

Michigan Strategic Fund Workforce Development Agency **Skilled Trades Training Fund**

Background

While Michigan's economy continues to gain momentum, there is still a challenge for companies to find the talent they need. To address this issue, the Governor recommended and the Legislature supported the creation of the Skilled Trades Training Fund (STTF). In its second year, the STTF continues to focus on assisting companies in meeting their talent challenges.

The STTF provides competitive awards for employer responsive training that enhances talent, productivity, and employment retention, while increasing the quality and competitiveness of Michigan's businesses. The STTF ensures Michigan's employers have access to 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 (MWAs), economic development, and educational partners are essential to achieve demand-driven training that addresses talent shortages hampering the growth of Michigan's priority industries.

The STTF may be used to fill any documented skill mismatch that currently exists in Michigan, including but not exclusively limited to skilled trade occupations. Examples of skilled trade occupations in Michigan can be found in the [Employment and Occupations in the Skilled Trades in Michigan Report, issued June 2013](#), by the State of Michigan's Department of Technology, Management, and Budget, Bureau of Labor Market Information and Strategic Initiatives.

Allowable Training

Training programs funded by the STTF must fill a demonstrated talent need experienced by an eligible business. The training must lead to a credential for a skill that is transferable between employers within an industry, and lead to permanent full-time employment or continued permanent full-time employment (the individual must obtain a credential or skill that will allow them to gain or retain employment, for example, a certificate in welding or on-site training on a specific job, i.e., robotic technician).

Examples of allowable training include:

- Classroom
- On-site training – for individuals to be hired
- U.S. Department of Labor (USDOL)/Veterans Administration (VA) Registered Apprenticeships – for new apprentices only

The cost of the training maximum is \$1,500 per trainee, with the exception of apprentices, which is \$3,000 per trainee. The actual approved amount for allowable training activities will be determined on a case-by-case basis.

Training Duration

Funding will be utilized to provide short-term training (three months or less) to meet current, documented needs of businesses. The exception to the three months is apprenticeship training.

Funding Awards

Funding for approved classroom training can be paid to the business, or to the training institution, at the completion of training. In cases of STTF-supported on-site training of individuals to be hired, payments for wage reimbursement will be to the business, consistent with approved documentation of the eligible costs. Payment may be requested six months after the completion of training. Payment amounts will be according to the following schedule:

- 50 percent reimbursement earned once the employee has retained employment for 60 days, following training completion;
- 75 percent reimbursement earned once the employee has retained employment for 90 days, following training completion;
- 100 percent reimbursement earned once the employee has retained employment for 180 days, following training completion.

Five percent of an award may be used by the MWA for administrative costs, which include leading the fact-finding session, the identification of other allowable funding sources, wrap-around services, the tracking and reporting of project outcomes, and follow-up activities. Administrative costs are paid at training completion and retention.

Anticipated Program Outcomes

The STTF program benefits businesses and the state by sustaining and expanding economic recovery and reducing unemployment levels.

Specific trainee goals:

- Jobs Created–1,500
- Jobs Retained–3,500
- Training Completion Rate–75%
- Employment Rate Following Training Completion–80%
- Employment Retention Rate at Six Months–70%
- Hourly Wage at Six Months–\$13.95

Visit our website at www.michigan.gov/wda for more information and a list of contacts for STTF.