

**BLUEGRASS STATE SKILLS CORPORATION
GRANT-IN-AID GUIDELINES FOR CUSTOMIZED
BUSINESS AND INDUSTRY TRAINING
FY 2011-2012**



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INTRODUCTION

The Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly of the Commonwealth of Kentucky as an independent, de jure corporation to stimulate economic development through customized business and industry-specific skills training programs. The BSSC works with business and industry and Kentucky's educational institutions to establish programs of skills training. The BSSC is attached to the Cabinet for Economic Development for administrative purposes, in recognition of the relationship between economic development and skills training efforts.

An eighteen-member Board of Directors, including representatives of business, government, education, and labor governs the BSSC. The Board is made up of private sector individuals as well as public officials. The public officials, who serve as ex-officio members on the Board include the Secretaries of the Cabinet for Economic Development, Education Cabinet, and Labor Cabinet, as well as the President of the Council on Post-secondary Education, the President of the Kentucky Community and Technical College System, and the Commissioner of the Department of Workforce Investment.

The purpose of the BSSC is to improve and promote employment opportunities for the residents of the Commonwealth through agreements for skills training programs.

The BSSC's four main functions are:

- ◆ To administer and fund Kentucky's customized business and industry-specific training efforts through agreements for Grant-in-Aid and Skills Training Investment Credit projects that are approved by the BSSC Board of Directors;
- ◆ To act as a broker by coordinating the resources of providers of skills training and employment services;
- ◆ To facilitate the creation of public/private partnerships through education and training programs designed to meet unfilled training needs of individual and multiple company (training consortia) training projects; and
- ◆ To administer any special state appropriations for customized business and industry-specific training.

APPLICATION SUBMISSION AND BOARD MEETING SCHEDULE

The schedule for submission date deadlines of tax credits and grant applications and BSSC Board of Directors meetings are as follows:

Submission Deadline.....	Board Meeting Date
June 15, 2011	July 27, 2011
August 15, 2011	September 28, 2011
October 15, 2011	December 7, 2011
December 15, 2011	January 25, 2012
February 15, 2012	March 28, 2012
April 15, 2012	May 30, 2012

The BSSC reserves the right to schedule, reschedule, or cancel a board meeting.

EFFICIENCY STATEMENT

The Bluegrass State Skills Corporation continuously strives to be a good steward of the precious resources that are provided by the Commonwealth to meet its mandate to create economic opportunity. Given the current budget constraints placed on Kentucky state government, we realize the ever-increasing importance of ensuring that the resources entrusted to BSSC are used in the most efficient and effective manner. Therefore, BSSC strongly encourages applicant companies/consortia to shop around within the training provider community to confirm that the services they are soliciting are of the greatest value. In addition, although our customers ultimately have the final word in choosing their preferred provider, BSSC reserves the right to require the solicitation of three or more quotations for service when appropriate.

LENGTH OF AGREEMENT

Regular grant-in-aid agreements shall be one (1) year in length from the approved start date. **Regular grant-in-aid applications shall not contain any retroactive training.**

Cabinet commitment grant-in-aid agreements may contain no more than 25 percent retroactive training and shall be limited to activities that occurred no more than 60 calendar days prior to the company's acceptance of proposal by the Secretary of the Cabinet for Economic Development. The end date of commitment grant agreements shall coincide with the end date of the cabinet commitment of BSSC funds and the commitment company's obligation to hire and train a specific number of Kentucky residents, pursuant to the approval of the Secretary of the Cabinet for Economic Development.

EMPLOYMENT THRESHOLD

The 1990 General Assembly of the Commonwealth of Kentucky stipulated that the BSSC establish an employment threshold requirement with pay back provisions for skills training agreements. All applicant companies shall certify what their employment threshold of regular full-time and prospective employment of Kentucky residents will be upon the completion of their training agreement. The employment threshold shall be equal to 100 percent of this total. If the employment threshold is not achieved upon completion of the training agreement an appropriate pro-rata reduction in cost reimbursement shall be made. Therefore, if the applicant company's workforce included one hundred (100) Kentucky residents, its employment threshold would be 100. If its employment of Kentucky residents drops by 50 percent to 50 employees upon the completion of the training agreement, its maximum reimbursement would be reduced by 50 percent.

A pro-rata reduction of the cost reimbursement may not be required if the company/consortium's failure to achieve its employment threshold is caused by an event beyond the control of the company/consortium as documented in writing to and approved by the BSSC Executive Committee. An event beyond the control of the company includes, but is not limited to, riots, actions of governmental authorities, acts of God, acts of the public enemy, transportation or supply shortages which are a result of some industry-wide condition, labor strikes, or other work stoppages.

