amount; state pays 50% of training cost	Economic Development Corporation	Company applies to public/private Human Resources Investment Council	27-member council approves projects; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Eligible companies must pay UI taxes	Unusual because funding for the program to train new hires is less than that for training current workers
South Carolina Accelerated Technology Training Program 803/896-5334	\$4.7 million	General Fund; state pays 100% of training cost	State Board for Technical and Comprehensive Education	Company applies at local technical college	No competitive approval process; every manufacturing company creating new jobs is eligible; all trainees are new hires	Training provider is reimbursed by the agency	Jobs must provide comprehensive benefits	All training and curricula are company-specific
South Dakota Workforce Development Program 605/773-5032	\$4 million	Assessment of 0 to 0.07% based on unemployment experience rating and collected with UI tax; state pays 100% of training cost	Governor's Office of Economic Development (not within governor's office)	Company applies directly to economic development office	Interagency review committee of economic development, education, and labor agencies approves projects	Company receives funds to reimburse itself or other training provider	Participating companies must submit a follow-up report that evaluates each trainee	One of the few programs that allocates more funds to non-manufacturing firms (i.e., credit card companies and call centers) than to manufacturing firms
Tennessee Industrial Training Service 615/532-8898	\$8 million	General Fund; state pays up to 100% of training cost	Department of Economic and Community Development	Company applies on-line or at agency regional office or local college	Internal loan/grant board approves projects; all trainees are new hires	Company receives funds to reimburse itself or other training provider	Funds cannot be used for software training because of the rapid change in technology	Companies receive training assistance until projected number of new jobs is reached

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Tennessee TN Job Skills Program 615/532-8898	Not currently funded because of low UI fund balance; normally receives \$22 million annually	0.15% of revenue from UI tax if fund balance is at least \$750 million; state pays negotiated share of training cost	Department of Economic and Community Development	Company applies on-line or at agency regional office, local college	Internal loan/grant board approves projects; most trainees are current workers	Company receives funds to reimburse itself or other training provider	At least 70% of funds must be used to assist in-state companies that pay UI taxes	Employers propose the curriculum for each project
Texas Skills Development Fund 512/463-8844	\$25 million	General Fund; state pays 100% of training cost	Workforce Commission	Company or consortium of companies applies at local community college	Program staff award grants year-round	Community college receives 25% of funding on grant approval, 25% more halfway, 25% more at completion, and final 25% when new jobs are verified	Funding cannot exceed \$500,000 per single employer	Top program goals include an equitable geographic distribution of funds and funding for consortia projects that reach small and medium-size firms
Utah	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vermont Training Program 802/828-5235	\$1 million	General Fund; state pays up to 50% of training cost	Department of Economic Development	Manufacturing company applies at agency regional office or through governor's office	Program director approves projects	Company receives funds monthly to reimburse itself or other training provider	All trainees must be factory workers, and the minimum eligible wage is \$9.50 per hour	Many requests for funding come through the governor's office, according to the staff
Virginia Retraining Program 804/371-8120	Flexible portion of \$9.8 million based on demand	General Fund; state pays up to 50% of training cost	Department of Business Assistance	Company applies directly to agency	Program director approves projects; all trainees are current workers	Company receives funds to reimburse itself or other training provider	Each project must upgrade at least 10 jobs; retail industry is ineligible	Companies seeking a grant to train current workers make a capital investment of \$500,000, or \$100,000 if a small business

Virginia Workforce Services Program 804/371-8120	Flexible portion of \$9.8 million based on demand	General Fund; state pays up to 100% of training cost	Department of Business Assistance (under secretary of commerce and trade)	Company applies directly to agency	Program director approves projects; all trainees are new hires	Company is reimbursed 90 days after new hires are put on the payroll	Eligible companies must meet capital investment requirements	Companies seeking a grant to train new hires make a capital investment of at least \$1 million
Washington State Job Skills Program 360/704-4339	\$1.2 million	General Fund; state pays up to 50% of training cost	State Board for Community and Technical Colleges	Company applies at local community or technical college	Board approves projects based on recommendations of business and labor advisory group	Community college or other training provider is reimbursed by the board	Company must coordinate with local workforce center to find new hires	Projects in high-unemployment areas and from groups of employers receive preference in the approval process
West Virginia Governor's Guaranteed Work Force Program 304/558-2234	\$6.8 million	General Fund; state pays up to 100% of training cost	Development Office (within governor's office)	Company applies directly to agency; state technical writers help companies with applications	Agency director approves projects	Company receives funds to reimburse itself or other training provider	Grants cannot exceed \$1,000 per trainee	Tourism and service industries are eligible for grants if companies have strong economic impact
Wisconsin Customized Labor Training Program 608/266-9884	\$9 million	General Fund; state pays up to 50% of training cost	Department of Commerce	Company applies through agency regional staff members who conduct a site visit and draft a preliminary application	Public/private Development Finance Board approves projects monthly based on recommendations of secretary of commerce	Company receives funds to reimburse itself or other training provider	Training that is readily available through standard curricula at technical colleges is ineligible for funding	One of a few states where 100% of trainee wages are eligible for reimbursement
Wyoming Workforce Development Training Fund 307/235-3294	\$2 million	Interest on the Unemployment Insurance Trust Fund plus general revenue; state pays a negotiated share of training cost	Department of Workforce Services	Company applies directly to agency	Agency director approves projects based on staff recommendations	Company receives 75% of grant before training; 25% is retained until 90 days after training is complete	Company must submit a resolution of support from local economic development board if amount requested is over \$5,000	Rules were changed in 2001 to allow nonprofit companies to participate

