

Workforce Training Grants—Training for New and Current Employees

Jane W., Senior Vice President at Great National Bank, believed that the bank’s Commercial Bankers were missing opportunities to refer owners and executives of client companies to the Private Bankers she supervised. Eugene K., who led the Commercial Banking operation agreed and felt that the recently expanded wealth management capabilities offered by Private Bankers would be a great “value-add” and differentiator for his Commercial Bankers. Sue W., Vice President of Training and Education at Great National, conducted a needs assessment and concluded that the key to getting Commercial Bankers to position the private banking and wealth management offer with clients and make a successful referral was additional training. Commercial Bankers didn’t understand the wide-ranging nature of the services offered by Private Bankers and lacked the client management skills to accomplish a “hand-off.” Jane and Eugene agreed and asked Sue to recommend a solution. She suggested a blended learning approach that combined e-learning modules on various aspects of wealth management with classroom workshops to enhance sales skills. Coursework was available for both through respected third-party vendors.

THE PROBLEM: Recent budget cuts meant only about half of the funds were available to pay for the training.

THE SOLUTION: A Workforce Training Grant through the State government. Within six months the funds were available and the training was underway. Within a year Commercial Bankers were introducing Private Bankers to executives and owners in client companies and the valuable wealth management services offered by these professionals were not only solidifying client relations, they were increasing assets under management.

Workforce Training Grants

Especially in times like these, finding the money to develop or purchase training solutions to enhance employee performance and implement business initiatives can be challenging. Line managers and performance improvement professionals alike should be aware of the opportunities offered by Workforce Training Grants.

Government funding for workforce training has been around for many years. Much of the funding is paid for through State unemployment or other taxes imposed on employers. Monies provided under these programs pay for a wide range of training solutions.

In addition, under the umbrella of the Workforce Investment Act (WIA) of 1998, Federal funds are provided to the various States to address the employment and training needs of adults, dislocated workers, and youth.

Each State implements its workforce training investment under both State and Federal guidelines. In general, State funds are made available through grants from designated State agencies. Although the particulars vary by State, it is common for the grants to pay for a portion of the training in partnership with the employer. Typically, the grants are available for both new-hire training and training to upgrade the skills and knowledge of incumbent employees.

Availability of Grants

While it is true that preference is often given to laid-off employees, disabled workers, and those receiving aid, it is a misconception that Workforce Training Grants are available only to these individuals.

Furthermore, although recent Federal legislation provides funds for workforce training in connection with “green” and energy-related jobs, this funding is supplemental to already existing programs at the State level.

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To get an idea of the availability of Workforce Training Grants, consider these examples:

In 2008, the Texas Skills Development Fund awarded 41 grants totaling \$22,722,673. Approximately 150 businesses were assisted with grants, and the grants created nearly 8,000 new jobs and improved the skills of almost 12,000 existing employees. Grants are available for businesses engaged in delivering the training solely to their employees or in partnership with other firms. The maximum award for a single company is \$500,000. For 2009, the state of Texas set aside \$25 million for the Skills Development Fund.

California’s Employment Training Panel was first established in 1983 and since then has awarded over \$1 billion in grants, training more than 700,000 workers in 60,000 companies. Grants cover up to 75% of the cost of training. The popularity of the grants is evidenced by the fact that funds allocated for the 2008-2009 fiscal year were already depleted by March of 2009.

For the 2009-2010 fiscal year there will be \$76 million available for the Employment Training Panel program.

The Massachusetts Workforce Training program sets aside \$18 million every year for Workforce Training Grants. The General Program is for companies looking to improve their incumbent workforce. The Hiring Incentive Training Grant assists training new employees. Grants received from the General Program can be anywhere from \$2,000 to \$250,000.

New York's Skills Training and Education Program (STEP) uses Workforce Investment Act money to fund its grants. These grants must be devoted to training existing employees and cannot exceed \$50,000.

Companies seeking grants are required to pay for a portion of the training, with smaller companies paying less than larger companies. For 2009, \$4.6 million was set aside for grants.

Recent Massachusetts Workforce Training Grants			
Firm	# of Employees	Grant Amount	Description
Bank	400	\$250,000	<ul style="list-style-type: none"> ✓ Cannon's Grow Your Business ✓ Best practices in sales ✓ Sales management and coaching
Bank	115	\$173,070	<ul style="list-style-type: none"> ✓ Management Training ✓ Process improvement ✓ Sales Skills
Bank	153	\$145,350	<ul style="list-style-type: none"> ✓ Customer service ✓ Effective communications
Credit Union	125	\$138,355	<ul style="list-style-type: none"> ✓ Leadership and management ✓ Project management ✓ Leading Effective Meetings ✓ Time Management
Savings Bank	179	\$137,500	<ul style="list-style-type: none"> ✓ Process improvement ✓ Productivity ✓ The Quality Advantage

STEP grants are for the entire State of New York while the NYC Business Solutions Training Fund is available only to businesses located in the city. This fund pays up to 50% of the training costs for businesses with more than 100 employees, and 60% for businesses with less than 100 employees. The amount of grants ranges from between \$10,000 to \$400,000. The amount of money set aside for these grants varies from year to year. For 2009, \$4.5 million was available.

These are just a few examples of available grants. Every state has some sort of workforce development program that awards grants, and programs vary from state to state.

Obtaining a Grant

There are several steps to obtaining a Workforce Training Grant:

- ✓ Conduct a needs analysis to determine what training is needed.
- ✓ Write a grant proposal or contact a professional grant writer to write a grant proposal.
- ✓ Submit the grant and find internal funding for the balance of the training (if any) not covered by the grant.

Bottom Line

The key is not to overlook these valuable grant opportunities. For more information about federal grants, go to www.grants.gov or for state grants, visit the website of your State's Department of Labor.

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