FUNDING CAPS

It is the intent of the BSSC to provide for the equitable distribution of BSSC funds to all eligible companies with special attention to the needs of small companies and training consortia. Therefore, the following funding caps have been established:

- ◆ Applications written for less than \$2,500.00 will not be accepted for the Board's review
- ◆ The maximum grant amount that an individual company may receive is:
 - ◆ \$25,000 (1 to 499 KY resident full time employees); or
 - ◆ \$50,000 (500 or more KY resident full time employees)
- ◆ A consortium may receive a grant up to a maximum of \$75,000.
- ◆ All applications are further limited based upon a calculation of the total number of trainees multiplied by \$2,000.
- ◆ The average training cost per trainee in any single training activity shall not exceed \$2,000. (Single training activity is defined as Classroom Training; On-the-Job Training; Tuition; Certification, Licensing, and Trainer Development; Innovative Training Techniques; Individual Assessment; Job Analysis; and Train-the-Trainer Travel).
- ◆ Funding caps for cabinet commitment projects are limited to the amount of the financial commitment authorized by the Secretary of the Cabinet for Economic Development. Cabinet commitment companies will only be eligible to apply under BSSC's regular grant process when new jobs are created, beyond the original commitment level, or for skills upgrade training not provided for existing employees under the original commitment.

Unused Funds: Approved companies shall notify the BSSC if they find they are unable to use all or a portion of the funds that have been set aside for them. These unused funds will then be reallocated. Companies that act responsibly in this manner are in no way penalized when applying for future BSSC funding.

ELIGIBLE FIRMS

Eligible BSSC firms are separated into three categories: manufacturing, non-manufacturing and public or non-profit hospitals. Only when specific funds for grants-in-aid to retail businesses are appropriated by the General Assembly will retail establishments be eligible to apply. At this time, no funds have been appropriated by the General Assembly. Therefore, retail establishments are not eligible. Any firm, company, consultant, or institution whose primary business is to provide training or training consultation for a fee is not eligible for BSSC grant funds.

- ◆ **Manufacturing Firms** - Any Kentucky manufacturing firm is eligible for BSSC funding.
- ◆ **Non-Manufacturing Firms** - The BSSC also provides training funds for Kentucky's non-manufacturers that have an "economic development impact." Non-Manufacturing firms may include headquarter operations as defined in KRS 154.24-010 (19). A non-manufacturer is considered to have met the definition of an "economic development impact" if the majority of the firm's income for services provided or items distributed is generated from outside of Kentucky based on the previous year's annual audited revenue. In the case of a headquarter operation, the majority of services provided must be for facilities located outside the State of Kentucky. The application for a non-manufacturing firm or headquarter operation must address this point in order to be deemed eligible for BSSC funding.
- ◆ **Public or Non-Profit Hospitals** - Public or non-profit hospitals licensed by the Commonwealth of Kentucky are eligible BSSC applicants.

Consortia: The BSSC Board of Directors promotes collaborative training initiatives and provides priority consideration for training agreements that demonstrate the willingness of multiple companies to work together through training consortia. The following points must be addressed in a consortium application for BSSC funding:

- ◆ The common training needs of the participating companies;
- ◆ The effort is **industry-driven** as demonstrated by an administrative board or committee comprised of business and industry representatives with voting rights, and non-voting public-sector members if applicable;
- ◆ There is collaboration by the area providers of employment and training services;
- ◆ There is an overall savings in training costs because of the collaborative effort (must be able to document the overall cost savings);
- ◆ The project will facilitate the advancement of the host community's economic development efforts; and
- ◆ Proof of payment must show consortium paid the training provider from its own bank account; therefore BSSC will only reimburse the consortium.

An eligible consortium application shall include three or more BSSC eligible companies, an industry-driven board or committee, a mission statement, bylaws, and a federal identification number. Consortia must establish a bank account prior to requesting reimbursement on an approved application. **Signatories of the bank account must represent two separate consortium member companies.** Consortium projects shall include a listing of the member companies and a "lead company" whose representative is authorized by the consortium to provide his/her signature on behalf of the consortium.

Unless otherwise specified herein, BSSC requires that at least three consortium member companies be engaged and participate together in any single training category as indicated by specific course/subject title on the Training Plan page of the application (see application for example) within a consortium's regular Grant-in-Aid agreement. The applicant consortium may request an exception under specific circumstances as follows:

1. A newly formed consortium (one year from start date of initial application) may request on its initial application for regular Grant-in-Aid project that a minimum of two consortium member companies be allowed to participate in a single training category; and
2. An existing consortium may request that a minimum of three consortium member companies be allowed to participate individually in the same type of single training category as indicated by specific course/subject title on the Training Plan page of the application, as long as the individual trainee cost of the single training category is the same for each participating company.

A company or member of a consortium that has been found (adjudicated) to have committed a willful violation of a Kentucky Occupational Safety and Health Standard within three previous years is not eligible to apply for BSSC funds. If a company is approved for funding and is then found (adjudicated) to have committed a willful OSHA violation during the life of a BSSC grant, no remaining funds will be paid to the company from the date the willful violation is made known to the BSSC.

ELIGIBLE TRAINEES

Participants (i.e. trainees) in the BSSC program must be limited to residents of the Commonwealth who are seeking or have already obtained regular full-time employment.¹

Pursuant to KRS 141.010(17): "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than 183 days of the taxable year in this state.

