

**SUBJECT: Train Up a.k.a. Incumbent Worker Training**

**PURPOSE: To Establish Policy for Train Up with ARPA Funding**

**BACKGROUND:** Funds provided to the Southwestern Workforce Development Board (SWDB) per American Rescue Plan Act of 2021 (ARPA) to follow the State legislative intent, Subchapter 03M of the NCAC, and the code of Federal regulations, 2 CFR 200. These funds fall under the allowable activity of addressing negative economic impacts caused by the public health emergency to include small businesses. The funds will be available to eligible businesses in Haywood, Jackson, Macon, Swain, Cherokee, Clay, and Graham Counties. The purpose of which will be to upgrade the skills and knowledge of incumbent workers for the retention of their current jobs or to avert the need for employee layoffs.

**ACTION:** Train Up is a case-by-case reimbursable training grant through which qualifying businesses can address employee skills gaps, develop a skilled pipeline, and grow their business:

* These skills gaps can be a result of an employee changing responsibilities in their job, or for an employee whose job may potentially be eliminated, and skill upgrading is needed to accept new responsibilities.
* Training(s) should result in increased knowledge and skills for the employee and increase the stability and competitiveness of the employer.
* Training(s) that results in or provides a significant step towards achieving an industry-recognized certification/credential will receive award preference.

North Carolina for profit and not-for-profit businesses with 25 employees or less that are currently in operation in Haywood, Jackson, Swain, Macon, Clay, Cherokee and Graham Counties of North Carolina are eligible to apply.

The maximum amount that can be requested is $10,000 per grant, per SWDB fiscal year of July 1 to June 30, with a $30,000 lifetime funding limit, and as long as ARPA grant funds are available.

There is an open application period with businesses contacting the Business Services Representative (BSR) to complete a brief questionnaire designed to confirm eligibility, discuss training needs, and share contacts for additional training opportunities in the region. Once the brief questionnaire is complete businesses will be invited to complete a brief application for consideration. The BSR is positioned to assist businesses through this process.

**BENEFITS OF TRAIN UP**

**For the Business:**  Micro and small employers can utilize this competitive training solution when employees have identified skills gaps that need to be addressed through training, thus enhancing the employee’s continued employability. Businesses that acknowledge the need for employee training in order to increase their competitiveness, efficiency, and/or stabilization should apply for this grant.

**For the Employee:** This grant is beneficial to employees who have identified skills gaps, where eligible training addresses these gaps, improves employee retention, helps stabilize the business, and will increase the competitiveness of the employee and employer. These employees either:

* Need to upgrade skills and knowledge to strengthen or retain their current job; or
* Need to gain new skills and knowledge so they qualify for a different job with their employer.

**BUSINESS ELIGIBLITY CRITERIA**

**Eligible Businesses:**

* With less than 25 employees
* Are a for-profit business or not-for-profit organization that is currently in operation in North Carolina’s Southwestern Region.
  + A not-for-profit entity is a legally constituted organization whose primary objective is to support or to actively engage in activities of public or private interest without any commercial or monetary profit.
* Have a Taxpayer Identification Number (TIN), also known as an Employer Identification Number (EIN), a 9-digit number issued by the Social Security Administration or IRS.
* Are registered or will update registration in [www.NCWorks.gov](http://www.NCWorks.gov)
* Must be current on federal, state, and local tax obligations.
* have previously received Train Up or incumbent worker training funds through North Carolina State Government and successfully met reporting criteria, are eligible to apply for additional rounds of funding through this grant as long as funds are available and eligibility criteria are met.
* That are first time applicants meeting all criteria will receive priority.

**The following are *NOT* eligible to apply for funds under this program:**

* A business that is currently receiving training funds, either directly or indirectly, from North Carolina State Government including trainings that are offered at no cost through the Small Business Technology and Development Center or the NC Community College’s Small Business Centers *with the exception training funds requested in this grant application do not duplicate training efforts from the above*
* A business that has received funds either directly or indirectly from North Carolina State Government under any previous training initiative and the terms of the agreement for training were *not* met.
* Businesses with more than 25 employees
* A workforce development board or its administrative entity
* A government entity

**EMPLOYEE ELIGIBILITY CRITERIA**

**Eligible employees are:**

* At least16 years of age or older
* A citizen of the United States or a non-citizen whose status permits employment in the United States
* The employee to be trained works for the business physically located in Haywood, Jackson, Macon, Swain, Clay, Cherokee, and Graham Counties of North Carolina
* Preference is for the employee of the applicant business to have an employment relationship that meets the Fair Labor Standards Act requirements for an employer-employee relationship meaning employees who are economically dependent on the employer and receive a W-2 for tax filing purposes. However, grant funds are targeted to micro business and exceptions will be allowed.
  + Potential exceptions are permanent part-time, contracted, and temporary employees will be at the discretion of the director.