Trainee Minimum Wage Rate and Benefits: A goal of the BSSC program is to stimulate economic development by establishing a minimum base wage rate of 150% of the federal minimum wage (\$10.88 per hour). In addition to the applicable base hourly wage, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage for trainees on regular grant applications to be considered by the board. The term "employee benefits" is defined as "non-mandated payments by an approved company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(k) or similar plans" Nonguaranteed payments such as bonuses, commissions and incentive pay are not considered employee benefits. However, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable minimum base hourly wage rate of \$10.88 per hour, the eligible company may qualify under this section if it provides the employees a total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wage through increased hourly wages combined with employee benefits (\$12.51 per hour). Cabinet for Economic Development proposal projects are exempt from the board established trainee minimum base wage rate if the proposal was made prior to July 1, 2008.

Firms with a minimum trainee base wage rate of less than \$10.88 per hour are eligible to make application for approval of a regular Grant-in-Aid if they are located in a county with a socioeconomic ranking that is more than twenty-five percent

¹ For purposes of these guidelines, "Full-time employee" means a Kentucky resident who is employed by the qualified company to work for a minimum of 35 hours per week for more than 250 work days during a calendar year and is subject to the tax imposed by KRS 141.020.

(25%) below Kentucky's average BSSC index. To receive reimbursement on the approved grant project, the firm must increase the trainees' minimum base wage rate plus benefits to at least the minimum requirement stated above as a result of their successful completion of the same BSSC funded training project. The approved company/consortium must submit to BSSC the name, address and employee ID number of trainees making less than \$10.88 per hour. Notification to BSSC must include all incumbent employees, and any new employees hired during the term of the grant project. The wages for these trainees will be verified at closeout. No reimbursement will be made prior to BSSC receiving information documenting the required wage increase until after the end of the approved training period.

ELIGIBLE TRAINING PROVIDER

A company may choose to use in-house trainers, educational institution regular or adjunct faculty, training consultants, or a combination thereof. A co-applicant must be either a public or non-public secondary or post-secondary educational institution, or an independent (private or proprietary) provider within the Commonwealth authorized by law to deliver a program of skills training or education. The application may be written and submitted by the company alone or submitted jointly with a co-applicant.

ELIGIBLE TRAINING ACTIVITIES

A. Training Types

- ◆ **Pre-Employment Skills Training (PE)** – This training is short term in nature, customized to meet the needs of the company/consortium, provides a general orientation and exposure to the specific jobs and skills planned by the company/consortium, and prepares trainees for regular full-time employment. Pre-Employment skills training shall result in the placement of at least 50 percent of each program's enrollees into permanent full-time employment.²
- ◆ **Entry Level Skills Training (EL)** – This type of training is short term in nature and closely follows the beginning of employment opportunities in the trade, occupation, or profession specified. "New employees" are defined as employees that are hired by a new or expanding company within 90 days prior to or during the one-year term of the grant agreement.
- ◆ **Skills Upgrade Training (SU)** – This training provides an existing employee with new skills necessary to enhance productivity, improve performance, and/or retain employment. Skills upgrade training aids a company and its employees in adapting to new or altered technologies; management/supervisory systems; continuous quality improvement initiatives or production methods; or the new skills needed by the company to remain competitive, productive, and economically viable.

B. Methods of Delivery

- ◆ **Classroom Training (CRT)** – CRT is training provided outside of the process of the production of goods or the delivery of a service. This activity can take place in a school or any other traditional classroom setting such as a conference room, a training room or laboratory, a meeting room, a lunch or break room, or on the production floor. **(For eligibility, training must be a minimum of 30 minutes and may be claimed in increments of 15 minutes above the 30 minute minimum.)** (BSSC will reimburse on instructor hours, not trainee hours. Maintain records accordingly).
- ◆ **On-the-Job Training (OJT)** – OJT is training provided in the process of the production of goods or the delivery of a service. **(For eligibility, training must be a minimum of 30 minutes and may be claimed in increments of 15 minutes above the 30 minute minimum.)** (BSSC will reimburse on instructor hours, not trainee hours. One instructor may train several trainees or one trainee during the same amount of time. No trainee can train by OJT without an instructor).
- ◆ **Innovative Training Techniques** – Modern technological advances have spawned a variety of innovative training techniques. The BSSC will provide reimbursement funds for training that meets the needs of the applicant company/consortium through: internet; teleconference; videoconference; video; CD-ROM; interactive software; or virtual simulation. ***No instructor hours are allowed during the process of using an Innovative Training Technique if an instructor is not actually providing training. (Example: If there is a 30 minute video presentation—no instructor hours are allowed for the 30 minute presentation time of the video).***

C. Training Categories

Customized business and industry-specific training activities encompass a variety of skill areas within different training categories. The following are just a few of the types of skill areas that might be included in an application for BSSC funding. This is not intended to be an all-inclusive list. Other skill areas may be eligible. Therefore, applicant companies/consortia should work with BSSC staff when designing their training programs. The skill area training categories are Efficiency, Quality, Lean, Technical Skills, Soft Skills, and Workplace Essential Skills.

² For purposes of pre-employment skills training, "Permanent full-time employment" means a Kentucky resident who will be employed by the qualified company for a minimum of 35 hours per week and anticipated to work more than 250 work days during the next calendar year and is subject to the tax imposed by KRS 141.020.

Safety Training -- **Safety training cannot be funded as a stand-alone training activity.** Safety training is allowed if it is a standard component of classroom or on-the-job training. Safety management and safety record keeping is considered safety training and is not allowed.

TRAINING CATEGORIES

Efficiency

5-S
Kiazan
Kanban/Just in Time (JIT)

Lean

Lean Manufacturing
Lean Service
Value Stream Mapping

Quality

Design of Experiment
International Organization for Standardization (ISO)
Quality Control (QC)
Quality System (QS)
Statistical Process Control (SPC)
Total Quality Management (TQM)
Six Sigma

Soft Skills

Adapting to Change
Communications³
Conducting Meetings
Change Management
Critical Thinking³
Customer Service
Drug and Alcohol Education
Effective Listening
Facilitation
Foreign Culture, Customs, Language and American Sign Language
Habits of Successful People
Instructor Training/Methods of Instruction (MOI)
Kepnor-Tregoe
Leadership/Supervisory Skills
Management Information Systems (MIS)
Motivation (Employee & Leadership)
Myers Briggs
Negotiation Skills
Personal Management/Health
Presentation Skills
Problem Solving³
Strategic Planning
Stress & Time Management³
Teamwork/Team Building³

Technical Skills

Accounting
Blueprint Reading
Company and Process Orientation
Computer Aided Design (CAD)
Computer Aided Manufacturing (CAM)
Computer Integrated Manufacturing (CIM)
Computerized Numerical Controls (CNC)
Computer Skills/Computer Software³
Coordinate Measuring Machines (CMM)
Electricity
Electronics
Ergonomics
Geometric Dimensioning & Tolerancing
Grading Lumber
Hydraulics
Instrumentation & Gauging
Machine and Process Operation
Maintenance
Material Handling/Inventory Control

Material Resource Planning (MRP)
Mechanical/Electrical
Metallurgy
Motor Controls
Pneumatics
Production Systems
Programmable Logic Controllers (PLC)
Robotics
Welding

Workplace Essential Skills

(Introductory or Basic Levels only)

Communications (Written and Verbal)
Computers
 Internet – Netscape, Explorer, Email Basics
 Intro to Windows
 Intro to Microsoft Office
 Word
 Excel
 Access
 Outlook
 Keyboarding
 WordPerfect
Conflict Resolution
Critical Thinking
English as a Second Language
GED Prep Courses
Math
 Basic
 Gauge Calibration
 Metric System
 Metrology
 Pre-Blueprint
 Pre-Statistical Process Controls
 Refresher
 Shop
Problem Solving
Reading
Teamwork/Team Building
Time Management

Note: Safety, Mandated or regulatory training is not allowed.

Safety Management or Safety Recording Keeping is not allowed.

Safety, mandatory or regulatory training includes but is not limited to: blood borne pathogens, control of hazardous materials, lockout/tagout, emergency action plan, emergency response, hazard communication, hearing conservation, safe electrical workplaces (all OSHA), and stand alone safety (including first aid, cardiopulmonary resuscitation (CPR), emergency medical technician (EMT), etc).

³ Intermediate or advanced level.

D. Training Activities

BSSC will provide reimbursement funds for fifty percent (50%) of total eligible costs for the following activities up to the maximum eligible training costs. See Eligible Training Costs.

- ◆ **Individual Assessment** – Assessment activities are targeted toward pre-employment, entry level, and skills upgrade. These activities measure the competency levels of current and prospective employees to ensure that the skills training activities are customized in the most appropriate manner to meet the needs of the applicant company or consortium. Assessment tool and provider must be named in the application.
- ◆ **Job Analysis** – Job analysis is targeted toward pre-employment, entry level, and skills upgrade activities. In today's rapidly changing world economy, companies that succeed will be those with jobs designed for maximum efficiency. Job analysis activities assist new, expanding, and existing companies in their efforts to analyze job descriptions and develop training plans. The maximum amount allowed is \$2000 per job classification.
- ◆ **Train-the-Trainer Travel** – The primary purpose of train-the-trainer travel is to build the training capacity of Kentucky's businesses and industries. This activity involves training provided at an in-state company site; at an out-of-state or offshore company location; or equipment manufacturer in which a person employed by the applicant company is being trained to become a training instructor for the company. In the preceding scenario the company employee being trained as a trainer must be a Kentucky resident. Eligible train-the-trainer travel activities also include company employees that travel from other company locations to the applicant company. Under this second scenario, the company employee who is already designated a trainer is not required to be a Kentucky resident.

The approved company is eligible to receive reimbursement for travel expenses including round-trip transportation and lodging while on travel status, with the requirement that all other costs are to be paid by the company and/or the individual.

Applications for train-the-trainer travel shall include the following:

- ◆ Date(s) of training;
- ◆ City and state or country where training is to take place;
- ◆ Name of training organization indicating whether it is either a parent or sister facility or equipment vendor location;
- ◆ Number of additional trainees to be trained;
- ◆ Summary of activities; and
- ◆ Cost breakdown for transportation and lodging.