**FUNDING DETAILS**

The maximum amount that can be requested by a business is up to $10,000 per fiscal year from July 1 to June 30.

The business may apply for subsequent grants, but receipt of a prior grant does not automatically guarantee an award of future grants.

If a business is awarded the Train Up Grant by the SWDB but is unable to use any of the funds and forfeits any or all of the full grant amount, they will not be excluded from future requests.

**IDENTIFYING TRAINING MOST RELATED TO EMPLOYEE NEEDS**

Small and micro businesses understand their training needs the best and are therefore invited to submit any training that applies to the skills gaps of their employees, as long as it fits within the reimbursable requirements listed below. If needed the Business Services Representative can assist businesses with the identification of training topics, training instructors, training dates, training locations, etc.

**OUTCOMES EXPECTED**

When businesses experience a skills gap in their workforce, the company’s stability can be compromised. Train Up is a reimbursable training grant, funded through the American Rescue Plan Act of 2021 to address the negative economic impacts caused by the public health emergency to include small businesses. The focus is on training to assist small and micro businesses with employee retention as well as favorably impact the workforce through skills upgrades, knowledge, and increased wages. The success of Train Up will be measured via program outcomes requested within a final report. These are outcomes such as, but not limited to participant employment retention or participant training completion or participant wage gain.

**PROCESS FOR SUBMITTING AN APPLICATION**

1. Contact the Business Services Representative (BSR) to complete a brief questionnaire designed to confirm eligibility, discuss training needs, and share contacts for additional training opportunities in the region.
2. After completing the brief questionnaire, the business will be given the policy and guidelines document with the application template to submit for consideration.
3. The BSR will be available to review a draft of the application and provide feedback to the business on an as needed basis.
4. Following the submission of a final application, the BSR will notify and provide documentation to an internal workforce team. This team has the task of reviewing the application to determine a funding decision using a standardized application assessment form.
5. Once the final application is received, the internal workforce team will need 5 to 10 business days for the review and assessment process.
6. The SWDB Executive Committee is notified of the team’s assessment to provide final authorization.
7. The BSR will notify the business on the determination of their grant request ~2 weeks following the submission of the final application.
8. The business will need to register or update current registration in [www.NCWorks.gov](http://www.NCWorks.gov)

**REQUIREMENTS AFTER A GRANT IS AWARDED**

1. A contract must be established between SWDB and the awarded business **prior to the start of the training**.
2. The contract process will include instructions for providing updates and verifying employees to be trained. Businesses should be prepared to provide this information upon notification of award.
3. Employers and employees engaged in the training need to be registered in [www.NCWorks.gov](http://www.NCWorks.gov)
4. SWDB holds the funds for the training and after completion of the training to receive payment the business will

submit a final report, updated trainee list, and the reimbursement request with appropriate invoices or receipts from the training provider.

1. If there are any changes to the training outlined in the application, the business must contact the BSR to discuss alternatives. Changes in the training will not necessitate a new application, but the business will need to provide an amended training statement and submit to the BSR. The BSR may discuss with the team to review changes if the changes are different from the original intent of the application. The training will still need to be completed within the timeframe of the grant contract.

**REIMBURSABLE AND NON-REIMBURSABLE TRAINING COSTS**

**Allowable Training Costs:**

1. Occupational skills training designed to meet the special requirements of a business or a group of businesses.
2. Educational training defined as courses that address the identified skills gaps and could lead to a credential or to an industry-recognized certification. The training may include a continuing education course, a curriculum course, but cannot be part of a trainee’s pursuit of an educational degree.
3. Web-based online training.
4. Employee skills assessment that results in primary training funded through the grant.
5. Textbooks, manuals, or materials used 100% for the training activities.
6. Travel for trainers or employees if the requested training is not available within reasonable proximity to the business. Costs of travel must meet government guidelines as per [www.gsa.gov](http://www.gsa.gov)

**Non-Allowable Training Costs:**

1. Training costs incurred outside of the beginning and end date of the contract with the SWDB.
2. Training that a business is mandated to provide on a regular basis to its employees by federal, state, or local laws.
3. Courses that are part of an individual's pursuit of an educational degree or license.
4. Employment or training in sectarian activities.
5. Purchase of employee assessment systems or systems usage licenses (example: site licenses).
6. Company website design and development, website hosting and maintenance, software or hardware upgrades, advice on computer selection for software or hardware upgrades, and advice on computer selection for purchase or upgrade.
7. Third party compensation or fees not directly related to the provision of the requested training.
8. Capital improvements, purchase of real estate, to include the construction or renovation of facilities or buildings, and capital equipment or other durable (long lasting and/or reusable) training materials.
9. Business relocation or other related expenses.
10. Travel outside of contiguous United States or costs associated with bringing a trainer into the country.
11. General office supplies and non-personnel services costs (example: postage and photocopying)
12. Membership fees or dues.
13. Food, beverage, entertainment, and/or celebration related expenses.
14. Publicity or public relations costs.