Transportation: Round-trip air transportation for international or domestic flights from the nearest major airport to the nearest host city served by a major airport are eligible, supported by receipts for documentation. Local ground transportation including rental car or taxi service documented with receipts is also eligible. Van rental or automobile mileage may be credited in lieu of air travel. Automobile mileage, as established by AAA or Rand McNally, may be reimbursed at the company rate (or at the prevailing state rate in the absence of a company policy) not to exceed the amount of lowest available airfare. In no case will the BSSC pay for other related travel costs including food, passports, phone calls, laundry, entertainment, sightseeing, gratuities, etc.

Lodging: The approved company is eligible to receive reimbursement for lodging at actual rates not to exceed fifty percent (50%) of the Federal Per Diem rate (see www.GSA.Gov and select "Per Diem Rates" from the navigation bar for federal rates) for that location.

- ◆ **Tuition Courses** – The BSSC will provide reimbursement funds for tuition courses when the course meets the needs of the applicant company/consortium in the most cost efficient manner. Therefore, the applicant company/consortium must provide written justification within the application that the request for reimbursement funds for the tuition is the most cost efficient approach to meet the needs of the applicant company and that the training is job related. Textbooks for approved tuition courses are allowed. Registration fees for annual meetings, conferences, or seminars without proof of training are **not** eligible for tuition reimbursement. It is **not** the intent of the BSSC to provide funds for Continuing Education Units which are not job related. In addition, tuition courses which are for the sole purpose of obtaining a bachelor's or master's degree are **not** allowed.
- ◆ **Certification, Licensing, and Trainer Development** – To aid in building training capacity, the BSSC will provide reimbursement funds for certification, licensing, and trainer development costs for company employees.

- ◆ **Capacity Building Programs** – Capacity building programs, either in-part or exclusively, build and enhance the capabilities of Kentucky's public educational institutions to be more responsive to the needs of business and industry and to provide skills training for new, existing, or prospective workers. Capacity building programs assist in the purchase of non-expendable property including equipment, tools, computer hardware and/or software and instructional videos necessary to deliver training by a public educational institution. A 50 percent cash or hard in-kind match of new or used equipment is required from the participating company/consortium.

Non-expendable property purchased with BSSC funds, the required cash match, or a hard in-kind match shall be used primarily for customized business and industry-specific training with priority consideration given to the participating companies. The non-expendable property including equipment, tools, computer hardware and/or software, and instructional videos to be purchased must be fully described in the application. Serial Numbers and/or Identification Numbers must be submitted with the reimbursement request for each item purchased.

Capacity building applications shall include a narrative addressing the following points:

- ◆ The company/consortium's financial contribution to the project;
- ◆ How the proposed program replaces or expands on-going activities or creates new activities or capabilities for the educational institution. The program should build a new education or training capacity in the institution which will be sustained or expanded over time to have a long-term impact on the institution and on collaborating businesses;
- ◆ The commitment by the educational institution to continue the effort beyond BSSC funding;
- ◆ How the program will enhance the competitive posture of the Commonwealth in attracting or retaining high growth industries;
- ◆ A statement from the company/consortium certifying that the purchased and hard in-kind match item(s) will become property of the Commonwealth and be given to the BSSC or the public educational institution either prior to or immediately following the training program covered by the agreement. The BSSC will provide funding for transportation and installation of such equipment at the participating public educational institution site.

Hard In-Kind Match -The applicant company/consortium shall submit a signed and notarized affidavit affirming the current fair market value of the hard in-kind match (form may be downloaded from the forms section of web site).

Purchasing Requirements - All purchases must be made by the educational institution in accordance with applicable state procurement statutes, rules and regulations unless the company/consortium can make the purchase for an amount that is lower than the state price contract.

Items Produced with BSSC-Funded Equipment - Any items produced, used or services rendered with equipment purchased or acquired through a capacity building agreement may not be sold by the applicant company.

Proper Disposal of BSSC-Funded Equipment - The applicant company/consortium and the BSSC, in consultation with the educational institution, may determine that equipment purchased with BSSC funds, required cash match, or used as a hard in-kind match is outdated and no longer meets the needs of business and industry. Upon this determination, the equipment shall be placed on the state surplus equipment list and disposed of according to state surplus property guidelines. The proceeds from the sale of the aforementioned non-expendable property shall be used to purchase upgraded equipment to meet the skills training needs of business and industry pursuant to the intent of the original BSSC capacity building agreement unless an exception is approved by the BSSC Board of Directors.

BSSC FUNDING PROCESS

- ◆ **Completion of BSSC Application** – To qualify for a grant-in-aid in which an educational institution will provide training, an educational institution and a business or industry may submit a joint application to the BSSC detailing the desired training. To qualify for a grant in which a provider other than an educational institution will provide training, the business or industry may independently submit an application to the BSSC detailing the desired training. All applications will be dated and arrival time stamped upon receipt as long as required original signature pages are included.
- ◆ **Submission of Application** – Complete, signed applications are due in the BSSC by the schedule found under the Application Submission and Board Meeting Schedule of these guidelines.
- ◆ **Approval of Training Application** – After the BSSC Board of Directors approves the training application it is signed by the chairman and the executive director and becomes an agreement at that point. An approval letter

indicating the amount of BSSC funding is mailed to the company contact and educational institution contact if applicable. Information to assist in maintaining documentation and requesting reimbursement payments can be found on our web site.

- ◆ **Submission of Reimbursement Request** – All requests for reimbursement will be submitted to the BSSC in the form of a Reimbursement Worksheet and any other required documentation. To expedite the reimbursement process, a reminder of the training end date will be sent to the company.
- ◆ **Interim Reimbursement Process (If applicable)** – Interim reimbursement requests will be pro-rated based upon the company’s employment level at the time of the request, up to a maximum of seventy-five percent (75%) of the total grant amount. After the BSSC staff reviews the Reimbursement Worksheet and it is found to be complete and satisfactory, they will process the payment. A check will then be forwarded to the company or a payment will be deposited electronically in the company’s account.
- ◆ **Final Reimbursement** – When the training has been completed and the final reimbursement is being requested, the company will sign and forward the Reimbursement Worksheet to the BSSC. This document provides detailed information on employment threshold and eligible costs incurred in instruction, materials, and capacity building categories. The company will also complete and forward a Performance Evaluation Questionnaire. Given that the BSSC will only provide up to seventy-five percent (75%) of the total grant amount through interim reimbursement requests, the remaining twenty-five percent (25%) will not be disbursed until after the end date and verification of the company meeting the required employment threshold.

ELIGIBLE TRAINING COSTS

Specific skills training programs may be customized for a particular company/consortium to encompass one or more of the following activities. The BSSC gives preference to training projects that create, maintain, and promote higher wage jobs, given its statutory mandate to improve and promote the employment opportunities of the residents of the Commonwealth.

- ◆ **Cost Schedule for Educational Institution & Consultant Training --** The BSSC’s 50 percent reimbursement will be based on the eligible costs for the type of training requested when an educational institution or consultant is providing the training. The maximum BSSC reimbursement amount may include within the hourly rate: instruction, modification of existing curriculum, materials, texts, supplies, travel, equipment rental, and administrative costs, however it will not be reimbursed as a separate charge.

TRAINING CATEGORY	TOTAL ELIGIBLE	MAXIMUM BSSC AMOUNT
EFFICIENCY	\$130.00 Per Hour	\$65.00 Per Hour
QUALITY	\$130.00 Per Hour	\$65.00 Per hour
SOFT SKILLS	\$120.00 Per Hour	\$60.00 Per Hour
TECHNICAL SKILLS	\$130.00 Per Hour	\$65.00 Per Hour
WORKPLACE ESSENTIAL SKILLS	\$100.00 Per Hour	\$50.00 Per Hour

- ◆ **Lean** – Maximum BSSC allowable amount for Lean classroom training is \$125 per hour. All other Lean training is subject to a maximum rate of \$2,000 per trainee per application.
- ◆ **Company In-House Provided Instruction** - The BSSC will reimburse the company/consortium at a rate of \$25.00 per hour for instruction and curriculum development activities where company employees serve as in-house training instructors. The applicant company/consortium shall provide a match of \$25.00 per hour for in-house instructor training costs. This match may be in the form of in-kind contributions such as company-paid wages to the trainer and trainees. The BSSC will also reimburse for curriculum development services. (**Note:** \$25 per hour as used herein is equal to 50 percent of the total eligible rate of \$50 per hour). If on-the-job (OJT) hours requested are greater than 160 hours per person, written justification is required. **Instructional Materials, Texts, Supplies and Calculators for company in-house provided instruction** - The BSSC will reimburse for the actual reasonable costs of instructional materials, texts, supplies and small inexpensive calculators used for classroom instruction and on-the-job training. Small inexpensive calculators shall not exceed \$10.00 per unit in total eligible cost. Instructional materials and texts include training manuals and text books in hard copy or electronic formats, and in-house produced instructional materials (overheads, photocopies, etc). Supplies include paper, pencils, highlighters and easel pads. The BSSC will only provide

reimbursement for shop training materials (welding rods, scrap metal, etc) used for classroom instruction and not for on-the-job training activities.

The purchase of non-expendable property such as training equipment, tools, computer hardware, etc. is addressed in the section entitled Capacity Building Programs.

- ◆ **Curriculum Development** - The BSSC will provide reimbursement funds for curriculum development to support in-house training activities based on a rate of five (5) development hours for each one (1) hour of instruction time **included within a grant agreement**. A company may use an Educational Institution or a Consultant for curriculum development for company in house courses only at rates consistent with the BSSC approved cost schedule listed under Eligible Training Costs. The curriculum must be company specific and remain with the company. A copy of the curriculum must be submitted to the BSSC before reimbursement can be made. Modification to existing curriculum is not allowed as a separate charge.
- ◆ **Educational Institution Service Fee for Pass-Through Grants** - A service fee not to exceed \$400, has been established to assist in offsetting expenses incurred by the educational institution participating in a pass-through project (i.e. company provided and consultant provided instruction).

If the applicant company/consortium requires technical assistance from the educational institution in order to complete the application, a service fee of \$50 per hour up to \$400 is allowable and will be reimbursed to the company at 50 percent upon receipt of proof of payment. Such technical assistance must be documented by specifying the type of assistance rendered and the amount of time spent. Invoices must be submitted directly to the Applicant Company in order to receive the service fee. **The BSSC reserves the right to reduce the service fee if the application is not complete and accurate upon submission.** In the event that no approved activity occurs during the term of the agreement, the applicant company/consortium is not eligible for reimbursement of any service fee.

ORGANIZED LABOR

When a collective bargaining unit exists at the work site where the proposed training will be provided, the company shall provide written notification to the on-site collective bargaining agent of the company's intention to apply for BSSC funding. Notification shall include a summary of the proposed curriculum and shall occur prior to the time that the company files the proposal with the BSSC. A copy of the notification indicating the date the notice was provided, the sender, and the recipient shall be filed with the BSSC application.

One of the goals of the BSSC is to promote cooperative training activities between a company and its employees. Therefore, a proposed skills training application will not be approved during a legal work stoppage and an active training application will be postponed during a legal work stoppage.

Pre-employment inquiries, oral or written, as to a job applicant's prior or current union affiliation or sentiment concerning unions are prohibited under the National Labor Relations Act, 29 U.S.C., Section 1589(a)(1). Denying employment to a job applicant on the basis of union affiliation or sentiment constitutes illegal discrimination under the National Labor Relations Act, 29 U.S.C. 158(a)(3).

EQUAL OPPORTUNITY

Persons shall not be discriminated against in accordance with KRS 344.040. The BSSC is interested in training a diverse array of individuals under its programs. The BSSC has not set numerical goals for the types of individuals to be trained because it recognizes that the trainee profile of the individual training programs will vary depending upon the employee profile of the applicant company.

APPLICATION SCORING

In order to qualify for BSSC funding, a regular grant-in-aid application must earn a minimum score of **25 points**. Applications that do not meet this requirement will not be considered by the BSSC Board of Directors and will be returned to the applicant company and educational institution, if applicable.

No	Description	Criteria	Points
1.	Company/ Consortium Status*	<i>(Total number of Kentucky residents employed in regular, full-time positions).</i> Existing company of 100 or less Existing company of 101 - 500 Existing company of 501-1,000 Existing company of 1,001 or more	20 points 15 points 10 points 5 points

2.	Area Need	More Than 25% Below	20 points
	(Percentage Above or Below	0% to 25% Below	15 points
	Kentucky's Average BSSC Index)	Greater Than 0% to 25% Above	10 points
		Greater Than 25% Above (see Area of Need Chart)	5 points
3.	Trainees Average	\$14.00 or less	5 points
	Base Wage Rate	\$14.01 - \$16.00	10 points
	(Without Benefits)	\$16.01 - \$18.00	15 points
		\$18.01 - \$20.00	20 points
		\$20.01 or more	25 points
4.	Flexible System Production		Maximum 5 points
5.	Progressive Company Initiatives		Maximum 30 points

* The employment figures for all participating consortium member companies are averaged to determine the proper category for criteria #1.

The scores for criteria 4 and 5 are based on information contained in the application that informs board members and staff of the company's philosophies and role in Kentucky's economy. Listed below are the criteria and potential points associated with each. In order to receive the point(s) for a criterion, the applicant company/consortium must demonstrate in the application that it is already participating in the activity. The point(s) will not be given if the applicant is just beginning to train in the activity. When a criterion requires examples, points will only be given if examples are provided in the application. For example, under "Utilizes raw materials, products or services of Kentucky vendors," specifically name vendors.

Flexible System Production - (maximum of 5 points)

- ◆ Active labor/management committee/program
- ◆ Actively participates in local, regional, or state labor/management activities/programs
- ◆ Active safety and health committees/programs
- ◆ Team building
- ◆ Employee involvement program
- ◆ Industrial quality standards program (ISO, QS, Malcolm Baldrige, Six Sigma, SPC, TQM, etc.).

Progressive Company Initiatives - (maximum of 30 points)

- ◆ Consortium Project 30
- ◆ Company was not approved for any BSSC incentives during previous fiscal year 10
- ◆ Expanding Company adding more than 10% new full time jobs for KY residents or; 10
- ◆ Expanding Company adding more than 5 and up to 10% new full time jobs for KY residents or; 5
- ◆ Expanding Company adding 5% or less new full time jobs for KY residents 2
- ◆ Career growth: trainee receives pay increase as a result of training project. Must include percent or dollar amount of pay increase and identification of class title. (example required) 5
- ◆ Services the needs of other Kentucky companies (examples required) 2
- ◆ Participates in development of the future workforce through activities that prepare students for work including, but not limited to: co-op, work study, career days, job shadowing, school to work, etc. (example required) 3

ADDITIONAL PROGRAM REQUIREMENTS

A. Exceptions

Applicants may propose exceptions to standards when such exceptions are necessary to the success of the company's proposed skills training program. Applicants submitting proposals that include provisions contrary to BSSC Guidelines shall provide a specific request including a detailed explanation and justification on the Demographics B page within the application, and attach appropriate documentation concerning the need for the proposed exception(s).

B. Modifications

Up to two modification requests that do not increase the grant funds are allowed per agreement. All modification requests should be in the form of a letter to the executive director giving thorough justification for the request and shall include a copy of the approved application with all requested modifications clearly marked by hand. The BSSC may allow deviations from the original application with no written modification request required under specific conditions if the following conditions apply: (1) the curriculum areas to be changed were in the originally approved

grant; (2) the approved amount of the grant does not increase; and (3) the change is in accordance with the BSSC Guidelines;

A company/consortium may request one extension up to a maximum of six months for a regular grant-in-aid in the event more time is needed to complete training and/or meet their employment threshold. Requests must be made prior to the original grant expiration date.

All modification requests must be signed by both the applicant company/consortium and educational institution (if applicable) that submitted the original application. Modifications will not become effective until received, reviewed by the BSSC staff, and approved by the executive director.

C. Reimbursements

All payments to companies/consortia by the BSSC will be on a cost reimbursement basis supported by documentation capable of being successfully audited. Reimbursement for educational institution and consultant training will be based on copies of the invoice(s) from the provider to the company/consortium which clearly identify the work performed and the cost involved and proof of payment. Reimbursement for company in-house training will be based on a training summary document that identifies the training performed and paid receipt(s) for approved materials purchased or approved activities performed. The training summary document shall include: dates of classes, class titles, instructor name(s) and hours taught, number of trainees per class, total number of unduplicated trainees and should close with a statement certifying that all trainees are Kentucky residents, signed by a company representative. Supporting documentation from which the training summary document is prepared must be maintained on site by the company/consortium for a period of five years from the end date of the project and must be available to independent auditor(s) and/or the staff of BSSC upon request.

See our web site for complete reimbursement instructions and forms. Reimbursements may be requested up to four times for each approved project with the fourth being the final request. If final reimbursement is requested prior to the training end date, twenty-five percent (25%) will be withheld until the approved applicant's threshold is verified as of the training end date.

The company/consortium may maintain a master list on site of all trainees who participated in all BSSC-funded training with company identification numbers or the last four digits of the trainees' social security numbers, city and state instead of this information being collected on sign in sheets. A Performance Evaluation Questionnaire used to collect data for a customer satisfaction rating **must** be completed by the company/consortium and included with the final reimbursement request.

If the BSSC is forced to close out a project because of insufficient reimbursement documentation, the applicant company/consortium is financially responsible for any goods and/or services provided by the applicant educational institution. If an applicant company/consortium defaults on its payment to the educational institution, future funding through the BSSC will be jeopardized.

AREA OF NEED

Percentage Above or Below Kentucky's Average BSSC Index
(Index will be updated annually.)

Name	Points
Multi County	Averaged-based on counties
Statewide	5
Adair	20
Allen	15
Anderson	15
Ballard	10
Barren	15
Bath	20
Bell	20
Boone	5
Bourbon	15
Boyd	10
Boyle	15
Bracken	15
Breathitt	20
Breckinridge	15
Bullitt	15
Butler	20
Caldwell	15
Calloway	15
Campbell	10
Carlisle	15
Carroll	10
Carter	20
Casey	20
Christian	5
Clark	10
Clay	20
Clinton	15
Crittenden	15
Cumberland	20
Daviess	10
Edmonson	20
Elliott	20
Estill	20
Fayette	10
Fleming	15
Floyd	15
Franklin	10
Fulton	15
Gallatin	15
Garrard	15
Grant	15
Graves	15
Grayson	20
Green	20
Greenup	15
Hancock	10

Hardin	10
Harlan	15
Harrison	15
Hart	20
Henderson	15
Henry	15
Hickman	15
Hopkins	15
Jackson	20
Jefferson	10
Jessamine	10
Johnson	15
Kenton	10
Knott	15
Knox	20
LaRue	15
Laurel	15
Lawrence	20
Lee	20
Leslie	20
Letcher	15
Lewis	20
Lincoln	20
Livingston	15
Logan	15
Lyon	15
Madison	15
Magoffin	20
Marion	15
Marshall	10
Martin	20
Mason	15
McCracken	10
McCreary	20
McLean	15
Meade	15
Menifee	20
Mercer	15
Metcalfe	20
Monroe	20
Montgomery	15
Morgan	20
Muhlenberg	15
Nelson	15
Nicholas	15
Ohio	15
Oldham	5
Owen	15
Owsley	20
Pendleton	15
Perry	15

Pike	15
Powell	20
Pulaski	15
Robertson	15
Rockcastle	20
Rowan	15
Russell	15
Scott	5
Shelby	10
Simpson	15
Spencer	15
Taylor	15
Todd	15
Trigg	15
Trimble	10
Union	10
Warren	10
Washington	15
Wayne	20
Webster	15
Whitley	20
Wolfe	20
Woodford	5